



Cordant
People

Workplace Trends **2016**



Part 1:

Trends that will induce further change in the workplace in 2016 include:

The coming shortage of workers

The demand for more work flexibility

Pressure for more sustainable organisation and workstyles

The challenge of keeping workers connected

Generation Z will enter the workforce

The upside of workforce stress - will be seen as a good thing



The Coming Shortage of Skilled Workers

There will certainly be a shortage of skilled workers in the near future, mainly as a result of the fact that there will be fewer young people to replace those of the baby boomer generation who will be retiring over the coming years.

'Leaders of organisations will encourage others to succeed and will also force companies to take a more active role in society not just business matters and company profits.'

Companies will start to groom managers to adapt to a more 'leadership role' as baby boomers will be set to retire, but in order for companies to manage and cope with the loss of such experienced leaders, they will be hiring some of their leaders back as consultants and advisors to coach the potential of the new generation of leadership.

'Decrease of the labour force participation rate'

The ageing of the baby boom generation and its movement from prime-age to the older labour force will decrease the overall labour force participation rate. The age composition of the population and the labour force is changing due to the increasing share of older age groups. Once the baby boomers exit the last years of the prime age group and enter the 55-and older age group, with participation rates roughly half that of the prime age group, the overall labour force participation rate will decline significantly.

'The Demand For More Work Flexibility'

Organisations in the coming years will have to compete for the best workers and will have to be more sensitive to the preferences of existing and potential employees - work flexibility includes "the ability to choose how, when and where to work."

Companies will need to offer less traditional methods of working and adapt to a more flexible approach in order to attract and retain their best talent.

Flexibility in the workplace will become more important - employees will either switch employers or remain at their current employer based on what flexibility is offered, with the speed and pace of technology, particularly new technology tools, workers are in a stronger position to expect flexibility. Nevertheless, technology can have its drawbacks as more and more managers expect their employees to be reachable outside of the office on their personal time.

Companies will spend more time improving the office environment and/or offer employees the opportunity to work from home in order to save millions of pounds, and at the same time offer employees more options. Research indicates that employees now want more flexible furniture, which includes a distraction free environment this results in employees becoming more relaxed at work and consequently more productive.



Pressure For More Sustainable Organisation/Workstyles

Companies can adopt new ways of working by involving employees in interviews, focus groups and surveys. However, employees must appreciate the values of a company, its culture and business goals. Also HR Departments of companies need to monitor how current ways of working are helping or hindering business targets, think of new policies, work practices and to involve "all staff" into developing new ways of working.

First, participants need to understand the organisation's values, culture and business goals. Second, the participants need to: assess how existing ways of working are helping or hindering their achievement; think through new policies, work practices, and technologies; and prepare a strategy for rolling out new ways of working.

'Many companies are formalising "Alternative Workplace" programs which combine non-traditional work practices, settings and locations.'

Companies are realising that they can reduce costs by limiting travel and also reducing square footage dedicated to the individual worker. They are replacing expensive face-to-face meetings with remote technologies, and combining centralised workplaces with alternative workplace programs.



The Challenge of Keeping Workers Connected

People identify themselves by their work and with their work groups, and still want to engage with others to meet and to catch up on each other's lives and families.

The question is how and where will they do this as more employees work remotely and rarely meet others face-to-face.

The key to success is to understand that people know best how, when and where to work. The best way to help them perform to their highest levels is to give them choices.

The difficulty of changing culture

The most complicated part of workplace change is not the physical environment of the pace and speed of technology - but people's culturally conditioned attitude about how they should be managed, how and when they should work and their attachment to a unified workplace. In particular if baby boomers do not embrace new ways of working they will find it increasingly difficult to retain their jobs.



Generation Z Enter The Workforce 2016

Employers will be hiring their next generation of the workforce. Generation Z (born between 1994 and 2010) are the children of generation x and will enter the workforce in May 2016, they will be more technologically savvy than their parents and will also be the first truly global generation.

Generation Z will want a workplace forged in the image of their identities, not a workplace that tries to define them, indeed they will strive for an organisation that can let go and give them a greater say and opinion in how things are done.

The Upside of Workforce Stress - will be seen as a good thing

Increasingly, researchers are probing the upside of stress, as a certain amount of pressure can be viewed as a good thing, because this pushes an individual and can consequently improve performance.

