The Future of Work

Angel Sharma

Abstract
Grounded on the premise that demographic changes and precarious work will be even greater in the future and drawing insights from academic literature, this paper aims to develop knowledge about the future of the workplace. This paper seeks to draw the attention of human resource management practitioners and academic researchers into investigating the changing nature of work. Albeit it only concentrates on two specific themes, the paper presents some significant insights into how the future of workplace is going to be different to that of today.

Introduction
Globalisation of markets has brought about sweeping changes in the external environment of organisations which have altered the world of work (Cavusgil & Cavusgil, 2012; Lee, Olson, & Trimi, 2012). Organisations have to be prudent about managing its workforce as the work environment is undergoing a massive metamorphosis (Ghosh, 2016). Several factors have congregated together to impact the practice of human resource management in organizations fuelled by the change; including global economic competition, deregulation, technological innovation, new quality and process management initiatives, outsourcing, organisational restructuring, demographic changes and entrepreneurial changes (Dyer Jr, 1994; Schabracq & Cooper, 2000; Schaufeli, 2004). Burke and Ng (2006) argue that demographic changes, technology, and globalization are the three main drivers of the change in the work environment and the workforce. Gratton (2010) argues that technological developments, globalisation, demographic changes, societal trends and low carbon developments are the five external forces which will be fundamental to the way work will be done in the future. Although there might be different factors that drive the changing nature of work, the workforce of the future is undoubtedly going to differ from the workforce in the present. Therefore, it is important for employers to prepare themselves to handle their future workforce which will be radically different from today’s workforce (Tulgan, 2016). Evidence from literature shows that the nature of work is changing already and this has led to change in careers (Hassard, Morris, & McCann, 2012; Stewart & Knowles, 1999); blurred work-life boundaries (Pedersen & Lewis, 2012; Sullivan & Mainiero, 2007); and new health and safety risks especially with the rise in temporary workers (Underhill & Quinlan, 2011). Moreover, technological advancements have now made it possible for workers to work remotely which eliminates the need for a conventional office space (Coenen & Kok, 2014; Kossek, Hammer, Kelly, & Moen, 2014; Vilhelmson & Thulin, 2016). Experts project that within a few years more than 1.3 billion people across the world will work virtually and this trend seems to be on the rise (Johns & Gratton, 2013).
An understanding of the changing nature of work is essential to HR practitioners and researchers as traditional management models derived from stable work environments will no longer be relevant to managing the future workforce (Cappelli & J. Keller, 2013). Many factors have already been identified earlier as the drivers of the changing nature of work. This paper concentrates on changing nature of work in relation to precarious work and demographic changes. The first part of this paper will review the concept of precarious work, followed by the demographic changes. Finally, the paper will look at the implications for future HR managers and provide a succinct summary at the end.

**Precarious Work**

Precarious work is defined as any employment that is uncertain, unpredictable and risky from the view of the worker and usually involves non-standard contractual forms such as temporary agency work, fixed-term, zero-hour and undeclared work (Kalleberg, 2009; Prosser, 2015). Although precarious work is not a relatively new concept, precarious labour conditions have been found to be growing rapidly across various sectors of the world economy (Lee, Hampton, & Jeyacheyya, 2015), which makes it an important issue. An example of growing precarious labour condition is the rise of sweatshops in Asia especially within the manufacturing sector, induced by global outsourcing at the hands of large corporations (Arnold, 2013; Kalleberg, 2013a; Kalleberg & Hewison, 2013).

Osterman (2014) argues that the rise of precarious work in this century is due to government deregulation that shifted power from employees to large corporations, the decline in the number of unions and management’s attempts to achieve flexibility. However, the roots of precarious employment can be traced back to an era before World War II. Quinlan (2012) argues that the term ‘precarious’ was initially used to describe intermittent and insecure employment of particular occupations. It was later extended to define the insecure employment that resulted from economic recessions or the particular feature of places where there was oversupply of labour. The modern form of precarious employment is a result of erosion of regulated employment relationships and the decline of standard employment (Wilson & Ebert, 2013). The expansion of precarious work can be attributed to a number of factors that are usually associated with social, economic and political changes with globalization as the spearheading driver (Lier, 2010). New forms of non-standard employment contract and relations including agency employment, part-time, casual, flexible, contingent work have become increasingly popular in various countries (Cappelli & J. Keller, 2013; Kalleberg, 2000; Vosko, 2006; Wood, 2016). This popularity in precarious work is a result of employment practices designed to cut costs, limit permanent workforce, maximize flexibility and shift the risks from employers to the workers (Pulignano, Ortíz Gervasi, & de Franceschi, 2015).

