



THE FUTURE OF WORK AND IMPACT ON PENSIONS

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Technological advancements : Artificial intelligence / IT Platforms, information sharing , knowledge economy

Generational changes/ demographics

Social shifts./ Societal changes/ Environmental changes

Globalisation and Glocalization;

Forces shaping the future of work

What will change?



Workplace



Workforce



The nature of work itself

Workplace

- Flatter Organizational structures
- Managers and organizations adapting to employees / reversal
- Cultures will change immensely
- Increased push for flexi working models
- Offices will not be fixed locations

Companies like Facebook, Google and others knew this years ago. They have amazing cultures and amenities to attract top talent.





- Flexi – work from anywhere
- Availability of knowledge is more important than the availability of a person
- Technology enabled workplace
- No fixed desks – work on any desk (hot desk)



Within offices, assigned desks or cubicles will be less necessary and less common.



Furniture increasingly will be comfortable and movable.

Mobile Workstations Roll Around To Find The Best Place To Work

Hive Workstations



Health benefits and perks are a big part of culture.
This is LinkedIn's gym.



Workforce

- The composition of today's workforce is becoming more and more **complex**
- Organizational structures that encompass contributors from both inside and outside the organization who work together to pursue individual and collective goals are needed.

Millennials

Self
actualiz
ation

Esteem
needs

Love /
belonging

Security
needs

Physiological
needs

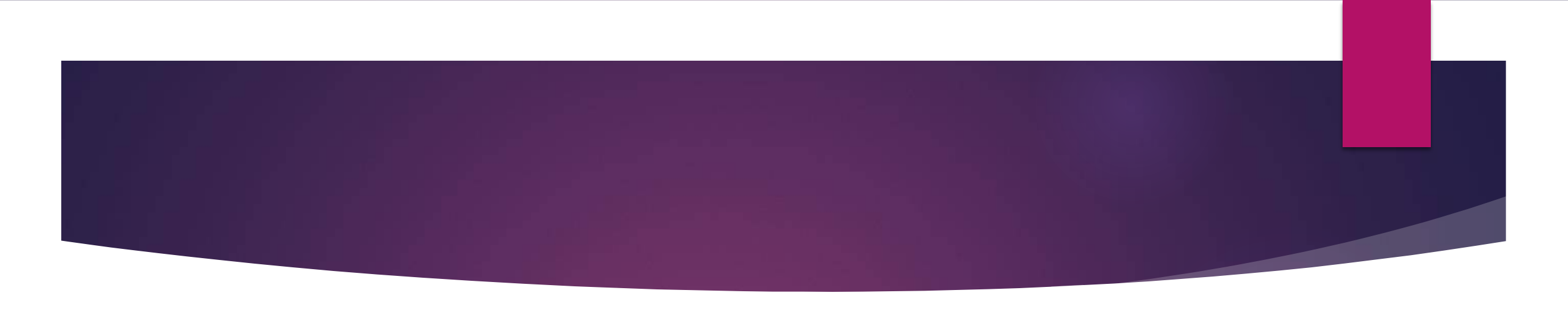
Family,
adventure,
celebrity life

Security, flexi job,
food, cars, clothes,
independence

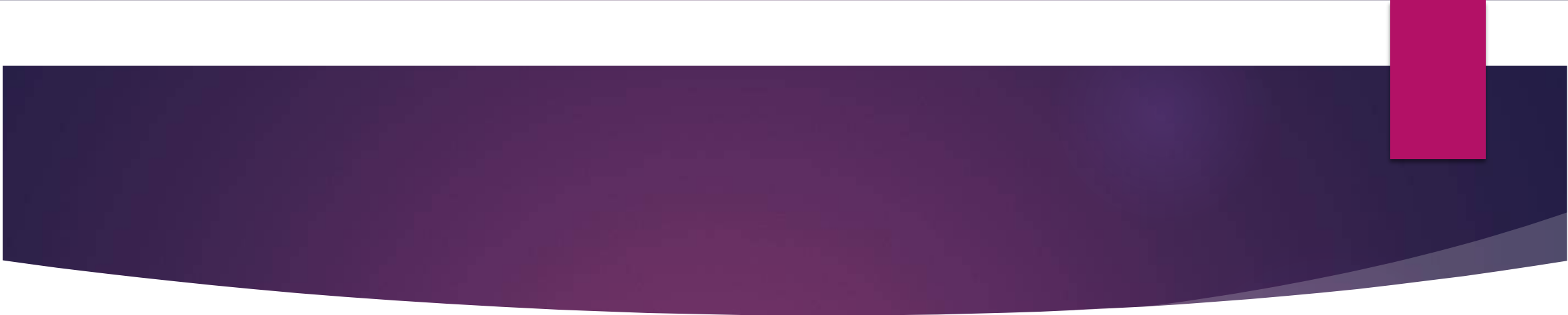
Recognition, status,
connection, social life,
prestige, feelings of
accomplishment, education

