

THE : FUTURE : LABORATORY

: : UBS
: : WORKFORCE FUTURES



Commissioned by:



CEO : Trevor Hardy
Co-founder : Chris Sanderson
LS:N Global editor-in-chief : Martin Raymond
Senior partner : Tom Savigar
Chief strategy and innovation officer : Tracey Follows
Business development director : Cliff Bunting

Foresight editor : Steve Tooze
Strategy director : Amy Whittaker
Futures analyst : Ellie Osborne
Creative director : Kirsty Minns
Art director : Joanna Tulej
Production planner : Alex Crouch
Production editor : Ian Gill
Creative artworker : Neil Rees
Visual researcher : Amy Sellers
Senior project manager : Tim Howard

The Future Laboratory :
26 Elder Street, London E1 6BT, UK
Phone: +44 20 7791 2020
Email: office@thefuturelaboratory.com
thefuturelaboratory.com

The Future Laboratory is one of Europe's foremost brand strategy, consumer insight and trends research consultancies. Through its online network LS:N Global, it speaks to 300 clients in 14 lifestyle sectors on a daily, weekly and monthly basis.

Contact : For further information on all our services please contact laurajane@lsnglobal.com or call +44 20 7186 0776. You can also join the conversation in our LinkedIn group, The Future Laboratory, and follow us on Twitter @TheFutureLab.

LSNglobal.com

Contents

Foreword : 5

Executive Summary : 6

Section 1: Bricolage Workforces : 7

: Flexapreneurs

: Culture-hackers

: Pro-pragmatists

: Talent Magnet – Bricolage-enablers

Section 2: Optimising Workforces : 14

: Worker+

: Wellness-seekers

: Talent Magnet: Optimising Culture

Section 3: New Value Workforces : 20

: Workavists

: Social Capitalists

: Talent Magnet: New Value Impacts

Conclusion : 26

Experts : 28

‘Almost half (47%) of occupations in advanced economies are at high risk of being automated in the next 20 years.’

Mark Haefele, Global Chief Investment Officer (CIO) at UBS Wealth Management

Foreword

A business is its people. They generate the ideas, service the customers and build its future.

Nowhere is this truer than in the business I run – a global wealth manager that helps people to protect and grow their wealth over generations.

Going to work used to mean certainty, a job for life in many cases, a clear and predictable promotion path, and a relatively uniform understanding of what having a job entailed.

No longer. Employment today is a far more varied and complex picture. In the years ahead, it will only become more so.

At the heart of this shift will be an altered relationship between employee and employer.

The former longs for greater freedom – freedom of expression in their job and freedom of choice in the role they take and how long they hold it for.

The latter, no matter what industry they are in, faces the challenge of adapting to this shifting workforce and catering for it. Experts continue to talk about a war for talent. What we have seen over the past decade or more has been merely the opening skirmishes.

Employees tomorrow also face the rise of a new competitor for their roles – robots and machines fuelled by artificial intelligence that are capable of doing part or all of their role. History suggests that those who embrace and adapt rather than wither and fear are the ones who prosper during such times of change.

The future of the workforce will be very different then. Our own people at UBS are certain to change too.

As we move forward, we will need to broaden the type of person we employ, and continue to have them challenging us about how we run our business for their benefit. In the future we will respond to a workforce that is different in its goals and its expectation for a lifetime at work.

But no matter the changes or the innovations that we bring to bear, some things will stay the same.

Client focus – the art of understanding your customers' needs, their aspirations and their emotions – will be one. If anything, clients will look to trust us even more. We will continue to make wealth management our core activity, but we will need to look far beyond that.

The value of strong, clear thinking will be an asset that we continue to value highly. We have always prized employees with analytical skills. As their time becomes less devoted to gathering data, and more focused on interpreting it, the value of those analytical as well as creative thinking qualities will rise further.

As wealth managers we tell our clients that past performance is no predictor of future outcomes. The same applies to this report. We cannot know exactly what will happen. But we can give a strong view, based on good evidence and data, of what we believe is likely to occur.

The workforce is changing fast. I hope that this report helps you to prepare for it.

*Jürg Zeltner, President, UBS
Wealth Management*

Executive Summary

Old certainties, both good and bad, about the attitudes and aspirations of the global workforce will crumble over the next decade as a powerful new wave of technological disruption and automation sweeps across the world.

Job security and tenure, motivation, retention through remuneration and many of the other basic assumptions about how, where and why we work that have underpinned the workforce landscape for the past 150 years will be challenged, and in many cases, rejected.

As technologies such as artificial intelligence (AI), virtual reality (VR) and driverless vehicles move into the mainstream workplace environment, whole job categories will disappear and be replaced by jobs that we can barely imagine today.

‘Almost half (47%) of occupations in advanced economies are at high risk of being automated in the next 20 years,’ says Mark Haefele, Global Chief Investment Officer (CIO) of UBS Wealth Management.

‘The next wave of automation will mean that all of those solid driving jobs earning £30k (\$39k, €35k) a year will vanish in the next 10 years,’ says StJohn Deakins, CEO of identity control service CitizenMe.

‘A conveyancing solicitor or middle manager will find that much of his/her job can be done by an intelligent and intuitive software platform. The entire workforce landscape is about to be radically reshaped.’

New workforce typologies will emerge from this forthcoming period of societal and technological transformation with a new set of demands and desires, and businesses and brands will need to react with a conscious shift in culture to capture their talent and loyalty.

Tomorrow’s workforce will look and behave very differently. It will be a multi-generational mélange, attempting to reach a professional understanding amid conflicting work strategies.

Collaborative, driven and iconoclastic Millennials will make up almost three-quarters (72%) of the global working population by 2025, according to CIO.

But many of their senior managers will be the individualistic self-starters of Generation X. Three-quarters (75%) of managers across a range of industries see managing these multi-generational teams as an issue, according to CIO.