The rise of precarious work has also been attributed to migrant workers, whereby informal precarious work represents a majority of urban employment in China (Swider, 2015). Most of the migrants in China work in the construction industry and are all hired as temporary workers and the majority of them are unregistered migrants. The case in the UK is quite similar as ethnic minorities usually comprised of immigrants are more likely
to engage in precarious forms of employment because they often face discrimination in their search for employment (Khattab, 2012). Immigration controls that the government has in place to prioritize national labour force in employment and protect migrants from exploitation do not function properly and instead forces the migrants into precarious work (Anderson, 2010). Young (2006) argues that migrants represent the large chunk of precarious workers as they are exploited in relation to race, nationality and wages. This is partly not only because of government regulations as aforementioned but also because of discrimination they face at the hands of their employers who are constantly looking for cost-saving strategies (Horwitz, Kelly, & DiNardo, 2013). Undocumented migrants are even more vulnerable to precarious work as they are forced by economic necessity to accept whatever jobs are available and can hardly retaliate against abusive working conditions (N. Martin, 2011). Recessed labour markets might just be one side of the coin that leads to precarious employment; the other side being exploitation of migrant workers for deliberate cost saving purposes of the back of government induced regulative control preventing migrants to seek normal work (Wilson & Ebert, 2013).

Another facet associated with increasing precariousness of employment is globalization. Harvey (2011) argues that globalization has been associated with increased social and economic instability. Rapid economic growth has not contributed to the decline in the vulnerable environment but has rather pushed policy makers and developmental organizations to ignore precarious work as they have been on the lookout for achieving flexibility (Kalleberg & Hewison, 2013). Globalization of markets has forced firms to become increasingly competitive and organisations are constantly looking to cut costs of production usually by outsourcing their work to countries with cheap labour or by relocating to cheaper countries themselves. The labour regulations and movements within developing nations are somewhat undermined by the growing power and reach of global organizations, which in turn exacerbates inequality and precarious employment circumstances (Arnold & Bongiovi, 2012). The term ‘precariat’, a combination of precarious and the proletariat, is often used to denote the victims of globalization; the victims are often likely to be the young, women, less educated people, the old and migrants (Kalleberg, 2013b). Governments of developed economies of the world need low-skilled migrant workers whom they recruit through various channels such as temporary labour schemes in Germany, mobility in the EU (Britain and Ireland) or through irregular migration (USA, Southern Europe, and several Asian countries) (Castles, Cubas, Kim, & Ozkul, 2012). Women are also likely to be victims as there are structural, cultural and organizational barriers which prevent women from achieving senior or executive positions (Flynn, Earlie, & Cross, 2015; Tandrayen-Ragoobur & Pydayya, 2015) . The terms ‘glass ceiling’ or the ‘glass cliff’ are often used by scholars to represent the discrimination that exists in the workplace against women (Forster, 1999; Ryan & Haslam, 2007). In the case of migrants, they are usually subject to discrimination or harassment on the basis of skin colour, sex or legal status and feel unable to seek legal redress which puts them in precarious positions (McDowell, Batnitzky, & Dyer, 2009). The notion of any work is better than no work makes these groups of society vulnerable to accepting precarious forms of employment whilst the large corporations are exploiting them. Zhou (2012) argues that sustainable growth of a
growing economy such as the Chinese economy cannot be achieved without continuous exploitation of a captive workforce entrapped in low skills, insecurity, and dead end jobs. As nations such as China try and maintain their competitive advantage in terms of cheap labour, it only leads to a decline in standard forms of employment. Global corporations will always try and relocate themselves to countries where they can exploit conditions to gain competitive advantage. This only encourages the governments to try and make policies favourable to the organizations, taking power away from employees and letting large corporations enjoy the benefits arising from precarious employments.

The research around precarious work and its relationship with well-being is rather ambiguous. Some researchers argue that there is a strong relationship between temporary and increased psychological morbidity (Virtanen et al., 2005). Others argue that temporary work actually benefits individuals as they can control their work time and also sample work before stepping into permanent employment (Ferrie, 2001). Although temporary work might not provide workers with skill development opportunities, it does offer them the opportunity to gain the experience as a prerequisite sought by many firms (Booth, Francesconi, & Frank, 2002). Governments motivated by financial returns may announce cuts on benefits and social spending, thereby forcing people into employment, the result of which may be increased precarious work in the future (Jones, Meegan, Kennett, & Croft, 2015). An example of this is the 2005 Welfare to Work arrangements of Australia, which forced people with disabilities who could work part-time resulting in the rise of precarious employment (Jones et al., 2015). Under the name of neoliberalism, even countries such as Britain have introduced ‘zero-hour contract’, under which workers are guaranteed no work at all and are seen as being almost infinitely flexible in terms of their employers’ abilities to hire and fire them (Lambert & Herod, 2016). Kesavan, Staats, and Gilland (2014) argue that flexible labour resources can lead to an increase in sales and profitability for organizations. Flexible contractual forms may share many characteristics which make jobs precarious (Benach et al., 2014). Moreover, as more people enter the workforce in the future with no experience, they might initially seek temporary work which will increase the number of precarious workers (de Graaf-Zijl, Van den Berg, & Heyma, 2011).