Workforce

Contributors that may not be directly controlled or influenced by the organization (i.e., freelancers, long-term contractors, service providers, etc.). In fact, some organizations are now seeing **30%–50% of their overall workforce made up of contingent workers.**



According to joint research by Deloitte and MIT Sloan Management Review, **80%** of leaders surveyed agree that the overall success of their organization is dependent on the contributions of external workers, and **88%** say it is critical to understand the value created by their extended workforce.

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- Global war for talent
 - Employees will require the right skills, knowledge and **character to survive**

Low-skilled labor will be replaced by a robot economy.



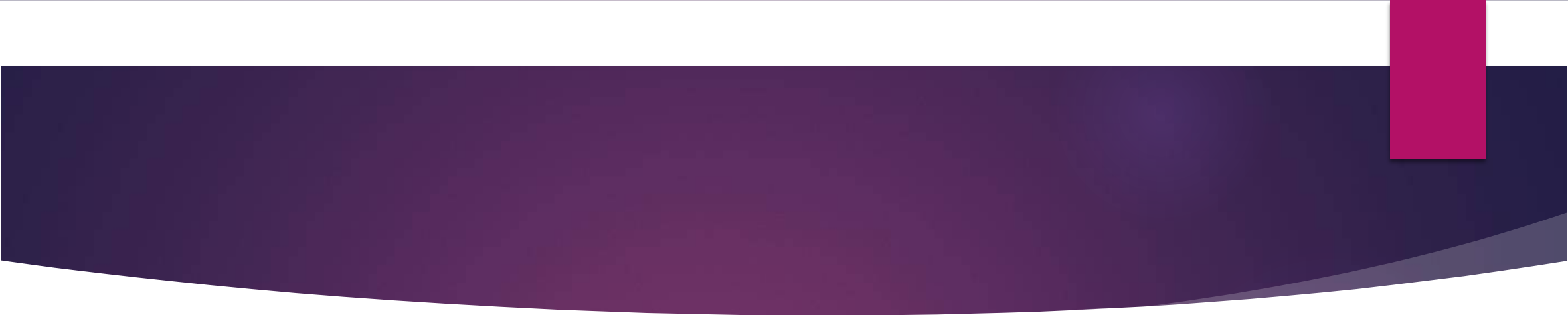


IDEO employees are encouraged to switch desks weekly to stay collaborative and inspired.



Changing HR practices

- A Japan-based technology firm Hitachi experimented with improving the happiness levels of its employees' using wearables and an accompanying mobile app that offered employees suggestions for increasing feelings of happiness.
- During testing, the psychological capital of workers rose by **33%** and profits increased by **10%**. Sales per hour increased by **34%** at call centres and retail sales increased by 15%, demonstrating how a focus on human outcome metrics can have far-reaching organizational impact.

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- HR professional must begin to change the culture and move from being a steward of employment to being a steward for work :