This report, commissioned by UBS, digs beneath these headline observations and statistics to determine what will move, motivate and retain workers in the mid-2020s.

Extensive background research and in-depth interviews with global workforce consultants, analysts and commentators identify and explain the influential and ground-breaking new workforces that will define tomorrow’s employment landscape.

The report examines the Bricolage, Optimising and New Value workforces that are emerging, and focuses on new worker typologies including Flexapreneurs, Culture-hackers, Workavists and Wellness-seekers.

In addition, it reveals the key characteristics and strategies that future business will need to incorporate to capture and keep the most talented workers in the decade to come.

Bricolage Workforces : 7

Bricolage Workforces

Tomorrow's workers will construct their lives in a very different way than yesterday's workforce, who had more linear lifestyles. Steady career progression over a number of decades with one or two companies will be a distant memory of a largely unlamented past.

By 2020, workers will have enthusiastically embraced a radically flexible future in a world in which three-quarters of them will not work in a traditional office, according to 25% of business leaders at the Global Leadership Summit in London in 2016.

Technology brand Dell has launched a 2020 Legacy of Good Plan, which includes a strategy to offer flexible working to half of its workforce by 2020, according to the Longer Term Investments – Energy Efficiency report by the UBS Chief Investment Office (CIO).

Bricolage Living, or the construction of a modular lifestyle across a range of disparate locations, cultures and time zones, rejects the traditional nine-to-five office-based business model as archaic, outdated and unnecessary.

'These workers will want fulfilling, ultra-flexible and on-demand careers and they will be fierce challengers of the status quo as they remake work culture in their own image,' says Adam Smiley Poswolsky, Millennial career expert and author of *The Quarter-life Breakthrough*.

Over the next decade, our research suggests that three clear and distinct workforce types will emerge from this growing desire for flexibility. They are the Flexapreneurs, the Culture-hacker and the Pro-pragmatists.



THE WORKING CAPITOL CO-WORKING SPACE DESIGNED BY FOREIGN POLICY, SINGAPORE

Bricolage Workforces

Global Leadership Summit

75%

The percentage of workers worldwide that will not work from a traditional office, according to 25% of business leaders at the 2016 Global Leadership Summit.

McKrandle

17

The number of employers that an Australian will have in their lifetime.

IPAG Business School

45%

The rate at which the number of freelancers in Europe grew between 2004 and 2013.

‘Flexibility is the number-one reason Millennials are attracted to a workplace. They are creating a work culture that places much less value on being around for its own sake.’

ADAM KINGL, DIRECTOR OF LEARNING SOLUTIONS, LONDON BUSINESS SCHOOL

Use flexibility as a recruiting tool

Be conscious of different life stages

Be reciprocal

Make it safe to experiment

Bust the collaborative office myth

Don't silo flexibility

: Flexapreneurs

The direct descendants of today's increasingly flexible workforce, these mainly Millennial workers will look for work that enables them to be effective rather than constantly present.

'Flexibility is the number-one reason Millennials are attracted to a workplace. As they move into management, they are creating a work culture that places much less value on being around for its own sake,' explains Adam Kingl, Director of Learning Solutions at London Business School.

The emergence of the future Flexapreneur mindset can be seen in an explosion of freelance and on-demand working today. From 2004 to 2013, the number of freelancers in Europe grew by 45% from 6.2m to 8.9m, making them the fastest-growing group in the EU labour market, according to IPAG Business School.

As work flexibility rises, new systems are emerging to support Flexapreneur lifestyle choices. Amazon's Mechanical Turk matches 500,000 portfolio workers in 190 countries to employers that need them for on-demand projects, while rival Upwork does the same for 10m freelancers across 180 countries.

Leading workforce consultants predict that Flexapreneurs will take an entrepreneurial approach to work, using ultra-flexible work patterns and ubiquitous, superfast digital connectivity to constantly innovate for their employers anywhere and at any time.

However, winning their loyalty and continuing commitment will be a constant challenge. A largely portfolio-based worker, the Flexapreneur will offer loyalty to a business on a case-by-case basis.

'They will accept the insecurity of modern work but in return they will expect a business to accept that they are not going to hang around forever, or even until next month,' says Poswolsky.

'Offering opportunities to learn and grow will win their loyalty, as will a collaborative and supportive work environment.'

Women, of whom 65% value flexible working options, according to When Women Thrive, Businesses Thrive by Mercer, will drive the emergence of the Flexapreneur.

Baby Boomers in 2025

Baby Boomers will have an average age of 75 in 2025. But prolonged healthy lifespans will still be working to maintain the rich lifestyles they have come to enjoy as state benefits become less generous. They will be:

Lifestylers

Working to provide lifestyle luxuries such as travel, wellness and quality food and drink.

Health+

Expecting workplaces to support youthful minds inside ageing bodies as they seek new careers, families and physical challenges.

Experimental

Keen to use scientific, alternative and enhanced diets to stay at the top of their professional game.

Adventurous

Seeking workplaces that provide events, locations and experiences to surprise and delight seasoned consumers.

Culture-hackers

A younger but increasingly influential section of the future workforce drawn mainly from Generation Z – people born after 1990 – will bring their internet-honed lifestyle instincts to bear on the workplace over the coming decade.

Hacking and modifying almost any online product or service to suit their individual needs and desires has become second nature to them. They will expect to be able to do the same thing at work.

‘Younger workers will simply scratch their heads with disbelief if they are not allowed to create a work culture and rhythm that works best for them,’ says Jamie Notter, Founder of workplace culture consultants WorkXO and Co-author of *When Millennials Take Over: Preparing for the Ridiculously Optimistic Future of Business*.

‘Everything has been customised for them for their entire lives and they were raised to believe that they can redesign any system or process. Work is just another process they will want to hack and redesign.’