Demographic Changes
Organizations operating in different parts of the world have noticed demographic changes in recent years. Some of the reasons behind such changes are the entry of women along with diverse ethnic and racial groups (Bell & Nkomo, 2003; French & Strachan, 2015; Hill, Upadhyay, & Beekun, 2015), generational changes (Becton, Walker, & Jones-Farmer, 2014; Lyons & Kuron, 2014), immigration (Hewins-Maroney & Williams, 2013; P. Martin, 2013) and global outsourcing of labour (Davis-Blake & Broschak, 2009). In the light of these changes, human resource managers have to rethink their policies to match the requirements of the changing workforce.

Increasingly Diverse Workforce
One of the ways for an organization to gain a competitive advantage in this globalized world is through the recruitment of diverse workforce who bring
with them unique knowledge, skills and abilities (Zanoni & Janssens, 2007). The literature on strategic human management recognises people as strategically important to a firm’s success (Barney, 2001; Wright, Dunford, & Snell, 2001). There is also academic evidence to suggest that diverse groups compete more intensively and contribute better to the firm’s performance (Andrevski, Richard, Shaw, & Ferrier, 2014). Participation of women in employment, immigration, laws surrounding protection of ethnic minorities are some of the factors that have led to increasing diverse workforce (Guillaume et al., 2014; Ragins, Gonzalez, Ehrhardt, & Singh, 2012). The census projections in many countries in Europe, United States and Canada show that by the middle of the 21st century the workplace will be more ethnically diverse than present (Outten, Schmitt, Miller, & Garcia, 2012). The concept of diversity and equality is increasing in numerous countries and policy makers are already concentrating on increasing the number of ethnic minorities, women and migrants in the workplace (Dover, Major, & Kaiser, 2013; McClelland & Holland, 2015; Richard, Roh, & Pieper, 2013). Acemoglu and Robinson (2012) argue that there will be migrants moving from one country to another in the future in even greater numbers as the world becomes even more connected. Technology has in fact connected the world and now people from diverse nationalities can be part of the same team, working on the same project (Townsend, DeMarie, & Hendrickson, 1998). Technology has also allowed an organization to serve to diverse clients and Snider, Hill, and Martin (2003) argue that only diverse workforce will have the ability to deal with diverse clients and their requirements. Organisations are already moving beyond national boundaries and this trend is forecasted to increase in the future (Eberlein, Abbott, Black, Meidinger, & Wood, 2014). As the trends show that both people and organisations will be spread across geographical boundaries, diverse workforce is going to be ubiquitous heading into the future. The future is all about a globally inclusive workplace and diversity management will be the focus for organisations (Barak, 2013).

Ageing Workforce and Generational Changes
Rapidly ageing population in countries such as Australia, China and Japan are also creating labour shortages and the trend is on the rise (Churchill, Denny, & Jackson, 2014; Du & Yang, 2014; Kulik, Ryan, Harper, & George, 2014). Organizations going into the future will have to rethink their strategies as the trend indicates that the market is going to experience labour shortages. Ageing workforce combined with low birth rates and declining number of youths in higher education will lead to a shortage of skills and workers in many countries in the future. Meanwhile, organizations will also lose their workforce due to retirement. Burke and Ng (2006) argue that certain provinces in Canada have ended mandatory retirement to prevent older workers with knowledge and experience to be forced out of employment based on their age. However, such policies can create new challenges in the workplace especially as older workers are often seen to have undesirable characteristics such as inflexible attitude, resistance to change, poor health and low trainability (Chiu, Chan, Snape, & Redman, 2001). Ageing workforce is not the only problem in Canada, but projections in Europe show that the share of the population aged 65 years and over will rise from 17 percent in 2010 to 30 percent in 2050 with those aged 80 and over being the fastest growing age group, increasing from 5 percent to 12 percent (Walker &
Maltby, 2012). The maximum life expectancy is envisaged to continue increasing in the future; this will have a parallel increase in ageing population (Bijak, Kupiszewska, Kupiszewski, Saczuk, & Kicinger, 2007).