CREATING MEANINGFUL EMPLOYEE EXPERIENCES

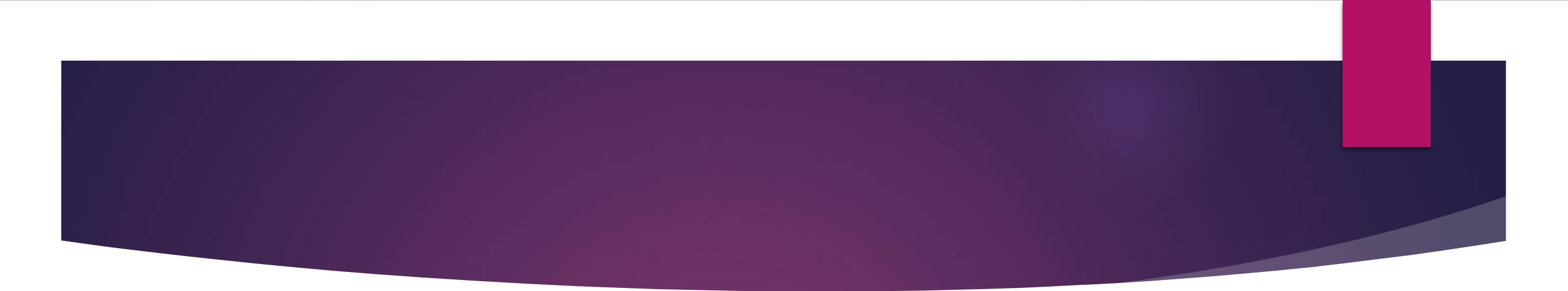
- It is is time we begin hearing terms on the lips of HR players like: empathy maps; employee defining moments; agile work processes; agile Human Resources practioners; data driven Human Resources etc

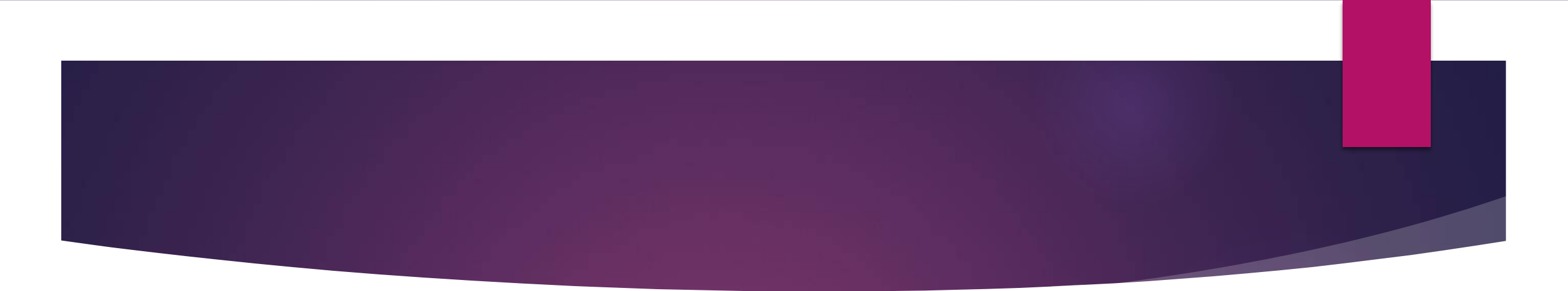
Harvard Business review 2022:

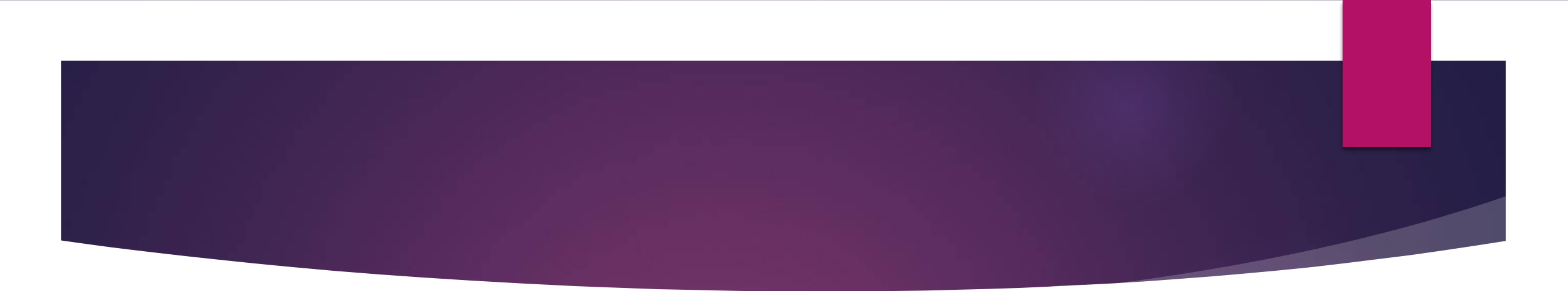
A research brought out new and expanded HR roles of the future with their tasks and responsibilities.