That will mean re-inventing and circumventing established ways of doing things, and asking for forgiveness rather than permission from those seeking to manage them.

Culture-hackers present a radical challenge to traditional business hierarchies. ‘They will expect to be granted the power by senior managers to make any decision when they’ve got the expertise and information to do so,’ says Notter.

‘Businesses that fail to adjust to their way of thinking will fail to tap into their true power, and fail to hold on to their talent.’

Innovative companies are already future-proofing themselves against the rise of the Culture-hacker. Design consultancy IDEO encourages junior staff to teach seniors new skills and chooses its leaders by peer approval rather than seniority, reporting higher levels of innovation as a result, according to *Strategies to Rewire Business* by SustainAbility.

Management consultancy Board of Innovation enables junior staff to run projects and pitch ideas to the CEO, while online shoe and clothing store Zappos saw rising customer satisfaction ratings after creating self-organising teams in its call centres.



INTERNET OF THINGS TOOLKIT BY SAM AND MAP, LONDON, ENABLES YOU TO BUILD YOUR OWN SOLUTIONS FOR THE INTERNET OF THINGS TO CUSTOMISE YOUR LIVING AND WORK CONNECTIONS

: Pro-pragmatists

These Millennial workers are a living paradox – idealists with a heavy streak of realism. They arrived in the workforce in large numbers in the wake of the 2008 financial crash to find that their chances of a job for life, a big salary, and owning their own home were at their worst level for several generations.

In the US, 30-year-olds in 2016 earn the same salary as 30-year-olds in 1984, when the figures are adjusted for inflation, according to Brendan Duke, an economist at the Center for American Progress. In the UK, only one in 10 of consumers aged 18–35, often dubbed Generation Rent, will own a house in 2025, according to the Resolution Foundation.

Weathering tough times has given these workers hard-headed expectations about the future. As a consequence, they measure success by a different yardstick than their Baby Boomer and Generation X parents. Only 14% of Millennials view being well compensated for what they do as a key sign of being successful, according to research by UBS Investor Watch.

Similarly, only 12% use the ownership of status items such as a boat, art or second home to signal their personal success.

Instead, they aim to amass emotional and experiential wealth. Almost half (45%) see having a happy family as the ultimate symbol of achieving the good life, and 37% see a deeply meaningful relationship with a spouse or partner, or the enjoyment of a wide variety of experiences as their markers of success.

Pro-pragmatists are optimists despite the challenges they have faced. ‘Some 89% of them still believe that anything is possible and that they will get the life and job they want eventually,’ says Notter.

In the meantime, they see work as a way to pursue a lean and pared-back version of the good life – a good-enough salary from a job that is flexible enough to give them the freedom to pursue their outside passions and establish an identity as a committed, hands-on parent.

UBS Investor Watch’s research shows that living frugally is how 39% of Millennials plan to achieve future success.

Their deep desire to live a mobile, unencumbered existence can be seen clearly in their attitude to debt, with 42% of them saying that they would use a windfall or inheritance to pay it off rather than invest in the markets.

Access to, rather than ownership of, experiences, services and products is their current strategy for delivering a good standard of living.

Millennials are embracing peer-to-peer transactions and crowdfunding, and more than one-third already belong to a sharing service or expect to join one within the next year, according to The New Consumer and the Sharing Economy by Havas Worldwide.

Generation X in 2025

Members of Generation X will be CEOs and senior managers with an average age of 53, aiming to run businesses with network-based workforces that make the company – and the world – a better place. They will be:

Determined

Acting as no-nonsense change-agents for good within their families, communities and work environments.

Networked

Using their connections to promote a more entrepreneurial-minded workforce.

Balancers

Juggling children, parents and a demanding work schedule.

Escapist

Willing to pay a premium for a work/life balance that enables them to recharge their batteries.

To capture and keep the talents of tomorrow's Bricolage workforce, and realise their true potential, businesses will need to build staffing strategies that encapsulate the most up-to-date thinking around workplace flexibility.

A failure to introduce a consciously and fully thought-through plan for future flexibility will strongly impact the bottom line of businesses to 2020 and beyond, according to Cali Yost, Founder of flexible working consultants Flex + Strategy. Our research has identified seven key strategies that business leaders and entrepreneurs will need to adopt to ensure that Flexapreneurs, Culture-hackers and Pro-pragmatists drive their future innovation and growth.

Use flexibility as a recruiting tool

Diversity of gender and background will hold the key to identifying a pool of talent for tomorrow's workforce, and flexible working practices will attract them to future businesses.

'Gender diversity in the workforce is fundamental to sustainable future business growth and should be treated as a business imperative,' says Jamie Broderick, Head of UBS Wealth Management UK.

'We must create a flexible and welcoming environment that retains talented women and enables them to develop their skills and progress their careers, while remaining within the organisation.'

Be conscious of different life stages

Whether it is parents handling childcare realities, grown-up children caring for ageing parents, or retirees who want to maintain a part-time role, flexible-working packages will find ways to engage.

'No company can throw Baby Boomers, Generation Xers and Millennials together and expect them to thrive. There is a workplace conversation that *must* be had about addressing all their needs,' says Notter.

Be a flexible melting pot

Future workplaces will need to cater seamlessly for a mix of full-time, on-staff workers and on-demand talent recruited for a specific project, without differentiating between the two groups.

'More and more workplaces will be a mix of full-time salaried staff and on-demand talent, and the businesses that deliberately and intentionally merge the two groups will be the most successful,' says Cali Yost, of Flex + Strategy.

Be reciprocal

Companies will need to be willing to cede power over working practices and behaviour to Flexipreneurs and Pro-pragmatists to give them the work-life balance they crave.

