

HUMAN RESOURCE ASSOCIATES

HR Consultants to Management

PERSONNEL NOTEBOOK

For Your Most Important Resource

WORKFORCE 2020

(Part 1)

It was January 27, 1987, and President Ronald Reagan was delivering his State of the Union Address to the nation. He was focusing on the concerns of a workforce that had not been prepared for the industrial changes of the previous 20 years. But, he felt strongly that it must be prepared to meet the as-yet-unknown changes to come over the next 20. He proposed a new commitment to retraining American workers for this new world of work. "We must enable our workers to adapt to the rapidly changing nature of the workplace," he said. He felt the competitive success of the nation started in the classroom but would be accomplished in the 21st century workplace. His comments were a challenge to the nation to face the future and to prepare for it.

President Reagan and then-assistant secretary of labor Roger D. Semerad engaged and challenged the nation's business leaders, union leaders, industrial psychologists, and think tanks of the day to address the issue of how to prepare the workers of 1987 for the world of work in the year 2000.

By June of 1987, the first major milestone in meeting that challenge was brought to the president by William B. Johnston and Arnold E. Packer, principals in the research organization the Hudson Institute of Indianapolis, Ind. Their

astonishing document *Workforce 2000* was immediately published and distributed by the U.S. Department of Labor. *Workforce 2000* addressed the new kinds of work the nation would be doing, but far more shocking, and what many called unbelievable, was the description of what that workforce would look like.

In 1987, the commonly accepted knowledge about the workforce was that it was basically the same as it had been for the previous 50 years. The average worker was white, male, age 18 to 35, worked in a blue-collar manufacturing or industrial service job for an eight-hour day in a 40 hour week, was perfectly content with a steady job and a 3-percent increase every year or so, and was striving to remain loyal while working toward his 65th year and a modest pension to add to his savings. He would have, on average, three or four 'starter' jobs before he settled into his lifetime job for an employer who would keep him for the rest of his working life.

Workforce 2000 forecasted the emergence of women, minorities, and immigrants as the majority of all new employees. It showed how U.S. workers would leave the big north eastern populations and migrate to the southern and western states. Union participation would wane as industrial jobs lessened and government

agencies took over the need for unions by placing the safety, working conditions, and even fair wage issues under government regulation. The workforce would also become much older.

The prediction called for years and possibly decades of labor shortages because the birth rate of American families was declining rapidly. The only way to satisfy those shortages was if much older workers stayed in the workforce or large numbers of immigrants moved into it. All of these predictions came true.

Since the publication of *Workforce 2000*, the forecasting of the future workplace has become a staple among writers and those tracking all the socioeconomic studies. But, most of the forecasting is looking at a short-range landscape, usually over the next year or through the next election.

Two authors decided to take on a renewal of President Reagan's challenge and look at how to prepare workers for 2020. Jeanne C. Meister, author, consultant, international speaker, and founding partner of Future Workplace, a consulting firm, and her co-author Karie Willyerd, vice-president and chief learning officer for Sun Microsystems, and co-founder of Future Workplace, published their very well received book, *The 2020 Workplace*. In it, they, like authors Johnston and Packer a quarter century ago, identify the critical factors that are already reshaping the architecture of the workplace and foretell what that picture will look like in 2020.

Ten Forces Shaping the Future Workplace

Meister and Willyerd identified the following 10 factors that are already shaping the workforce of 2020:

- 1. Age Sex, and Race**
- 2. The Knowledge Economy**
- 3. Globalization**
- 4. The Digital Workplace**
- 5. Mobile Technology**
- 6. Connectivity as Culture**
- 7. The Participation Society**
- 8. Social Learning**

9. The Socially Responsible Corporation 10. It's a Millennial World

1. Age, Sex, and Race

Age: As the American worker delays retirement and works longer, the number of workers ages 55 and over continues to grow. In the 1980s, this group represented about 9 percent of the workforce. In 2000, it was 13 percent; by the year 2020, it will be 20 percent.

At the same time, the American birth rate is in decline. As in all countries, the higher the level of education and income, the fewer children are born and the later in life they are born. The real workforce growth is almost all a result of immigration and immigrant birth. In many countries, the birth rate is lower than the death rate. By 2020, the workforce in Germany, Italy, and Spain will have shrunk 20 percent. And, Germany's retired population will have increased 50 percent. Half of all U.S. adults between 50 and 64 say they will never retire.

Sex: Women will not, as some predicted, abandon their jobs and begin returning to the home in great numbers. Sometime in the spring of 2012, they will become the majority worker group in the United States. By 2020, women will represent 53 percent of the American workforce.