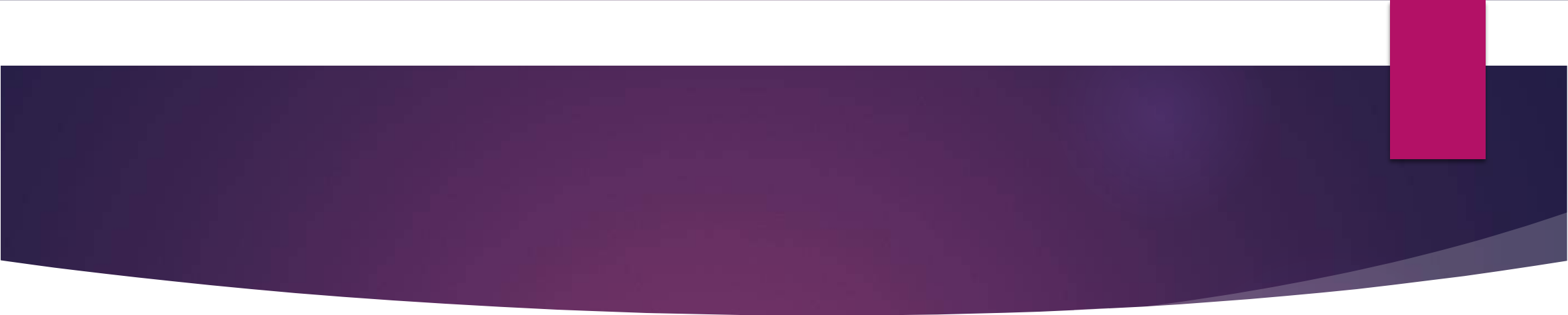
Examples

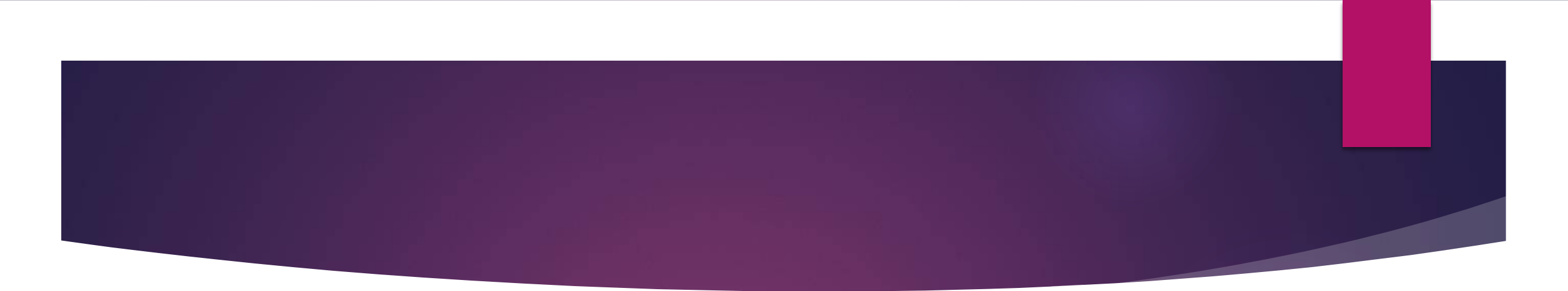
- **Director of Wellbeing:** provides strategic management over wellness and design services and practices to nurture the emotional, physical, mental, and spiritual health of all employees;
- **Work from Home Facilitator:** This person would ensure that the organization`s processes, policies, and technologies are optimal for remote workers;

