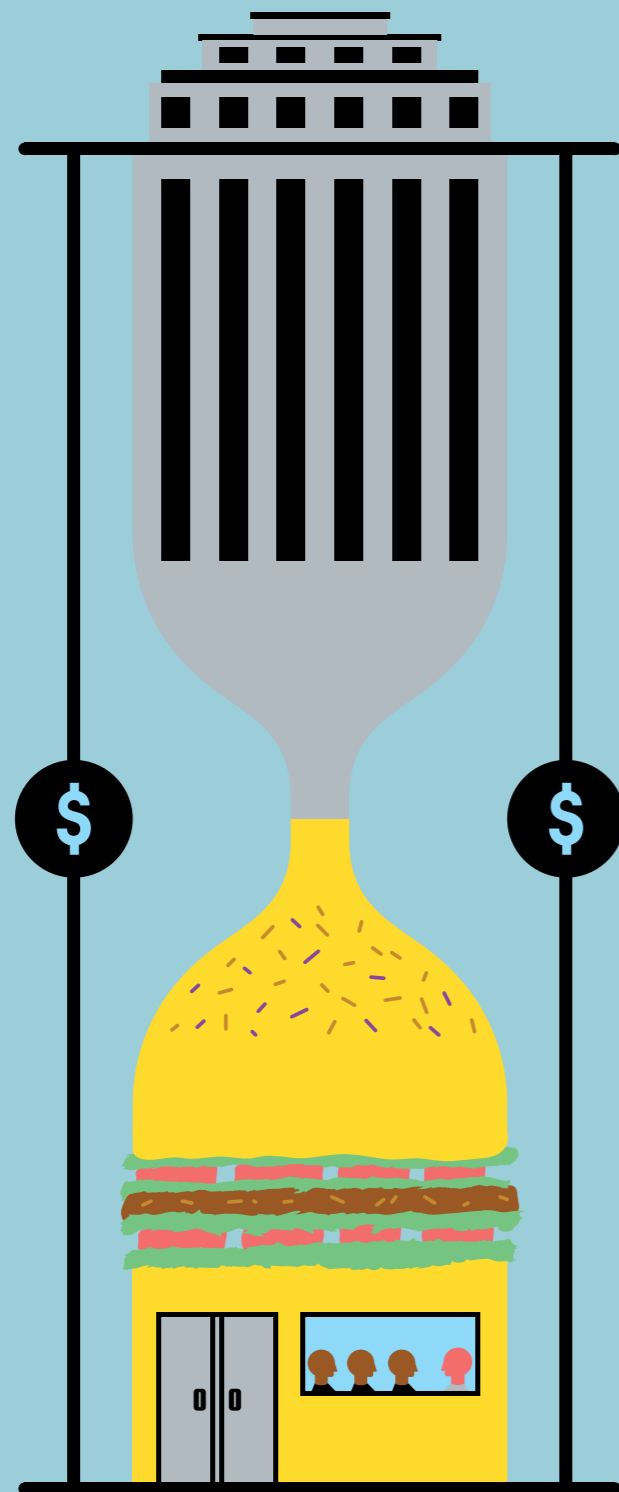


On the job

A recession inevitably puts a fresh emphasis on the job market and on the ways employees and employers need to adapt to stay afloat in turbulent times. GWYNETH HOLLAND surveys the future of the working world and finds new opportunities amid fragmentation

Illustrations by DENIS CARRIER *studiofolk.com*



The growth and prosperity to which consumers have become accustomed is no longer the norm, as the recession resets levels of affluence and security to more sustainable levels. That means less to go round – less money, fewer new jobs and greater competition for work: the cosy corporate job is no more. The recession has smashed up the career path; the future of work is a world of so-called hourglass labour, hyper-specialism and patchwork careers, led by a new generation of flexible workers and trade guilds. Finding one's niche becomes more difficult in this squeezed labour market – but there is the potential for the world of work to become increasingly rewarding.

MORE IN WORK, FOR LONGER

According to the Economist, over 3.1bn people across the world will be in work in 2011, a greater number than ever before. But this is no job boom: simultaneously, 205m people around the world are unemployed. Gallup's Underemployment Index identifies this as 19% of the global workforce, made up of 7% unemployed people, and 12% part-time employees looking for more work.