'These workers are ready to be flexible and resilient, but in return they want supervisors who genuinely care about giving them a work-life balance,' says Poswolsky.

Make it safe to experiment

Taking away the fear of failure to enable workers to experiment with innovative approaches, technologies and cultures without looking incompetent will give future businesses a competitive edge.

'Failure must become a positive learning process rather than a blot on a career record,' says Poswolsky.

Bust the collaborative office myth

Tomorrow's offices will need to contain more spaces that allow for periods of quiet and contemplation, which are vital to a successful knowledge economy. 'Workspaces will need different spaces for collaboration and execution to give staff the flexibility and freedom to work where and when they are most productive,' says Yost.

Don't silo flexibility

Flexible working needs to become a mainstream business concern with appropriate resources, attention and credibility. 'In the US and UK, it is too often seen as a perk for working mothers,' says Yost.

'It needs to become a board-level strategy to give it the credibility, resourcing and attention required to make it work.'

Optimising Workforces : 14

Tomorrow's workforce will expect their employers to counteract a new wave of automation and digital disruption by creating work – and places to work – that optimise their mental, physical and emotional health and performance.

Working in synergy with the next generation of communications and information technologies, employers will monitor workers' food and drink intake and exercise levels, tailoring wellbeing programmes to maximise their career potential.

A fresh work culture understanding will emerge between workers and employers. Workers will accept an always-on status demanded by an ultra-connected working world, but will expect companies to provide resources, support and technology to handle soaring levels of stress.

Optimisation is gathering momentum in today's society and workplace. Up to 20% of Ivy League college students in the US use smart drugs to increase their concentration, says the American Academy of Pediatrics.

The drugs are 'becoming popular among city lawyers, bankers and other professionals keen to gain a competitive advantage over colleagues', according to The Financial Times.

In Silicon Valley, nootropics – combinations of super-foods and vitamin pills designed to boost mental focus and concentration from start-ups such as Nootroo and Nootrobox – are becoming more popular among technology innovators.

The global vitamins, minerals and supplements industry already generates £46.6bn (\$60bn, €53.7bn) annually and is expected to grow at mid-single-digit rates for the foreseeable future, according to the CIO's Longer Term Investments – Obesity report.

At the same time, the £7.7bn (\$10bn, €8.9bn) sports nutrition and meal replacement sector is a particularly fast growing sub-segment of the industry.

Meanwhile, about 10,000 companies worldwide offer their staff online fitness trackers to help them to remain healthy and productive, and most firms with more than 500 employees in the US and Europe will offer them by the end of 2016, according to technology research company Gartner.

As the trend towards optimisation enters the employment mainstream over the next five years, our research predicts that Worker+ and Wellness-seekers will emerge as two key worker types in the Optimising Workforce.

Optimising Workforces

UBS Chief Investment Office

£46.6^{bn}

(\$60^{bn}, €53.7^{bn})

The sales generated by the global vitamins, minerals and supplements industry annually, which is expected to grow at mid-single-digit rates for the foreseeable future.

American Academy of Pediatrics

20%

The percentage of Ivy League college students in the US that use smart drugs to increase their concentration.

Accenture

70%

The percentage of employees worldwide that expect advances in digital technology and automation to help them innovate and boost their productivity.

‘Workers will expect their workplace to be designed and equipped to reduce absentee levels, enhance their output and productivity, and allow them to operate at the top of their game.’

PAUL SCIALLA, FOUNDER AND CEO, WELL BUILDING INSTITUTE

Facilitate
machine + human
synergy

Pay the price
for optimisation

Introduce
happiness metrics

Train wellbeing
managers

Use flexibility as
a wellbeing tool

: Worker+

By the mid-2020s, many workers will have built symbiotic professional partnerships with the artificial intelligence and intuitive software technologies they once feared would replace them.

As a consequence, the Worker+ will be able to work faster, more efficiently, and most importantly, more creatively than today's counterparts.

As Colin Price, Executive Vice-president and Managing Partner at global leadership consultants Heidrick & Struggles, says: 'Tomorrow's technological advances will allow billions of us to do different jobs in better ways rather than leave us unemployed with robots running our lives.'

AI and VR will create an enhanced workforce that will work strategically, creatively and intuitively in a way that no machine will be able to replicate alone.