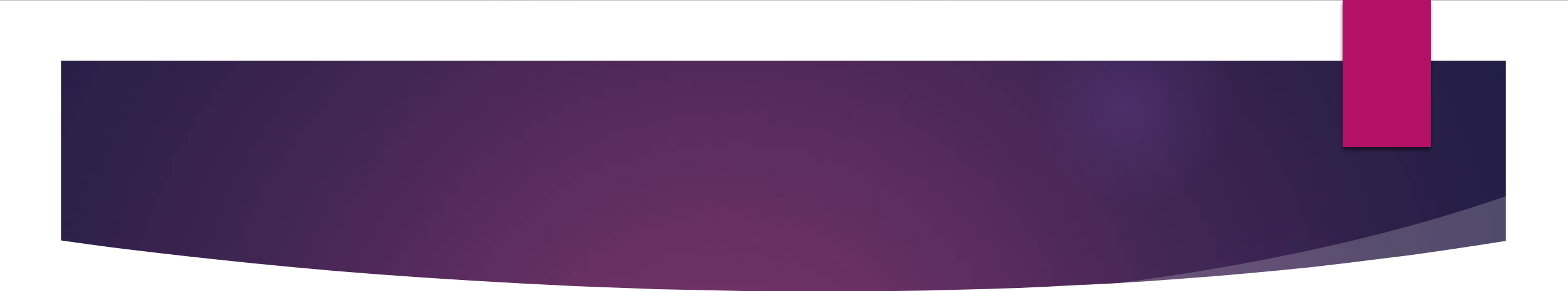
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- ***Human Bias Officer***, responsible for helping mitigate bias across all business functions, ensuring that people are treated fairly throughout the entire employee lifecycle - from recruiting to off-boarding;

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- ***Strategic HR Business Continuity Director:*** This person leads the HR response team and works with the leadership in creating a safe workplace for both onsite and remote workers;

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- ***The Future of Work Leader:*** responsible for analyzing what skills will be most essential as the workforce continues to evolve. This role would focus both on setting the organization's strategy for the future of work, as well as proposing reskilling and upskilling efforts for current employees;

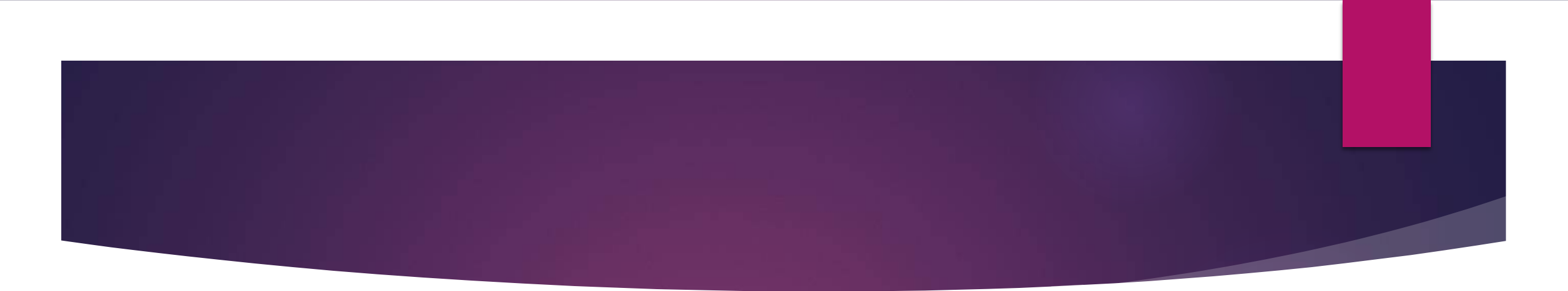
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- ***VR Immersion Counsellor:*** This role would help realize the potential of using virtual reality to scale training programs for several training objectives, including on-boarding, coaching, reskilling, upskilling, and even medical, and safety training;

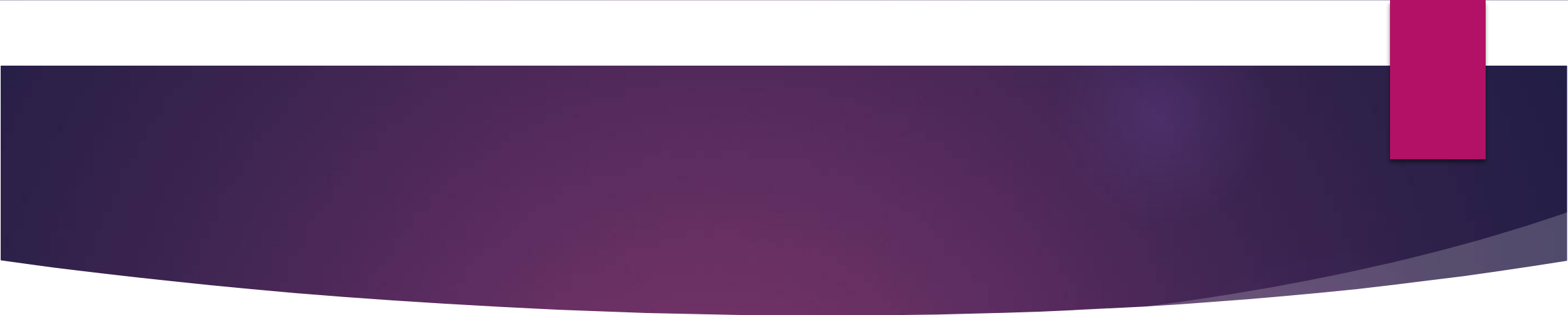
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- **the *Human-Machine Teaming Manager***, a role that operates at the intersection between humans and machines and aims to create seamless collaborations. These managers would look for ways to increase cooperation rather than competition;