Race: In the mid-1980s, Caucasians represented 82 percent of the U.S. workforce; by 2020, that figure will drop to 63 percent. Non-Caucasians will double from 18 percent to 37 percent, while Latinos will almost triple from 6 percent to 17 percent. Minority workers will account for most of the growth in the workforce.

2. The Knowledge Economy

The skill and knowledge levels required to obtain and keep a job in 2020 will be different from now. Intuitive abilities will be in much higher demand than transactional or more functional abilities. The need will be for people with a complex set of intuitive or tacit attributes,

such as problem solving, judgment, listening, data analysis, relationship building, collaborating and communicating with co-workers. Team builders, consensus builders and collaborators are at the center of much of the 2020 in-demand skill set.

Less complex jobs are being automated or outsourced to lower cost or more productive countries, such as India and Russia. In the news publication business, for example, keyboarding, record keeping, research, and distributing can be performed by workers in any country, but the journalists in demand will be those who have the right personal contacts and communication skills.

3. Globalization

Globalization favors speed to market. The faster a product gets to market and the faster it can be accepted the greater likelihood it can garner the global market. The first commercial radio broadcast was in 1920. It took 38 years for radio to reach 50 million homes. It took television 13 years, the Internet four years, the iPod only three years, but Facebook did it in only two years. Facebook not only was commercially revolutionary, but it also was the vehicle that allowed some countries to be politically revolutionary as well.

Globalization is not just sending American jobs or selling American goods around the world. Much more so, it means that any company can set up shop anywhere around the globe. It can be different functions or divisions of the same company in six different capitals. And, their headquarters can be wherever the tax rate, workforce, or political atmosphere is best for the company.

In 2005, of the Fortune 500 companies, 219 were headquartered in the United States. By 2010, another 38 companies left, bringing the number down to 181. Brazil, Russia, India, and China (collectively known as BRIC) gained 46 of the Fortune 500 company headquarters.

4. The Digital Workplace

Every day, 250,000 new users join social media! The total number of users just doubled in one year. YouTube is now four times the size of the Library of Congress, the largest physical library in the world.

Individuals contribute 70 percent of all digital input; all the rest is by corporate, educational, government, military, etc. There are two messages here:

People will drive the digital revolution: Individuals have a tremendous hunger for more digital interface. A new company called codecademy teaches students (online, of course) how to write computer code, the fundamental language that enables one to write digital programs. In less than two months, it had more than one million subscribers. Almost all of those subscribers were Gen Xers (born 1965 to 1976) and Millennials (born 1977 to 1997), and they're managing their lives on digital accessories. Together, those digitally embedded Gen Xers and Millennials will make up 47 percent of the 2020 workforce.

But, employers will have the major responsibilities that come with all this: Managing the maze of privacy, security, copyright, and complicated legal issues will present real challenges to employers. Particularly where the structure is managed or operated by others, such as in the case of "cloud computing." The digital growth will affect every employee and every part of corporate life.

With workers bringing in their own devices and intermixing personal and corporate data, employers will have to walk a very fine line between the needs of the company and the blending activities of the employees, while making it easy for employees to create and access content and keeping it all legal.

5. Mobile Technology

People are acquiring two cell phones, one for personal use and one for business. Doctors are monitoring the health conditions of patients through their cell phones while they are at work. Sixty-four percent of all cell phone users are in underdeveloped countries. The largest of the 2020 players, China, has more cell phone users than any other country. There are now more mobile phones in the world than computers and televisions combined!

Corporations, schools, as well as federal, state, and local governments are all conducting, or preparing to conduct, training on mobile devices, cell phones, iPads, etc. In a survey of 125 heads of human resources by the Human Capital Institute, 70 percent said they would be launching training, orientation, and compliance programs by the end of 2011.

6. Connectivity as Culture

“Weisure Time,” is the new phrase coined to describe how the hyper-connected spend their time. It refers to the blurred line between work and fun time. Family, friends, and co-workers are all constantly in touch, using an arsenal of the latest technologies from mobile phones to laptops. As we become increasingly connected, our lives become less rigidly divided.

At Zappos, the online shoe retailer known for its excellent customer service, managers dedicate 20 percent of their time to after-hours, non-work-related activities with their teams. ‘You’re building trust and you’re building teams,’ says Aaron Magness, head of business development, “and trust leads to faster decisions.”

But again, employers find themselves facing legal issues as government charges for pay for off-duty time arise. The 70-year-old labor laws do not match the way those in the connected culture manage their lives. While the Federal Labor Standards Act (FLSA) requires premium pay (overtime) for hourly paid employees who participate in “Weisure Time,” excluding them

from these career enhancing activities is also cause for charges of discrimination or even retaliation.

Hyper-connected teams are forging alliances that make the *team* an employable entity. The team can be hired by companies as a pre-connected, pre-coordinated working unit.