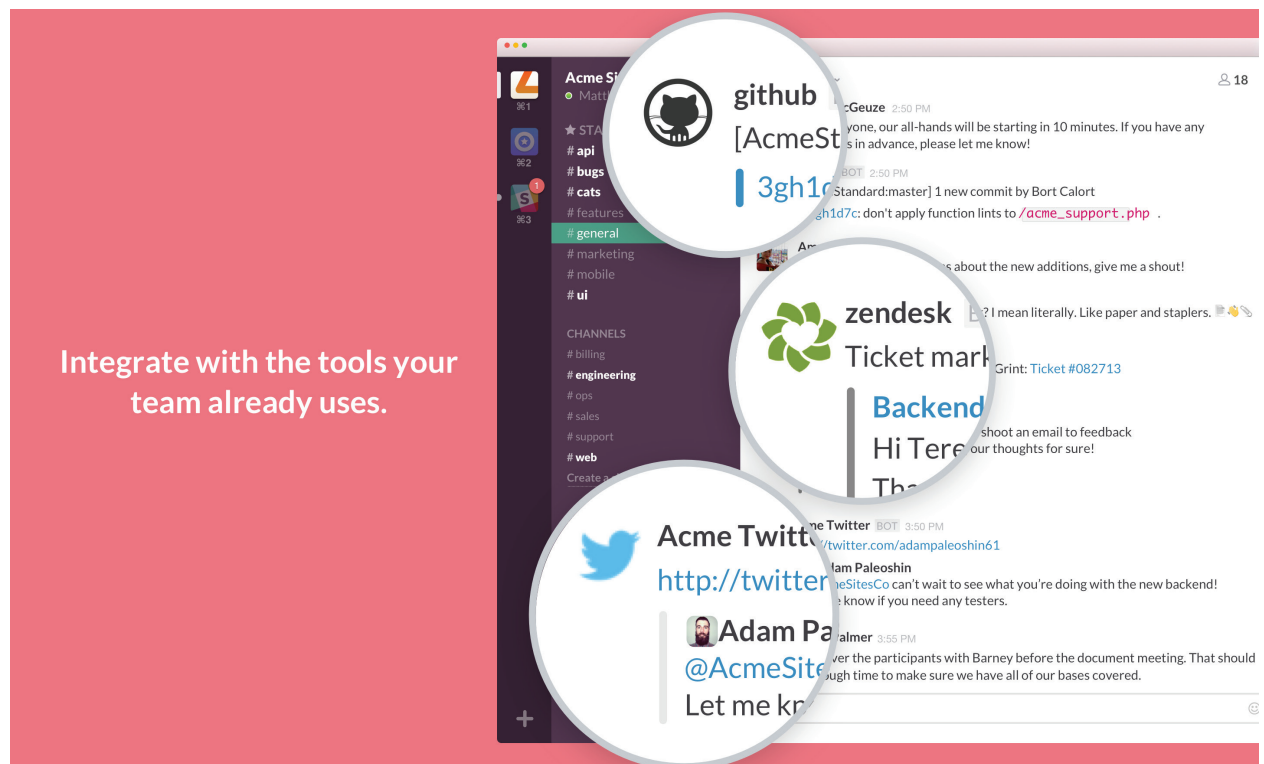
'AI is a technology that we at UBS choose to embrace rather than fear. We foresee inspiring possibilities that will shape the future of work,' says Wiwi Gutmannsbauer, Head of WM Omnichannel Management at UBS.

'Imagine a world in which we can focus more of our time on getting to know our clients to better solve their problems with them, while being supported by a technology that augments our personal interactions and reduces administrative and repetitive tasks to a minimum. This is the world we are heading towards.'

Research by Accenture shows that 70% of employees expect advances in digital technology and automation to help them innovate and boost their productivity, while 69% expect such improvements to make them more agile.

This is already becoming evident. Oncology consultants at Addenbrooke's hospital in Cambridge, UK, have reduced tumour analysis time from three hours to 30 minutes using new Microsoft software.

Dave Coplin, Chief Envisioning Officer at Microsoft UK, predicts major breakthroughs in cancer treatment by leading health professionals granted far more time to think by analytic software systems.



WORKPLACE CHAT APP SLACK IS DEVELOPING AN ARTIFICIALLY INTELLIGENT (AI) OFFICE ASSISTANT

: Wellness-seekers

New generations of workers will expect their employers to use a wide range of connected devices to measure and manage their diet, exercise, and emotional, physical and mental states to optimise their work performance.

Enthusiasm for wellbeing monitoring is already high, and rising, in the general population. Almost 40m connected health and fitness trackers are expected to be sold in 2016, according to Statista.

The Wellness-seekers will expect this technology as standard at work. As David Gelles, Mindfulness Consultant and author of *Mindful Work*, says: 'I'm 36 and people of my generation and younger increasingly assess how a business will look after our wellbeing before taking a job.'

Today, businesses are already responding to this growing worker wellness demand. Apps such as RescueTime, which monitors a worker's screen time and recommends breaks, and Mappiness, which measures long-term emotional states, are rapidly becoming part of the people strategy of many companies.

Aetna, Intel and Keurig Green Mountain incorporate mindfulness as a leadership practice and have seen benefits for both the company and individual employees in terms of improved employee health, productivity and job satisfaction.

It is clearly an approach worth pursuing. Research from the CIO at UBS shows that staff productivity rises by an average of 13% in businesses that introduce strategies to boost levels of wellbeing from low to moderate.

The driven and ambitious members of the Wellness-seeker workforce will expect even more sophisticated wellbeing monitoring apps and platforms to help them handle the stress of an ultra-connected professional existence.

'We will soon see systems that monitor and manage a worker's physical, mental and emotional states, suggesting breaks or even a holiday when stress hormones are too high, designing diets and exercise programmes to maximise wellbeing, and alerting a doctor when signs of illness are spotted,' says Arden Manning, senior vice-president of marketing at Yseop.

Corporate architecture and infrastructure will also need to adopt a wellbeing ethos to attract, retain and motivate a Wellness-seeker workforce.

'Millions of Millennials will expect their workplace to be designed and equipped to reduce absentee levels, enhance their output and productivity, and allow them to operate at the top of their game,' says Paul Scialla, Founder and CEO of the International WELL Building Institute.

Again it's a strategy with proven benefits for business. According to Scialla, the CBRE global headquarters in Los Angeles, the first WELL-certified office in the world, reported in 2015 that more than 90% of its workers had seen significant improvements in health and wellbeing.



WATERMELON SUGAR, A SPECULATIVE PROJECT BY PAMM HONG THAT RE-IMAGINES THE INTERNET AS A 3D LANDSCAPE

Technology, infrastructure and management style will require a radical rethink to promote emotional, physical and mental wellbeing, and to encourage peak performance and constant learning among the rising generations of the Optimising Workforce.

Our interviews with leading workforce analysts and consultants suggest that the businesses that are best able to harness this resourceful and determined workforce will incorporate five key approaches into their human resources thinking:

Facilitate machine + human synergy

Future workers will come complete with their chosen smart technologies and will expect to interface effortlessly with corporate software platforms.

‘The businesses that handle this transition will make the sort of leaps in productivity in terms of services that we saw when the manufacturing sector was automated,’ says Yseop’s Manning.