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- ***Financial Wellness Manager:*** provides employee financial wellness programs; and
 - Diversity & Inclusion Officer.

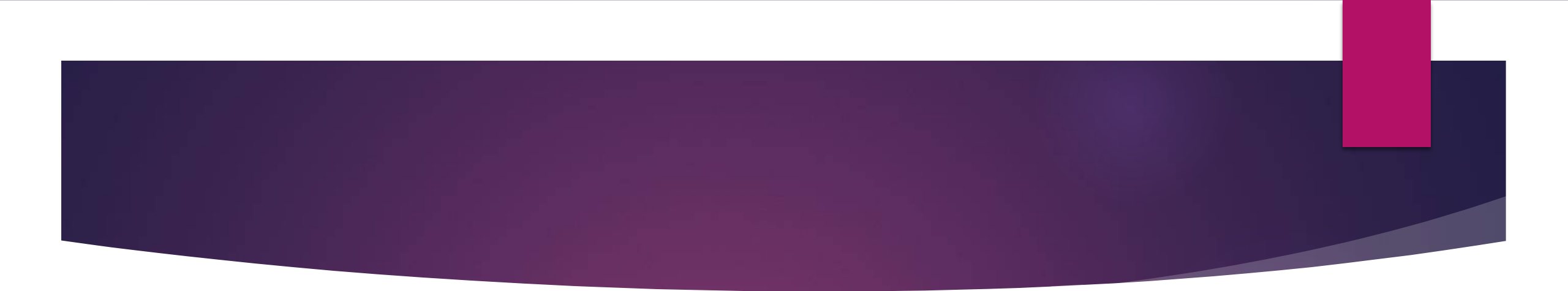
Nature of Work itself

- Death of life careers
- Increased need for work /life balance
- Use of personal tools of work e.g. tablets, ipads, mobile phones etc.

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- **Changing performance measurement understanding:** with the changing ecosystems of types of employees, productivity metrics must be thought through so that they can be applied across an entire workforce ecosystem to provide an accurate picture of organizational performance.
 - As production becomes increasingly digitized, the creative and problem-solving skills needed to manage and work with new technologies can't be as easily measured with existing productivity metrics.



It's time for a fundamental rethinking of our approach to productivity: a new mindset and new metrics for a new way of working built around human performance and outcomes.

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- **Enhanced job enlargement** : research indicates that organizations are shifting more open-ended work models, where more work is performed beyond the formal scope of one's job.
 - Most human resources leaders (79%) in a Deloitte study say that worker roles are evolving to become broader and more integrated, often embracing adjacent job functions, and workers agree: 71% said they were already performing work outside of their stated scope of job responsibility

Implications

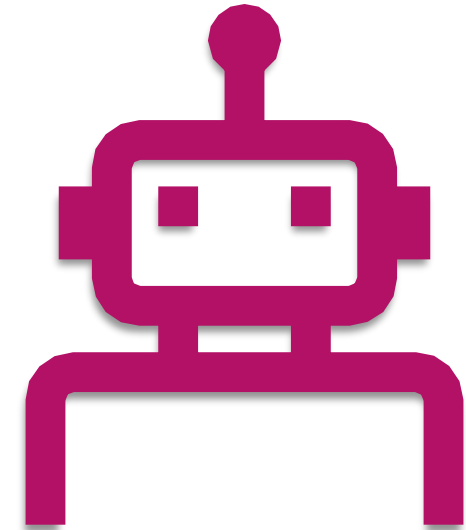
Some organizations have already started to take the first steps around redesigning work. In a recent Deloitte survey of more than 11,000 business leaders, 61% of respondents said they were actively redesigning jobs around artificial intelligence (AI), robotics, and new business models.