The workplace of the future will not only be comprised of a diverse workforce but will also encompass differing generations than in the present. The global workforce today comprises of at least three generations i.e. Baby Boomers, Generation X and Millennials (Eisner, 2005). The workforce of the future is going to compromise of different generations who will have differing perspectives to work. Joshi, Dencker, Franz, and Martocchio (2010) argue that every generation has different expectations from work and shared generational identity between workers lead to similar work-related expectations. This means that workers from differing generations will have differing expectations from the workplace even if they work in the same organisation. Workers from two different generations will have different psychological contracts which, when violated, leads to dissatisfaction, lack of commitment and intention to quit (Lyons & Kuron, 2014). The future workplace will be surrounded with people from diverse backgrounds and different generations. Researchers maintain that changes in HRM will be triggered by increased generational diversity in the future (Stone & Deadrick, 2015).

Implications for HR Managers

It was found that precarious work can be used as a stepping stone for people without experience. Women, migrants and the disabled were also found to be in a vulnerable position especially as different forms of discrimination existed which prevented them from securing better jobs. The literature also found some positives of precarious work such as the work sampling opportunity it provides to people without experience. Although there might be temporary benefits of precarious work; there is evidence to suggest that continuous precarious employment elicits prolonged stressful experience as employees face constant uncertainty surrounding their future employment prospects leading to decreased well-being (Ek, Sirviö, Koiranen, & Taanila, 2014). As governments in the future are motivated by financial returns with parallel flexibility sought by organizations, the rise of precarious work seems to be very likely in the future with likely consequences on the well-being of the employees. As precarious employment is going to increase in the future, HR managers should pay equal attention to managing the well-being of temporary employees.

The future of the workforce is going to be surrounded by a diverse workforce that will include people from different generations and different age groups. Although diverse workforce may have strategic advantages for organizations seeking competitive advantage, potential conflicts can arise in the workplace due to perceived differences (Podsiadlowski, Gröschke, Kogler, Springer, & van der Zee, 2013). With growing literature surrounding the advantages that diverse workforce brings to a business and with population trends that forecast that the workforce will be more diverse in the future; HR managers and practitioners need to be aware of the requirements of a diverse workforce in the place to reap the benefits arising from diversity. The “one size fits all” approach to managing people from diverse backgrounds will not work (Singh, Winkel, & Selvarajan, 2013) and therefore, future human resource managers should look to accommodate the requirements of a
diverse workforce. The central theme is that the future of the workplace will be flooded with a diverse workforce with differing requirements which will impact the future of work.

It will also be increasingly difficult for organizations to handle ageing workforce especially as they change their business processes to gain competitive advantage. For example, ageing population will have considerable problems in using technology (Wattal, Racherla, & Mandviwalla, 2010) which organizations may want to use in order to enhance their daily operations. The future of work is going to be surrounded by virtual workers and robots which may redefine the workplace in which the previous generation of workers will have been brought up (Dolan, Makarevich, & Kawamura, 2015). The knowledge transfer process from an older generation to a new generation could be even more difficult in the future as they will have very conflicting perceptions (Buonocore, Russo, & Ferrara, 2015; Yi, Ribbens, Fu, & Cheng, 2015). Instead of perturbing about the formation of effective policies to handle the workforce of the future, organizations will have to create a system whereby the knowledge transfer process from the older generation to the new generation takes place effectively (Burke & Ng, 2006). Organizations that can successfully facilitate the knowledge transfer will be less exposed to the threats arising from ageing population compared to those that do not. HR managers will also have to think about handling the knowledge transfer process given the clashes that can arise in the workplace due to varying expectations from different generations.

Conclusion
The changing nature of work requires human resource managers, practitioners, and researchers to shift their focus. Precarious work and demographic changes are the two relevant concepts which will affect the future of work. As organisations continue to seek flexibility to maintain their competitive advantage and governments pass laws to allow flexibility through changes in employment laws, it will significantly increase precarious employment. The literature identified migrants, women, old people and the uneducated as vulnerable groups also termed as ‘precariat’. Current trend forecasts show that the number of migrants will increase in the future. The future workforce is also going to be far more inclusive than that of today comprising of people from different races, nationalities, and genders. Technology will allow people from different countries to work as part of the same team. This paper also found that workforce diversity is on the rise throughout the world. The workforce of the future is going to include people of different races, genders, nationalities and generations. Although this paper has reviewed a substantial amount of literature, clearly much more research covering other factors needs to be carried out.

References


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