Pay the price for optimisation

In the next decade, it will be a false economy to slash health and wellbeing programmes to cut costs. ‘Our studies strongly suggest that any costs incurred by improving staff wellbeing are outweighed by the productivity enhancements that ensue,’ says Alex Bryson, Head of Employment Group at the National Institute of Economic and Social Research.

Introduce happiness metrics

Metrics for measuring happiness will become a key tool for maximising staff effectiveness.

‘Job satisfaction – the rational, logical weighing up of the pros and cons of a job – does not have a lot of influence on your happiness or wellbeing. It is much more about your dominant emotional and mental state,’ says Alexander Kjerulf, Chief Happiness Officer at Woohoo.

Train wellbeing managers

In the next decade there will be a revolution in corporate thinking about what makes a good manager.

‘Tomorrow’s business leaders, rather than being cold, serious people who are good with balance sheets and budgets, will need to be emotionally intelligent with great empathy and skill at handling their workers’ feelings,’ says Woohoo’s Kjerulf.

Use flexibility as a wellbeing tool

Flexible working is a proven route for businesses that want to create a wellness ethos that will satisfy future Optimising Workforces, according to Cali Yost, Founder of flexible working consultants Flex + Strategy.

‘Our research shows that flexible workers are more likely to engage in wellness behaviour. Flexible workforces are healthier, which makes them more productive, and both saves and makes money for their employer,’ she says.

New Value Workforces : 20

New Value Workforces

An impressive salary will not be enough to attract and keep tomorrow's best and brightest. For growing numbers of people, their true reward for working will be the belief that they are making a difference.

An in-depth study of 10,000 people in China, Germany, India, the UK and the US by PwC discovered that 65% of the population want to work for an organisation with a powerful social conscience.

As Dirk Klee, Chief Operating Officer at UBS Wealth Management, says: 'In the past, some people came to the banking industry in search of financial compensation. Now the best people will only want to work here if they can get a clear sense of purpose, a feeling that they are making the world a better place. There is a huge expectation that they will be able to trust their employer to be principled and authentic, and a willingness to leave if they find that is not the case.'

Our research predicts the growth of a New Value Workforce defined by two worker types: Workavists and Social Capitalists.

The former will seek out sustainable and ethical businesses and projects that mirror their own deeply held principles. The latter will want to work for companies that are aligned with their individual values in order to build online social capital that strengthens their personal brand.

Businesses are already beginning to target both workforce types with more than a third (36%) of human resources professionals building talent strategies around their organisations' social and environmental conscience, according to research by PwC.



IKEA SPACE 10, COPENHAGEN, A WORK SPACE THAT INVITES DESIGNERS AND CREATIVES TO INVESTIGATE SUSTAINABLE SOLUTIONS FOR THE FUTURE OF URBAN LIVING. PHOTOGRAPHY BY ALASTAIR PHILIP WIPER

New Value Workforces

PwC

65%

The percentage of people that want to work for an organisation that has a powerful social conscience.

MaRS

83%

The percentage of MBA students that are willing to take a 15% pay cut to work for a company that makes a social or environmental difference to the world.

UBS Chief Investment Office

89%

The percentage of workers that believe a that purpose-driven organisation has a higher level of employee satisfaction.

‘Tomorrow’s workers will want to feel that that they work for a company that is future-facing, agile, creative and motivated by a clear set of principles.’

SIMONE THOMPSON, CHIEF OF STAFF,
INTERNATIONAL BOARD OF DIRECTORS, UBS

Build
personal brands

Offer Altruvation
opportunities

Be hyper-
transparent

Create
experiential
access

Preach a
powerful purpose

A growing desire for work with purpose is steadily gaining in popularity in today's workforce. 'My work has special meaning' and 'I make a difference here' are current top factors for staying in a job in Fortune's list of 100 Best Companies to Work For.

As Dilys Robinson, independent researcher and consultant, and Principal Associate at the Institute for Employment Studies, says: 'There is strong evidence that these workers want to contribute to society, and that they are seeking employers who will help them to do so.'

This workforce trend is certain to gain momentum over the next decade with eight out of 10 (83%) of MBA students willing to take a 15% pay cut to work for a company that makes a social or environmental difference to the world, according to *The Impact Economy: The Insider's Guide to Finding Meaningful Work and Attracting Top Talent* by innovation specialist MaRS.

In a survey conducted by the CIO at UBS, 89% of respondents said they believe that a purpose driven organisation has higher levels of employee satisfaction.

Our research suggests that these influential and committed workers will become radical seekers of a work dynamic that enables them to put their ethical and political beliefs into action to change the world.

'With accelerating momentum, employees are increasingly making decisions that are critical to businesses based on how they view those businesses from an ethical perspective,' says Rodney O Martin Jr, Chairman and CEO of Voya Financial.

As skilled ideators and lobbyists, these workers really care about their professional life. 'Their work defines the sort of people that they are in their own eyes and in the eyes of their peers,' says Millennial workforce expert Adam Smiley Poswolsky.

'So they will seek out businesses and brands that, like them, reject cultural, gender and racial stereotypes, and adhere faithfully to a set of transparent guiding principles.'

To address these workforce desires, tomorrow's businesses will need to jettison decades of unconscious bias that often demands that staff conform to a narrow template in terms of dress code, social and educational background, and career path.

'Put simply, we will all need to stop judging a book by its cover and instead put a lot more effort into uncovering a person's true value to our business,' says Simone Thompson, Chief of Staff, at UBS Wealth Management.

'It's too easy to miss out on talent by dismissing people who don't dress the right way, or who have followed an unconventional career or educational path.

'Over the next decade, businesses will need to move away from their preconceived notions that 'our people' look a certain way or come from a particular background, and focus solely on the talents and skills that they have to offer.'