The most stricken demographic is likely to be graduates just entering the workplace. Young people have arguably been the worst hit by rising unemployment, according to the International Labour Organisation: in OECD countries, youth unemployment has risen from 14.2% in 2007 to 19.7% in the first half of 2011. Young Americans have been comparatively lucky, with the jobless rate rising from less than 2% to 5% for graduates, but growing more sharply from 5% to 11% for non-graduates. Spanish young people have fared worst, with unemployment rocketing from 17.6% to 44% in the same period.

But new jobs continue to be created. The problem is a mismatch between the skills required and the quality of the jobs available. The greatest area of growth is in 'commoditised' jobs: low-quality, low-pay roles such as working in a supermarket or fast food outlet. More fulfilling roles are shrinking, just as a generation of graduates trained for these aspirational roles enters the workplace. As ever, the most skilled, sought-after and highly paid roles remain more secure. Wilson Wong, senior researcher at the Work Foundation, calls this an 'hourglass' labour market.

As MIT economist David Autor wrote recently: 'The Great Recession has quantitatively but not qualitatively changed the trend toward employment polarisation.' As such, job losses have been 'far more severe in middle-skilled white- and blue-collar jobs than in either high-skill, white-collar jobs or in low-skill service occupations.'

'Most big companies are driven by financial capitalism – they're not focused on job creation but improving the productivity of workers they already have,' says Wong. That productivity trap is stalling the creation of new 'office jobs', and many analysts believe that specialist small businesses will be the only sector to create similarly high-quality jobs.

IN BRIEF

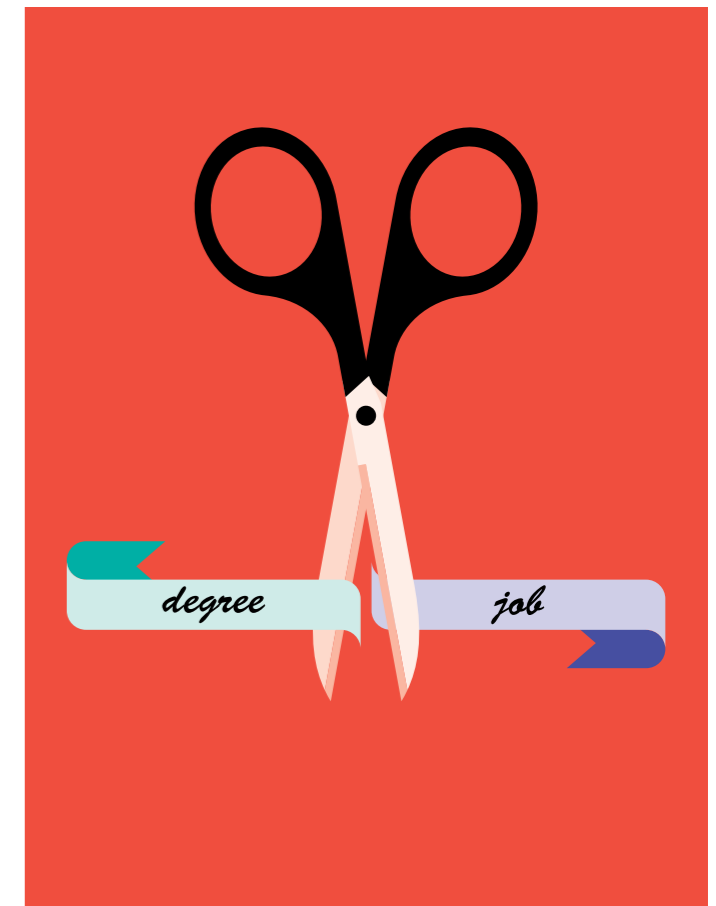
Unemployment is on the up. The middle sector of white-collar jobs is shrinking rapidly, with growth at the top and bottom: an 'hourglass' labour market

Greater education specialisation, apprenticeships and on-the-job training will be needed to help guarantee future workers' employability