7. The Participation Society

2020 will see a new concept of what we call “participation.” We already have employees participating with each other, and we have always strived for participation between employee and employer. So, who else is there to participate with? Your customer, the consumer! Go to the person you’re trying to influence and ask them what influences them.

This is not a new concept of course. It’s something we have been doing for some time. In 1979, Tim and Nina Zagat founded the Zagat survey which compiles consumer ratings of restaurants, airlines, hotels, zoos, shopping centers, and movies. Their success in New York led them to expand to scores of cities around the world. Now, we are seeing the hi-tech extension of that concept.

Procter and Gamble (P&G) created an online forum, BeingGirl, geared toward preteen girls wanting to learn and share their growing up experiences using feminine hygiene products. P&G gains the insights to build new products and fine-tune those in use. Their research shows that this method is four times more effective for developing market share than TV ads.

Best Buy is doing this with its employees through a program called Blue Shirt Nation. Started in 2006, this program was initially used to gather information from employees on what type of marketing was working in the stores. Blue Shirt Nation has since been developed into an online, in-house corporate social network for employees to help one another solve the problems they face in their day-to-day store operations. It’s also used to discuss ideas, best practices, and what does and doesn’t work on

the sales floor. The program now has 24,000 registered employee users and is moderated by the Blue Shirt themselves.

8. Social Learning

If the 1990s could be called the “e” decade because of the expansion of e-books, e-libraries, and e-learning, then we can envision the period from 2010 to 2020 as the “s” decade as in social networking, social media, and social learning. Corporate learning is no longer lodged in the top-down mode. Learning has become participatory, social, fun, engaging, and, most important, integrated with work.

Learning 1.0 relied heavily on classroom learning. Learning 2.0 added computer-based e-learning, and, now, learning 3.0, or social learning, incorporates social media, gaming, real-time feedback, and simulations. Social learning provides new knowledge from a social interaction, a text message, a post on a Facebook wall, a comment on a blog post, an entry on a wiki, a lecture accessed on a mobile phone, or insight gained from viewing and commenting on a YouTube video.

John Brown, consultant and author, tells the story of a university client who asked him to estimate how many students the university taught each year. The client replied that the actual number was closer to 250,000. “Each year,” he said, “the incoming students bring their social networks with them. These networks reach back into the student’s communities and schools.” That network brings thousands of non-students into the discussions, bull sessions, debates, and study groups. “Those networks are being used to brainstorm ideas, propose questions, conduct research, and extend the debate in the classroom.” The difference is the focus is on learning instead of teaching.

9. Corporate Social Responsibility (CSR)

Corporate philanthropy is also going social and global, and it can be driven by business interests. Companies like IBM, Ernst & Young,

and Pfizer are creating CSR programs that work like this: The corporation selects a small number of high potential managers and sends them to work in a local business for one to six months in a region of the world where the company is planning future growth. Beyond being focused on philanthropic goals, these programs give the sponsoring organizations an opportunity to develop relationships, understand cultures, and build future global leaders.

This not only makes good business sense, but also is being recognized for the drawing power it creates for new talent. Fully 94 percent of all new college graduates say they want to work across geographic borders, and 88 percent say they will seek employers with social responsibility. In PricewaterhouseCooper’s (PwC) survey of newly hired college grads, 86 percent said they would consider leaving an employer whose social responsibility values no longer reflect their own.

10. Millennials in the Workplace

Those born between 1977 and 1997 go by many names, such as Millennials, Net Generation, Gen Y, Digital Natives, and even the Google Generation. By any name, they all share a common trait; that is, they have grown up using technology as a part of their everyday lives, and they will expect employers to provide them with the same tools they use in their personal lives to collaborate, brainstorm, and network.

Don Tapscott, in his book *Grown Up Digital: How the Net Generation Is Changing Your World*, said, “If you understand the Net Generation, you will understand the future. You will also understand how our institutions and society need to change today.”

He attributes the following characteristics to Net Genners/Millennials:

- Want freedom in everything they do, from freedom of choice to freedom of expression.
- Love to customize and personalize their experiences.

- Are the “new” scrutinizers.
- Look for corporate integrity and “opens” when deciding what to buy and where to work.
- Want entertainment in their work, educational, and social lives.
- Are focused on collaboration and relationship building.
- Have a need for speed, and not just in video games.
- Are innovators and are constantly looking for innovative ways to collaborate, entertain themselves, learn, and work.

In Part II of “Workforce 2020,” we’ll take a look at the 20 predictions by Meister and Willyerd for the 2020 workforce.

Bill Cook

Human Resource Associates
Have An Employment Question?
email: wcook62@comcast.net