When a person experiences stress, their brain gets a surge of adrenaline which can lead to quick thinking and creative solutions. Stress can be a valuable tool but it must be recognised and channelled correctly. In a world where so much is changing at a rapid pace and things feel beyond the control of an employee - there is one thing they can control - the way they respond to stress!

Part 2:

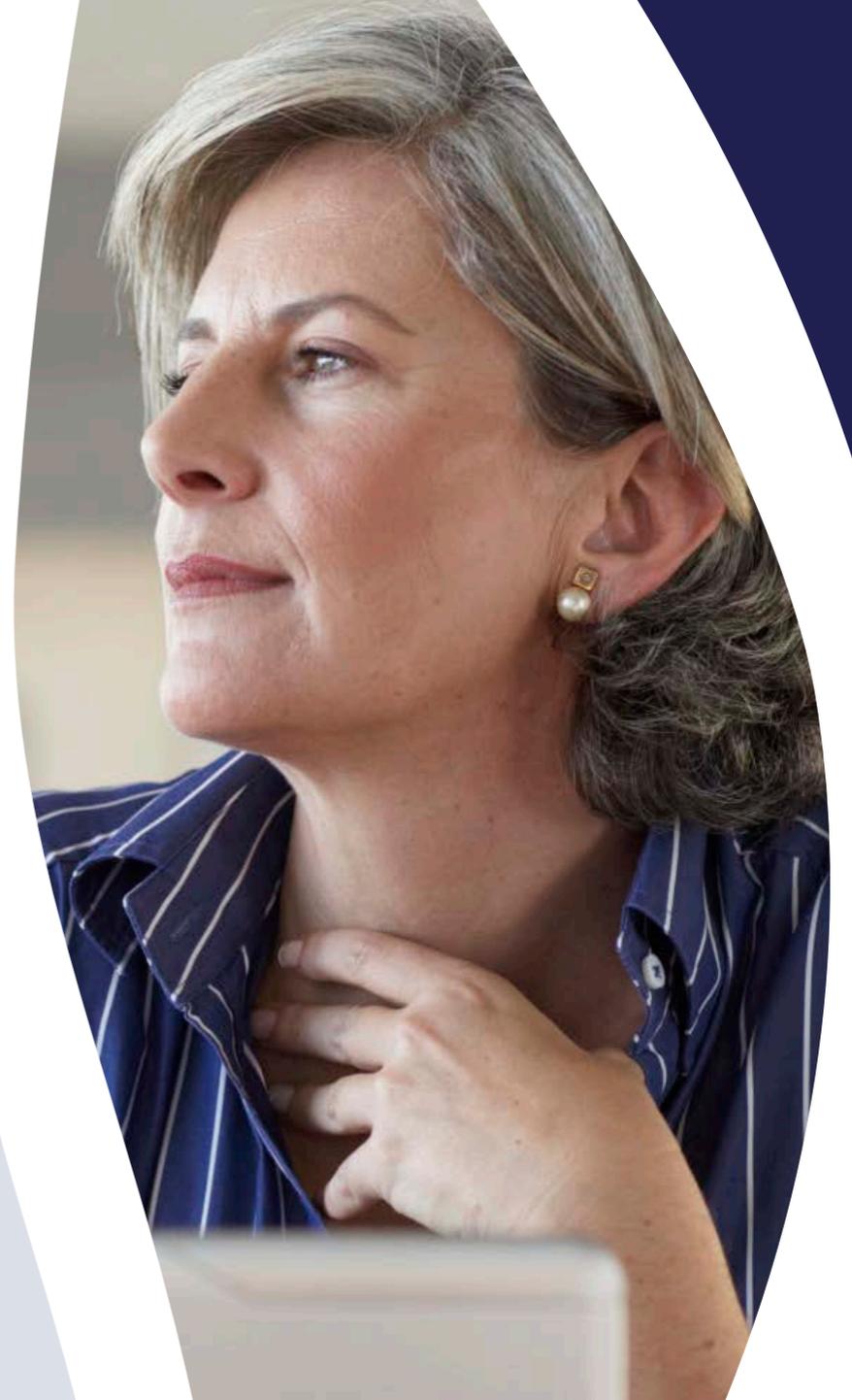
Value of the Older Worker - Considerations

Retirement of Baby Boomers

Engagement of Employees

Speed of Innovation - Impact of Technology -
Automation - Jobs at Risk

Conclusion



Value of the Older Worker – Considerations

Employers must be aware of the issues faced by older employees and how to accommodate them.