Self-employment is booming, as people increasingly take on a gamut of temporary and part-time roles to pay the bills and stretch their skills

Mini jobs and microtasks are helping self-employed workers make the most of their time, thanks to online freelance and microtask networks

Networks are becoming more important than ever before, as people increasingly work in multidisciplinary, multinational, non-location-oriented groups



As part-time work becomes more widespread, it is creating opportunities for people to develop new specialisms and find new niches



THE WRONG SKILLS

In spite of rocketing unemployment, employers are complaining of a lack of qualified candidates for their vacancies. According to international employment agency Manpower, 34% of global employees are struggling to fill vital roles. Analysts believe this is a result of the poor choices by students when it comes to training for a career. Even in a highly educated workforce, skills do not necessarily match the needs of the marketplace. In America, over half of recent graduates have degrees that are not relevant or required for their current posts.

In the boom times, it might have been OK to have a creative degree, but future growth in good-quality jobs will require the more specialised or technical knowledge of a science or economics qualification. 'It's going to become less attractive to study something like English or philosophy that doesn't directly lead to a career,' says William Davies, research fellow at Oxford University's Institute for Science, Innovation and Society. 'Students will increasingly ask themselves: "Is that degree worth £30,000 of debt, with no guarantee of a job at the end of it?"'

As a result, vocational training and apprenticeships will become more important than expensive generic degrees. The chief beneficiaries of the qualifications race that ensues as graduates pile degree on degree are educational establishments and banks rather

than workers or employers. In Germany, only 20% of the workforce has a university degree, which has never prevented the country from boasting one of the most solid economies in the world. Instead, many school-leavers are trained on the job or through apprenticeships, allowing them to specialise and refine their skills while they work. As a result, workers have more of the valuable, applicable and specialised skills that employers are increasingly seeking.

LOWER EXPECTATIONS?

Companies may not be creating more jobs, but they're not shedding them as fast as in previous recessions either, as employers are getting better at understanding the human capital dimension of redundancy. Many large companies now appreciate the effect of swingeing job cuts on consumer confidence and the engagement levels of remaining employees. 'Companies and staff are more prepared to agree pay cuts and freezes rather than redundancy,' says Davies. 'Workers have realised that the difference between having a job and not having one is huge. It's not the same as the difference between being paid well or badly – they've realised how much worse it is to not have a job at all.'

Even the most traditional industries are looking at new ways to keep staff employed, albeit for less pay. Detroit's automotive industry is spearheading a new two-tier wage system that the US government and other industries are watching with interest. New employees are paid \$14 an hour, while longstanding staff are paid twice as much. The scheme has been so successful that last year, Chrysler's call for lower-tier workers garnered over 10,000 applications. For Detroit, the benefits lie not just in reducing local unemployment and diversifying its workforce. Lower labour costs also allow US automakers to compete better with cheaper European and Asian rivals on their home turf. Workers and unions seem happy to accept the lower pay for the moment, with the hope of reaching higher-tier wages once Detroit is stronger.

For many companies, the solution to limiting staff cuts is to make more roles part-time or temporary. In 2010, the proportion of part-time employees in American companies reached an all-time high of 19.7% of all workers. Over the next five years, 58% of US companies expect to use more part-time, temporary and contract employees, while 22% will outsource more roles.

A NEW INDEPENDENCE

In Germany, the part-time 'micro' or 'mini' job is a growing phenomenon. This tax-exempt category was created to boost students' income and to help people out of unemployment, but such posts are becoming increasingly widespread. Mini jobs are often in the sales and hospitality industries, paying a monthly wage of up to €400 and providing no benefits. In spite of this, 5m Germans now count a mini job as their main source of income, with half of all hospitality work made up of mini jobs.

As part-time and temporary work becomes more widespread, it will also find new niches, networks and specialisms, enabling more people to work on their own terms. The internet is already making it easier for employers and workers to find each other, with online job boards like oDesk and freelancer.com booming. It is also creating a sector of new micro-working opportunities.

TaskRabbit, for example, is a website where consumers can post work that needs doing, often odd jobs such as putting up shelves or cleaning, and the tasks are taken on by available workers, often retired people or stay-at-home parents. TaskRabbit even has a smartphone app to help co-ordinate busy Rabbits' activities while they're on the job. And it is not just manual skills that are marketable. Niche skills and knowledge are increasingly useful commodities for casual workers. Pal Locale hires out 'friends' to give you a tour of a new town or teach you golf, while Skillshare's anyone-can-be-a-teacher model allows people with specific skills to conduct online lessons and fix their own prices. Amazon-owned Mechanical Turk advertises jobs such as transcribing podcasts or image tagging for those who want to fill small pockets of time.

The Dutch service Roamler takes a more innovative tack, allowing users to pick up small tasks, often for big companies such as Heineken, based on their location. Users could be commissioned to photograph potential retail sites or check a product's shelf position in a local store. Each task earns between €2 and €4, with extra points for successful users that lead to better assignments and higher pay.

One of the key signifiers of the future of micro-working is the growing adoption of the Slivers-of-Time concept created by former BBC producer Wingham Rowan. The idea is gaining currency with Britain's government and even retail giants such as Tesco. Slivers of time is an ultra-flexible work system that enables people to sell their labour in small chunks of time. The system allows people who cannot work normal business hours, such as carers, parents or disabled people, to access gaps in the labour market through a sophisticated online time management system. 'There are millions of people who need to work in a fragmented way,' according to Rowan. 'Some of these people are real assets but they can be excluded from the labour market.'

PATCHWORKING

Wilson Wong, citing US statistics that predict a graduate will change jobs six or seven times by the age of 37, predicts 'more lateral moves between industries, professions, to enable workers to be better equipped in a competitive labour market.' RIP the job for life, from the employer and employee perspective alike.

Mark Stevenson, author of *An Optimist's Tour Of the Future*, also points out that, with increasing computerisation of jobs, flexibility is key. 'Rather than looking at technology as a threat to jobs, it's better to see it as something that can create platforms for new kinds of jobs. But that does mean you have to be agile and be prepared to shift from one role to another, to play on the new platform.'

People are thinking more about how they can break down a career into chunks of work that satisfy pocket, mind and heart. 'They're not going to pay off any debt or buy a house that way, but that's quite unlikely anyway. It's potentially quite fulfilling; people can create their own interesting niches,' suggests Davies. And, without the security of the traditional but increasingly rare nine-to-five working day, Wong says that workers will have to be 'more entrepreneurial' to find an alternative to corporate life. Indeed, the great truism of any recession is that it creates more entrepreneurs and thereby new jobs.

As White House chief of staff Rahm Emanuel advises, 'Never let a serious crisis go to waste.' People are becoming more inventive about ways to make money. Some are seeking to supplement the domestic coffers; 24,000 new businesses were registered with eBay in 2010. Others are exploring new ideas in relatively low-cost, low-risk ways. According to the US Department of Labour, 15.3m Americans are now self-employed, while another million boost their income from their main job with part-time self employment.

Surprisingly, the dining sector has contributed significantly, with a boom in supper clubs hosted at people's homes and a growth in gourmet food trucks across the US and UK. Such informal ways of exploring new ideas and gauging consumer interest can help point an idea in the right direction for growth, becoming the starting point for new companies and new jobs.

A NETWORKED LIFE

This new generation of entrepreneurs is even more self-reliant than its predecessors, due to a lack of available business funding. This means networks become more important than ever before. 'One of the biggest markers of success on many of my projects has been the ability to take networks multinational





Many jobs are becoming irrelevant because of technological progress – but humans can ask questions and derive meaning, which is still almost impossible for machines

and realise that the answers you need may be outside your immediate surroundings,' says Hadley Beeman, collaborative technology designer and CEO of LinkedGov. 'Those networks can be incredibly powerful.'

Mark Stevenson agrees that, rather than fragmenting the world of work, increasing self-employment can create new and interesting combinations of people and ideas. 'Our increasing inter-connectedness [means] that you can find the people you want to get into a room with more easily. This means teams that might never have come together can now exist.' These teams come together for the job, then fragment just as quickly, each heading to a new task.

Protecting those teams and the value of networks could become more important, as the growing number of self-employed workers will increasingly be judged on who they work with, and how. 'The old guild model could help protect and encourage specialisms,' suggests William Davies. Economist Richard Freeman, who is working with the powerful Communications Workers of America union, also argues that unions should become more like guilds: marketable entities that get involved with increasing the value of labour in the marketplace rather than simply fighting management.

Wong goes further still. 'We will see people creating their own cartels, which could be professions, crafts, sub-economies. Creating communities of interest is easier and more common, thanks to the social networking phenomenon.' Sellers could reduce rates for goods and services within their guild or cartel, thus reducing their dependency on global markets. 'It means their finances would be less stable, but they could achieve a higher quality of living,' says Wong.

DOMESTIC SERVICE

Home working will certainly be a key component of the self-employment revolution. In the UK, 5.9m businesses are run from home, with more than 27% of those set up in 2010. Big companies are also embracing the advantages of home-based staff, which include reduced office costs. Working from home is also seen as a perk for valuable staff (and is often allowed, it should be noticed, in place of a pay rise). According to CBI research, 46% of all UK employers offer teleworking opportunities to staff, a massive rise from just 14% of companies in 2008. Meanwhile, US website FlexJobs reports that there has been a 400% growth in telecommuting jobs in the last three years. According to data from the US Census, 61% more workers called home their primary workplace in 2009 than in 2005.

Remote working can be carried out anywhere between entry level and executive level, with salaries for remote workers 10% to 20% lower than those for office workers, according to FlexJobs. Many workers consider the flexibility, independence and ease of working at home a fair trade against lower salaries. Such arrangements can also improve productivity for employers and workers alike: research by mobility services company iPass shows that, on average, remote workers clock up 240 hours more each year than office workers.

THE HIVE MIND

With self-employment on the rise, technology will be developed and reappropriated to recreate the hive mind of an office environment from remote and diverse networks. 'Technology has been working on ways to get people working together better for the last 10 to 15 years, and what we've discovered is that fewer layers of communication make for better communication,' says Beeman. She points to wikis and Twitter as key tools for recreating the communality of the office environment, where the things you overhear and happen upon can be just as important as formal meetings.

As individuals and small companies discover new ways to use existing technology to work better, the corporate giants are set to follow suit. Clare Moncrieff, a senior director at the Corporate Executive Board (CEB) professional advisory service, notes an increased interest in social media platforms – not just Twitter and LinkedIn but also internal tools like SharePoint. Moncrieff says that many large companies surveyed by the CEB are beginning to explore how such platforms can help to enable 'very different and more collaborative ways of working.'

Beeman adds that simple tools like wikis can emulate what she refers to as the 'writing on a wall' element of collaboration. 'We're trying to make it more "jump-in" so anyone with a basic understanding of a computer and keyboard can get involved.' Twitter is also increasingly being used by remote teams to emulate the chatting-across-cubicles aspect of working in an office. Beeman cites the micro-blogging site as essential, enabling people to share thoughts as they go and start new discussions with their networks.

The easy entry point into the big social networks makes them a natural extension even for inexperienced remote collaborators. CMS platform Salesforce has introduced Chatter, a cross between Facebook and Twitter, which enables people to work on joint projects across locations or specialisms, as well as allowing management to see what staff are working on.

WHAT TECHNOLOGY GIVES, TECHNOLOGY TAKES AWAY ...

Technology is enabling better collaboration and simplifying networking, but at the same time, certain sectors are likely to disappear as technology, productivity and data management improve. 'A huge amount of jobs are becoming irrelevant because of technological progress, especially those roles that are about filling in information gaps – such as admin,' observes Wong. But Stevenson believes that technology could also create new opportunities. 'A lot of the drudge work is being taken out of information processing. There's some truly inspiring stuff going on in the related fields of AI and data interrogation that potentially allows us to focus on the two things that humans are really good at: asking questions and deriving meaning – things machines still find almost impossible.'

With so many threats to job security – technology, the economy, the skills gap – it seems that finding unique combinations of knowledge, skills and experience not replicable by technology is the best way for workers to safeguard their future in the turbulent world of work ●