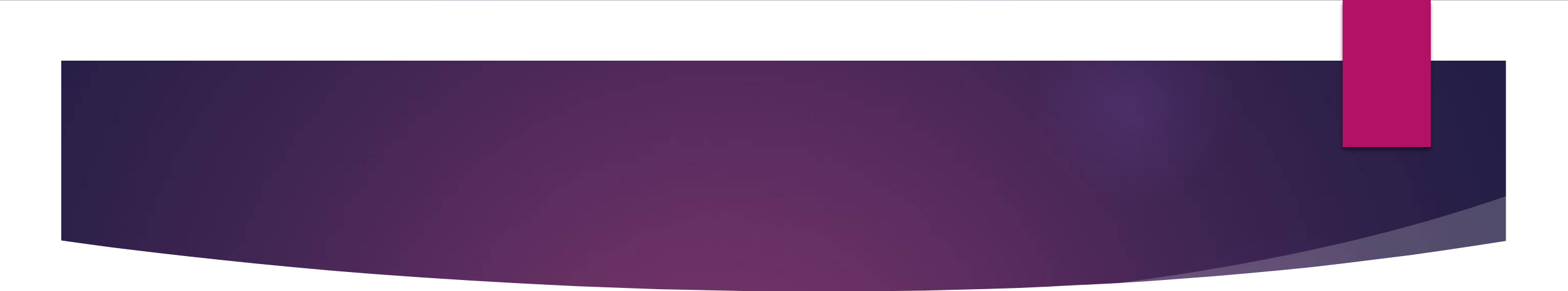
The future of work is characterized by rapidly changing workforce dynamics, and effective business leaders **must respond** to these changes by creating an ecosystem that accommodates the needs of the individual worker.

Future of work Manager Mindset

- Oversee teams differently, allowing problems and opportunities to be identified and addressed in a much more organic way, driven from the bottom-up.
- Seek to harness uniquely human skills (creativity, empathy, problem-solving, etc.) in combination with automation and technology to create more value.



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- Set the vision for and drive a collaborative, innovative team culture by listening to and engaging the workforce and customers
 - Design teams of the future that include multiple sources of skills, capabilities, and workforces, a combination of human resources (full-time employees, contractors, external crowds, and public-private partnerships) and machine resources

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- Prioritize problems through modified work processes that harness human-machine coordination
 - Coach employees through the process of identifying and defining problems to ensure a broader context is considered in designing and implementing human-machine coordination workflows and solutions

Future of work Leaders Mindset

A more collaborative and less
authoritative leadership style

Create the platform to enable new ways of
working/ re-envisioning work

Think horizontally, not just vertically.

Prioritize workforce engagement in what
concerns them

Use storytelling as a bridge between
leadership and employees

Designing effective human-machine
interfaces and let humans and machines
play to their strengths



Continuous training: MIT professor Thomas Kochan emphasizes the role of employee training in digital transformation:

“Waiting until a new technology is being introduced to retrain the workforce is too late. Instead, firms that want to be proactive in digitizing operations need to educate and train workers on a continuous basis, so they have the analytical and social skills”.

Implications for Pensions

According to Towers Watson's latest Global Workforce Study, which examined attitudes and opinions of workers around the world, the **quality of retirement benefit packages** are still a key factor influencing people's decision to join a company.

Cont...

- The younger generation is showing a much **greater awareness** and **interest** in saving for the future
- The 18 to 24 age group are those that are most interested in saving according to LifeSight's Factor 55 research. This is despite a common perception that people of this age have traditionally been more concerned with living in the moment than saving for retirement.

Conclusion

As we look to the future, it's clear that pension funds will continue to play a crucial role in ensuring financial security for retirees. The challenge and opportunity lie in embracing these technological advancements, ensuring that pension funds remain robust, reliable, and relevant in a rapidly changing world.

Asante sana

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