Generation Y in 2025

At an average age of 38, members of Generation Y will be in their careering groove, starting families while making their collaborative and explorative middle management mark on the businesses they work for. They will be:

Collaborative

Team work will be central to their problem-solving and innovation at work in convivial and cooperative business structures.

Curious

Obsessed with the thinking as much as the answer. Balancing a family and a career won't stop them constantly asking: 'Why?'

Expressive

They will value employers who let them have a point of view, even if it is at odds with the five-year strategy.

Creative

They will want to change the world rather than follow the rules.

: Social Capitalists

As Millennials seek to find work that aims to save the world, their younger brothers and sisters in Generation Z will be building careers that translate the ethics and ethos of the sharing economy into the workplace.

Digitally native to the core, these workers want to make a difference as much as the Workavists. Where the two groups diverge is in the Social Capitalists' hard-headed determination to use their good works to create an online personal brand that empowers their career prospects.

'For Generation Z, online influence is the emblem of their personal brand,' says Angela Fernandez, Vice-president of Strategic and Creative Planning and Generation Z specialist at PR brand Ketchum. 'They use that influence to gain access to the products and services they want.'

Building individual online influence will be so important to these workers that they will insist on doing it through their work, aiming to accrue social capital as an alternative form of currency that supplements their salary.

'In their personal lives, they build social media platforms that shout out their worth to the world, and win them recognition and status, and they do the same for others that they rate and value,' says Julia Cordray, Co-founder of online reputation app Peeple.

In their personal lives, members of Generation Z use their growing social capital to open doors for them into social, cultural and entertainment experiences and services that are willing to grant them access in return for plugging into their online audience.

'In future, this generation will increasingly expect their work life to serve the same function on a professional level,' says Cordray.

'Importantly, they are very willing to trade a higher salary for the chance to build a reputation that will open up future career and personal opportunities for them.'

The outliers of the Social Capitalist workforce are today starting to use their social media influence to deliver real-world results.

In 2015, a study of 12–24-year-olds in the US by market research brand Wildness concluded that they are empowered, connected, empathetic self-starters who have created a cultural currency that values uniqueness, authenticity, creativity, shareability and recognition.

These workers will arrive with the skills to build their online reputations – and consequently the online profile of the businesses that they work for – already in place.

In the future, businesses will need to have the confidence to grant them an unedited and unmediated voice.

Generation Z in 2025

Hitting their professional stride at an average age of 27, Generation Z will be mature digital citizens, determined not to emulate the always-on work patterns of their Generation Y peers. They will be:

Publicised

Keen to be lead characters in corporate strategies, they will seek professional fame through external social and commercial social networks.

Entrepreneurial

Immersed in digital data, they will out-think their employers in the hunt for the next big business idea.

Augmented

Their office and home performance will be enhanced via the latest VR and AV technologies.

Ubiquitous

With identities permanently plugged into social networks, they will expect to be able to work easily anywhere and in any way.

Working with a purpose shaped by a clear and shared set of ethical principles will top the list of career path aspirations for both Workavists and Social Capitalists.

Our research suggests that businesses that want to recruit this highly motivated and values-driven workforce should adopt staffing strategies that include five key characteristics:

Build personal brands

In the next decade, businesses will need to relax about star performers building online personal brands. ‘Allowing passionate, excited employees to accrue social capital by talking about their job and business as they wish online is a win-win,’ says Peeple’s Cordray.

They are essentially brand ambassadors for the company as they build their own profiles and reputations.’

Offer Altruvation opportunities

New Value Workforces will expect businesses to encourage them to use their creative skills for innovative altruistic causes.

‘In the future, a business that grants staff the time and space to do things that make the world a better place will stand a greater chance of winning their respect and loyalty,’ says Millennial career expert Adam Poswolsky.

Be hyper-transparent

In future ethically driven workers will want every aspect of a company’s operations and supply chains to reassure them that they are working for a business with practical principles.

‘It feels risky to management, but being totally transparent about hiring, growth and pay lets staff see their impact on a business and enables them to learn how to play a positive role in collective success,’ says Peeple’s Cordray.

Create experiential access

Talented Social Capitalists will appreciate access to unique and enriching social and cultural experiences, and offer their loyalty and creativity to businesses that offer them.

‘The companies that get this right will reap huge dividends in productivity and innovation, and will see far less sickness and burn-out and churn,’ says Cordray.

Preach a powerful purpose

Workavists will choose to work for companies that have a strong sense of purpose that goes above and beyond the profit margins, making a difference to society, citizens and the environment.

‘Tomorrow’s workers will want to feel that they work for a company that is future-facing, agile, creative and motivated by a clear set of principles,’ says UBS’s Thompson.