Organisations will have to pay more attention to the needs of older workers such as better lighting for reading, good seating for sedentary work - older people may also have difficulty hearing a particular voice in an open working environment, which can often be noisy. There are many advantages to the employment of the older worker, for instance, they are more loyal to the company they work for and also more committed to their work and have more positive values.

'Companies are struggling with the large numbers of older workers who are retiring, and the brain-drain is a matter of concern to many.'

To help employers understand the state of their own workforce, they should consider:

- Assess how retiring workers will affect their organisation
- Address skill shortage challenges due to staff attrition
- Create a work environment that attracts qualified workers of all ages
- Manage a multi-generational workforce
- Build an employer brand that attracts and retains top talent



Retirement of Baby Boomers

The impact of the retirement of baby boomers for companies will be massive as when baby boomers retire they will take with them decades of accumulated organisational knowledge, and this brain-drain could result in the loss of key information about customers or practices that could result in devastating effects for many organisations.

Dealing with generation gaps are a hot topic for companies - but this year (2016) more firms will be offering baby boomers opportunities to stay in work longer in order that they can transfer their knowledge and skills to younger colleagues.

Companies are increasingly using workplace flexibility as an incentive to employ the best talent, which includes the older worker - technology has improved the workplace making it possible for all ages of employees to carry out their work from other locations.

A lack of preparation for an ageing workforce, when combined with the negative perceptions held by younger employees about their older co-workers - could greatly influence a company's workplace dynamics.

Flexible work arrangements appeal to older adults who no longer wish to work traditional full-time hours, perhaps because of additional personal obligations such as ageing parents, looking after grandchildren, worsening health or declining physical energy.



Engagement of Employees

Employee participation is essential to employee performance. Workers who do not feel respected or valued have lower levels of engagement.

Research indicates that there are three critical employee engagement elements:

- employee participation in decision-making that affects their work
- opportunities for employees, of all ages, to develop new skills and competencies
- access to flexible work options are especially important to older workers.

In a rapidly changing economic environment, businesses must continually assess the nature of the work to be done, and how this translates to needed workforce skill sets and the technical infrastructure to remain competitive. To effectively utilise its human capital, an organisation also needs to understand the nature of its workplace, as well as the composition of its workforce.

Changing business practices to respond to environmental economic changes is imperative, yet companies must also look inside to identify areas where attention to workforce needs can maximise productivity to respond to external competition demands. An example is the inevitable changes in the workforce that will occur with ageing.

Speed of Innovation -Impact of Technology - Automation - Jobs at Risk

More companies will experiment with automation and when it works there will be rapid adoption, in fact, recent research indicates that 35% of jobs in the UK could be at a high risk of being overtaken by robots. (1 in 3 jobs could be lost by 2034 as a result of automation.)

Automation involves a very broad range of technologies including robotics and expert systems, telemetry and communications, electro-optics, cybersecurity, process measurement and control, sensors, wireless applications, systems integration, test measurement and many more.

At the cost of employees more companies will endeavour to automate jobs, as organisations will want to create more business with less expense - in fact it is predicted that machines could be doing half the jobs of what current employees are actually doing within the next two decades, but as old jobs will be lost new jobs will be created.



Conclusion

Most employment growth will be in construction and business services, and around 25% will be in the professional services (high level occupations in engineering, healthcare, business and teaching.) Approximately 45% of the workforce will have high-level qualifications. Economic development is expected to have a positive impact on job growth and employment in the UK.

Between now and 2025 the demand for replacement in the UK is expected to provide more than 8 times more job opportunities than the demand for expansion. Most job opportunities in the UK will require medium level qualifications and future labour supply trends will depend on demographics and the size of the working age population.

If you would like a free consultation to analyse your current and future workforce needs please contact your local Cordant People branch or email marketing@cordantgroup.com with your location and we will arrange for one of our Branch Managers to contact you.



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