
THE
GOOD WORK COMMISSION

Provocation Paper 1

Work futures

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'The farther back you can look, the further forward you can see', Winston Churchill once said. It explains why some years ago I decided to write a history of work, starting with evidence of the first tool dated around 3m years ago.

That evidence told us two important things: first, that, since work emerged before homo sapiens became identifiable as a species, its role in shaping human evolution has been significant. Second, while work may be defined by the objective of the task, it is also defined by the tools that we use, extending our ambition and stimulating creativity.

Sometimes those tools, or technologies, create fundamental changes in the way we live. It happened more than 10,000 years ago when inventions enabling the production, storage and refinement of wheat created an agrarian revolution and a radical shift from the hunter gathering lifestyle that had supported our ancestors for thousands of years.

It happened again during the 18th and 19th century when mechanisation founded on water and steam power hastened an industrialised society that fundamentally changed the rhythm of working life.

In *Anna Karenina*, Leo Tolstoy reminds us of those rhythms that enabled labouring harvesters to shift a prodigious amount of work when it was needed. Industrial society, in contrast, became focused on ever more efficient production in a system governed by flows of capital and cycles of demand.

While Henry Ford did not create industrial society, his moving assembly line confirmed its triumph as the second great watershed in human evolution.

Today our society may be witnessing a third watershed just as profound in its significance for the way we live and work. If so, we might look back at its first faltering steps towards the end of the 20th century.

Peter Drucker began to explore the concept of knowledge workers in his 1959 book, *Landmarks of Tomorrow*, although did not use the term until 1969, drawing the reference from Princeton professor Fritz Machlup's description of 'knowledge industries'.

These knowledge workers – 'people who get paid for putting to work what one learns in school rather than for their physical strength or manual skill,' to quote Drucker, would become the gatekeeper's to a digital future.

It was 1973 when the sociologist Daniel Bell suggested in his book, *The Coming of Post-Industrial Society*, that we were entering an information age. At that time the personal computer had yet to be invented. But scientists and mathematicians were becoming aware of the computer's potential. 'We'll have to think up bigger problems if we want to keep them busy,' said computer pioneer Howard Aiken.

The spread of computing, however, would not be defined by the problem but by a love of technology. People like technology for its own sake, delighting in the vision of change it represents. They bought cars before there were adequate roads on which to drive them and they flew aeroplanes before they built airports.

The personal computer and its operating system, therefore, that preceded the infrastructure and systems that would define computing in the 21st century, was critical not so much for its information storage power, or even its processing power, but for its ubiquity in accessing and communicating information cheaply, worldwide and across most levels of economic society.

Cheapness and availability of innovation is a significant characteristic of those great watersheds in the delivery and organisation of work. Another characteristic is the tiered way that these societal changes occur. The agrarian revolution did not wipe out nomadic lifestyles, just as industry did not supplant agriculture. In the same way the information revolution will not replace industry although its influence is undeniable – in the purchase and delivery of books, for example.

We shall still need to make tangible products in future but the future of work that we have yet to understand is the way that we exploit, reward and organise the production and dissemination of intangibles, and the chief among those is knowledge, devoured by hungry consumers demanding ever more manageable chunks.

More critically still we shall need to understand the way this new tier is influencing attitudes to work and pay. Drucker did not divorce work from pay, but for many people working within digital networks that bridge what is left of the division between home and office life, there is no real distinction between working for a living and living for work. This is not a dystopian interpretation of work but one which envisions work and a fulfilling life as one and the same.

The suggestion that 'work can be done any place' is a sound-bite of the information revolution. The idea is supported by late 20th century developments such as the internet, hot-desking, tele-working, mobile phones, memory sticks and palm-computing, and multiplied by newer concepts in information

access, such as cloud computing. The speed of these developments is bewildering. A hundred years from now will anyone remember the fax machine?

Millions of people are working with these developments today, either as part of their paid work or in their domestic lives. This new work, no longer confined to the traditional organisational frameworks of most companies and public administrations, is outside the control of the boardroom, eating away at managements' best made strategies.

No sooner has a company established its emailing system than employees are overloaded by its very popularity. Independent of managements, people are developing etiquettes for communications technologies. Texting is finding a place in the boardroom. Instant messaging is aiding collaboration, and new developments in social networking such as Twitter.com are offering potential in project work, customer communications and team organisation.

One of the biggest shifts in many of these new internet developments is the collective consciousness governing their use and distribution that is rooted not in the profit motive but in ubiquity. This is the toughest nut for established business, comfortable, as it has been hitherto, with Milton Friedman's assurance that 'the business of business is business.'

This is not to say that people are eschewing the profit motive when working within the internet, but profit very often has been a by-product rather than the primary goal of developments such as Facebook (a distraction from thinking about a girlfriend) and Google (started as a dissertation theme). In the communications revolution work is rediscovering the intrinsic value of a job well done. Moreover, through broadband connections the work is accessible, bounded only by the limitations of an individual's capacity and willingness to learn.

This has not always been the reality of the organised workplace. However much companies represent themselves as learning organisations, their systems of working – their hierarchies, reporting systems, shift patterns, management expectations, rewards and strategies, are sanctioned from the top.

While progressive managers, such as William McKnight, the founder of 3M, stressed the need for delegation and freedom among employees to experiment and make mistakes, large employers have struggled to reproduce the fluidity of work that characterises collaborative internet enterprise. Facebook is an open system, a publishing platform that enables the delivery of so-called 'applications' where success is measured in their popularity.

Business is wrestling with these developments. Bill Gates, the founder of Microsoft, said that in business 'you have to be able to hear the grass grow.' But business has been deaf and sometimes hostile to some internet developments. In 2007 when Indian brothers, Rajat and Jayant Agarwalla, created a word game called Scrabulous on Facebook – a blatant reproduction of Scrabble – the makers and distributors of Scrabble enforced their copyright in spite of a big increase in sales on the back of a resurgence in the game's popularity.

Today a slightly altered version of the game has reappeared called Lexulous. The speed of mutation in web-based enterprise has so far bedeviled attempts to restrict copying of artistic productions. But while royalties have been lost, performers have benefited from this wider distribution of their work. The rules of the game have changed.

While the subversive nature of such change is unsettling for business, it is unlikely to threaten the transactional nature of work. The concept of a fair day's pay for a fair day's work is resilient and enduring.

The same could be said of the job – so far. In his 1995 book, *Jobshift*, Bill Bridges described the job as a 200-year-old social artifact that was losing its relevance. Others such as Dan Pink, in *Free Agent Nation*, forecast the rise of the freelance. Charles Handy, meanwhile, observed freelance arrangements entering management, coining the term 'portfolio worker.' The interim management sector was born to supply a demand that had been created by the business process re-engineering of the 1990s. This was like fighting the battle of Waterloo, as Wellington noted, 'in the same old style.' Only contract lengths had changed.

Within the internet, however, some work has moved beyond the transactional framework understood by business. Whatever we may think about Wikipedia as a research tool, its collection of some 2.7m pages of information in English has been compiled entirely through voluntary effort. How can business compete with this freely given collaborative power?

People have always given of their time freely in work that engages their need for recognition, respect and learning. Mark Twain recognised as much in the boys who paid for the opportunity to paint Aunt Polly's fence, such was their desire to be involved. Business must learn to build this engagement in those who work on their behalf.

At the same time it must appreciate the seismic demographic shifts that will change the complexion of the workforce in the next 20 years. The first rumblings of these changes, in addition to the immediate skill shortages of the mid-2000s, led managements to head the warnings of McKinsey's timely 1997 report outlining the implications of a *War for Talent*.

In a backlash to the tenets of re-engineering, companies dropped their rhetoric about an 'end of the job for life,' and began to concentrate once more on recruitment, retention and employee development, particularly within management and among what were identified as the core skills of the business.

As we enter 2009, with unemployment rising rapidly in the UK and as demand for graduate openings across the FTSE 100 far exceeds supply, it is tempting to dismiss such responses as short-term cyclical approaches that seemed right for their time. As the economic cycle changes, however, the double-whammy demographic impact of retiring baby boomers, coinciding with that of lower fertility rates, will begin to bite in to recruitment efforts.

These new recruitment challenges, furthermore, will be supplemented by the need to find the right kind of people and some of that talent will be lost to big employers. We must expect some members of what management writer, Don Tapscott, calls the 'net generation' to follow their own business instincts seeding green shoots in a classic replication of Schumpeter's creative destruction. As a result, established companies will be forced to develop other sources of talent.

Tomorrow's workforce, therefore, is going to look quite different from that of today. Employers must expect and learn how to deal with more grey hair. Pensions policies, reward systems, retirement concepts and job design will need to be adjusted to utilise the experience of valuable older workers. The default retirement age must go. Company health monitoring and interventions will have to keep pace with these changes.

Management controls will need to be refocused in order to accommodate more homework and the need for genuine two-way flexibility. The emphasis will shift towards measuring results and the quality of work rather than the time taken to accomplish tasks.

While companies may be able to rely to some extent on migrant workers, competition for migrant talent will grow across Europe, forcing employers to exploit another significant under-utilised source of talent – the female workforce. Harnessing this talent effectively will require a leap in understanding of women's diverse needs and attributes shaping their relationship with work. This cannot be achieved through a tweaking of the corporate diversity policy.

Contractual arrangements could change also but employers should not ignore people's deep-rooted needs for a measure of security. Free agency may expand somewhat as an option but it should not yet be interpreted as a movement, unless and until it is given a green light through Governmental encouragement.

Amidst this change we cannot ignore the persistence of low paid work, much of it in the temporary agency industry, designed to create flexibility but which has, too often, reduced working life to its bare bones. Employment policy, taxation and legislation can all be used as levers of reform but business must play its part too, offering real opportunities for career development and advancement. In the same way companies must show willing – for their own good – to enter the debate on education, health and social affairs. Work is as intrinsic to life as it is to business.

While the future of employment will be shaped to some extent by trends outlined in this paper, part of that future will depend on the social engineering established by employment practice. The next generation of children will be influenced to some degree by their parents' relationship with the workplace. It's vital to recognise, therefore, that work performs a social function just as critical as its economic value. In future the work of people must recapture the kind of rhythms that so beguiled Tolstoy all those years ago. The rest we may leave to machines.

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