Conclusion : 26

Conclusion

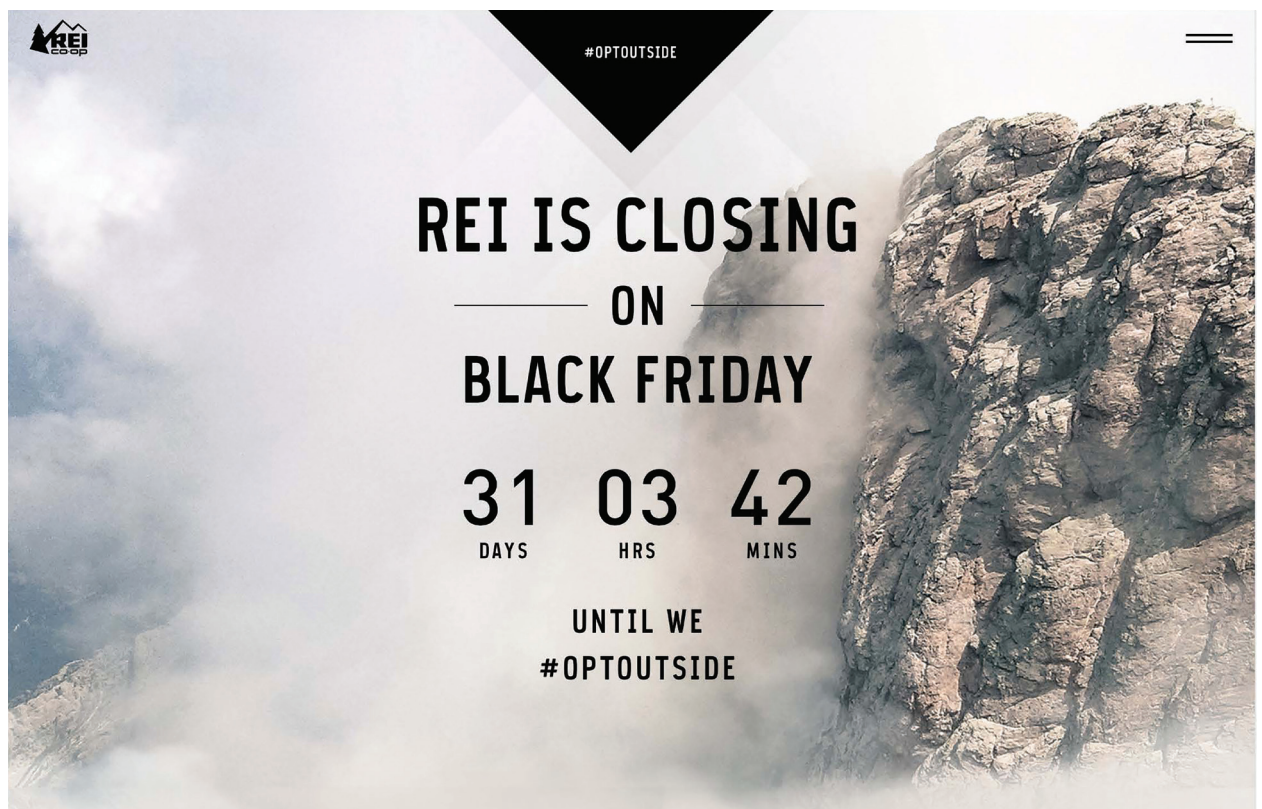
The work landscape, and our understanding of our relationship with it, will undergo a period of radical and transformative disruption in the decade ahead as the impact of a new industrial revolution, driven by further advances in digital technology, is felt.

There is a tendency to focus on the negative effects of the changes to come, to worry about jobs and job security disappearing in the face of a new wave of automation, and a flurry of developments in areas such as artificial intelligence, robotics and VR.

To do so is to ignore the exciting and inspiring opportunities for businesses that embrace the watchwords of the next generation of workers – flexibility, optimisation and social conscience.

On the time horizon, and approaching fast, is a new workforce, brimming with energy and enthusiasm, ready and willing to use digital skills honed by a lifetime of online experience, keen to optimise their physical and mental work performance, and seeking careers aligned with their own moral and ethical compass.

For the businesses that proactively engage with their work and lifestyle expectations through technological and cultural change, they will be a pool of fresh talent that will drive crucial innovation in turbulent times, and help to deliver a future of sustainable growth.

A promotional graphic for REI's Black Friday sale. The background is a photograph of a rugged, rocky mountain peak partially obscured by mist or clouds. In the top left corner is the REI logo, and in the top right is a hamburger menu icon. A black downward-pointing triangle at the top center contains the hashtag #OPTOUTSIDE. The main text, centered, reads 'REI IS CLOSING ON BLACK FRIDAY' in large, bold, black capital letters. Below this is a digital countdown timer showing '31' for days, '03' for hours, and '42' for minutes, with the words 'DAYS', 'HRS', and 'MINS' underneath each number. At the bottom, it says 'UNTIL WE #OPTOUTSIDE' in bold black capital letters.

REI IS CLOSING
ON
BLACK FRIDAY

31 03 42
DAYS HRS MINS

UNTIL WE
#OPTOUTSIDE

#OPTOUTSIDE CAMPAIGN FROM REI, SEATTLE

Experts : 28

Experts

Cali Yost

Founder, flexible working
consultants Flex + Strategy

Alex Bryson

Head of Employment, National Institute
of Economic and Social Research

Alexander Kjerulf

Chief Happiness Officer, workplace
wellbeing consultants WooHoo

Adam Smiley Poswolsky

Millennial career expert and author of The Quarter-
Life Breakthrough: Invent Your Own Path, Find
Meaningful Work, and Build a Life That Matters

Arden Manning

Senior Vice president of Marketing, global
smart software innovator Yseop

Jamie Notter

Founder, workplace culture consultants
Work XO and Co-author of When Millennials
Take Over: Preparing for the Ridiculous
Optimistic Future of Business

Dilys Robinson

Independent Researcher and Consultant
and Principal Associate at the Institute
for Employment Studies

StJohn Deakins

CEO of identity control service CitizenMe

Julia Cordray

Founder and CEO, Peeple

Paul Scialla

CEO and Founder, International
WELL Building Institute

Colin Price

Executive Vice-president and Managing Partner at
global leadership consultants Heidrick & Struggles

**Our thanks to UBS for its input to this
report, especially to (in alphabetical order):**

Jamie Broderick

Head of UBS Wealth Management UK

Dirk Klee

Chief Operating Officer of UBS Wealth Management

Wiwi Gutmannsbauer

Head of WM Omnichannel Management,
UBS Wealth Management

Mark Haefele

Global Chief Investment Officer of
UBS Wealth Management

Simone Thompson

Chief of Staff of UBS Wealth Management

**...Plus many more people who
provided input behind the scenes**

‘As we move forward, we will need to broaden the type of person we employ, and continue to have them challenging us about how we run our business for their benefit.’

Jürg Zeltner, President, UBS Wealth Management

Commissioned by:

