

**PART ONE**

# Context

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# Our ever-changing world

*Where's the hype and the hope?*

## Introduction

In this chapter we will codify the world as we see it and the one we may be headed towards. It is important for us that we have a grounded and yet philosophical context to frame the reasons why this book is so important not just for the HR profession, but for all people in work now, about to be in work and who want to work.

There is, as it seems with all modern forms of media, an *awful* lot to wade through. SINTEF – a Norwegian Research Institute – calculated that in 2013, 90 per cent of the world's stored and accessible information was created in the previous *two years* (SINTEF, 2013).

A common issue we hear is information overload. Yet as the esteemed communication expert Clay Shirky said, 'it's a filtering issue' (O'Reilly Media, 2008).

So this chapter is a filtered view on the world that's coming. Potentially. And it gives us a frame to base the rest of the book on, and answer the question, 'Why Transformational HR and why now?'

### HOW WILL THIS CHAPTER TRANSFORM MY THINKING?

- Provide a sharp, hype-free summary of the transforming world and world of work we're headed towards.
- Bring thoughts together on the macro trends that are already challenging our present orthodoxies and will challenge on an ever-increasing scale.
- Set the scene for the future world of work that HR will be operating in.

## Complexity is our new norm

This book will not fix its sights on the term VUCA (a volatile, uncertain, complex, ambiguous world) and be the realization we should come to accept: that the world is more complex beyond this overused four-letter acronym. In fact, maybe nature is trying to tell us that our pursuit of control or simplification of the world is a futile act, and that complexity should be embraced and viewed as a challenging inevitability. We should view complexity in the world of work from the perspective of the *white water canoeist* rather than the *dam builder*.

The world of work does feel like it's getting more complex, pacy, divergent and difficult to keep a focused view on. We face an array of paradoxes, contradictions and challenges to conventional thinking. New disruptions from left-field-thinking entrepreneurial types are challenging what we thought of as work. Scientific breakthroughs and serendipitous discoveries are shifting what we know about our bodies and our minds. Research and data-led realizations and trend mapping are giving us both a sense of prediction and a sense of bewilderment.

Maybe it's because we're getting more information through our connectedness that it feels more complex. Or maybe because the data points of the world have exponentially multiplied, we *are* more complex.

### *More means complex*

I think it's the latter – the world is more complex. We've made it so. Twenty-five years ago, there were 95 million air passengers from UK airports. In 2005 that became 227 million. In 2015 the number was 251 million and rising (Civil Aviation Authority, 2017). And yet in 2020, due to the worldwide pandemic, some airports reported a 98 per cent *reduction* in travellers (International Airport Review, 2020). How quickly what was considered unstoppable growth can stop.

We've now got around a billion apps in various formats to choose from for our mobile devices. Twenty years ago, we may have had about 30 programs we'd want to buy on CD-ROM and load on our desktop PCs we had installed in our spare bedroom.

I know these examples are more about volume (and that doesn't necessarily equate to complexity), but take that world of applications/programs in software. When we bought boxed-up software it was probably something like a customer relationship management database on a CD-ROM. It was

coded, tested, released and sold in boxes. It was normally a program that had minimal interface to other things – this may have linked to your Hotmail, for example.

Now, of course, we're in the cloud and it's software as a service and we talk very much about the platforms we live our lives and work through – without a user manual in sight.

Developers and designers can literally go into overdrive on listing the needs now compared with 20 years ago. It was the process and data management, outputs and not much else. As agile, scrum and other methodologies have improved how well we code and produce software, so the demands have become more complex and been met.

## Work as a technology and delivered through digital technology

It feels like work is an old technological platform trying to run a host of new dynamic apps. In essence, the *operating system* of work (something Aaron Dignan's excellent 2019 book *Brave New Work* talks about) was not built for the digital, connected and exponential organizations era.

Computing power has literally become the world's business force. Take a look at the most valuable companies and you will see that four out of the top five are technology companies. The pharma and banking companies still hold some of the coveted top 10 in the Fortune 500, but the technology companies are coming (Gandel, 2016). The fastest rising (in value and revenue) are all coming from the silicon brigade and no longer the oil or sales brigade.

Whether you believe in 'unicorns' or not, the smarter money appears to be flooding towards technology ventures and less to traditional industries.

So the world is more complex *and* digital and we'd just better get used to it – and it's unlikely any of us will be able to simplify it or stop the rise of digital anytime soon.

Whether it's algorithmic news, *fake* news or *real* news, we're all seeing a web-like mess of interconnectedness. The financial meltdown of 2007/08 was a little like previous downturns, but its impact was wider, as the markets were all now so interconnected. Joshua Cooper Ramo's outstanding work in the book *The Seventh Sense* gives us a network-related view on this new world we're in (Ramo, 2016) – instant news, *infobesity* (Lindkvist, 2013) and a post-truth world, where expertise and facts are eschewed and we find ourselves in a whole new public relations and reputational ball game.

I could dominate these pages with accounts on the world but for brevity, here's a quick spin into our complex world as it impacts on our working lives.

### *Technological breakthroughs*

Artificial intelligence, automation, robotics and autonomous vehicles; 3-D and 4-D printing, ubiquitous connectivity, e-commerce and e-transactions; machine learning, virtual reality and augmented reality; nanotechnology, biomedical technology and cyber and unmanned warfare machines; blockchain and cryptocurrencies – I'm doing these outrageously advanced technologies a gross disservice by simply listing them, and yet, again, this book could become overtaken by these factors alone. In a transformational HR sense, digital technology is in itself a transformation topic all of its own. This book will not be able to authoritatively describe the impact that emerging and advancing digital technology will have on influencing business and HR transformation in the coming years. Much speculation abounds on automation, robotization and the advent of quantum computing. The preference is to position HR for whatever occurs and to be responsive, considered and ethical about the adoption of new digital technologies.

### Sociopolitical and health issues

Displaced people, economic migration, movement of people for work and a shifting need to import talent to arrest declining birth rates all present a paradoxical challenge to those who feel their lives aren't improving as a result of this. Market forces are letting them down. This has given rise to xenophobia, prejudice and more far-right mentalities being shared and conscripted to. That people feel so rejected by a sociopolitical system impacts work. Lower-skilled and lower-paid work may come even more under threat with robotics and migration; therefore people are lashing out at the political model that is failing to provide them with a standard of living. Most importantly, the political system appears to be robbing people of hope.

Trickle-down neoliberalism is failing to talk to those who it was supposed to benefit the most. And work has a huge part to play in managing the impact of this reaction. Where people can earn a secure living, with meaningful work that sits alongside decent education, justice and healthcare, a community thrives. Fiscally independent, educationally enriched, safe and

well – these are fundamental human needs and, some might say, rights. Work has had major impacts on lives in this way: forming communities around coal mining, steel or manufacturing. These communities have been torn apart when the labour force disappears. People's sense of not only financial value but their esteem in the world suffers and is often irreparably damaged.

We thought the biggest issues we were likely to face over health in the 21st century were obesity and mental illness, and yet we hadn't counted on a protein-based virus that became known as COVID-19. Yes, cancers and other diseases are still big spectres on our health horizon, but we're literally convenience-food-eating and stressed-out-worrying ourselves into earlier demise, and COVID-19 was found to be particularly dangerous to older people and those with existing health conditions like diabetes and lung disorders.

Nevertheless, despite the known protective measures of social distancing, we saw a lot of attention to the mental health issues brought on by isolation, anxiety and detachment. We still have a huge amount of work to do post-vaccination with mental health issues and obesity, as well as deal with the longer-term repercussions of those who survived COVID-19 infection but face impaired organs and energy levels.

### *Economic shifts*

Indeed, many Eastern cultures – Japan, China, Singapore, Indonesia – seemed to cope with the pandemic better than Western, European cultures. Not all, but many. And as economic power was already shifted eastward – to China and India particularly – a rising middle-class in areas that were previously malignant for capitalist growth got on with life 'as normal' faster than European and American countries. The traditional world economic powerhouses continue to struggle with debt, deficits and failed fiscal policies. Pensions crises and failing state reforms to working opportunities see the rise of gig working and a race to the bottom in the case of depressed wage growth and a growing wealth inequality.

It's not just shifts in geographies but in commodities that people want to invest in. What money is there to actually invest? New commentators on alternative macroeconomic methodologies, such as Raj Sissodia, Thomas Picketty and Paul Mason, will show you there are real challenges to the capitalist, largely Americanized way of business and world economics. The value of what we value changes and capital isn't considered the only form of

value anymore. In Oxford Said Management Professor Colin Mayer's book *Prosperity* (2018), there are six forms of value that he describes as vital to 21st-century businesses:

- financial;
- material;
- intellectual;
- social;
- human; and
- natural.

We appear to be starting to understand more about the true value of a broader range of measures beyond merely economic, market and fiscal capital.

### *Ageing and overpopulation*

To offset some declining birth rates in the Western world, we are still seeing an increasing population as we're all living longer. Famously, Aubrey De Grey predicts someone alive now will live to be 200 years old and that death is a disease we can arrest through advances in biotechnology to counter the effects of ageing (De Grey, 2005). The 100-year life is a real thing that we are grappling with now, as we realize our pensions policies were crafted in an age where people lived into their late 50s and now work until their mid-70s. Is there enough land, food, water and air to breathe in the world of 2030 and 2050? Colonizing Mars doesn't seem quite as *hokey* as it once did.

### *Education and new skills*

We are still surprisingly traditional in our approach to schools and higher education. With lectures and study programmes built for the industrial era, the model has received many challenges – most notably from Sir Ken Robinson (2014). Indeed, the World Economic Forum has given us some indication of what the skills of the future will look like – and many of them don't appear to exist in school curricula (World Economic Forum, 2020). It's traditionally the workplace that gives these skills a boost, but by then, will we miss out on people becoming active members of the working population because we've denied them these skills in favour of more traditional academic disciplines? It looks like there's room for more of this on the school timetable (see Table 1.1).



TABLE 1.1 World Economic Forum: the 10 skills you will need for the future

Complex problem-solving	Critical thinking
Creativity	People management
Coordinating with others	Emotional intelligence
Judgement and decision-making	Service orientation
Negotiation	Cognitive flexibility

SOURCE Gray (2016)

These and much more will be needed alongside living the digital lives we now have and, crucially, the differences in the way we behave towards each other online – not to mention cybersecurity and protection to keep us, and the things we value, safe.

### *Approaches to life*

We really could be in a post-materialistic world, where things we would normally own become a service we merely rent, lease or consume for no cost. This could mean everything from the transport we take to the digital devices we use and even the clothes we wear. Not to mention that this will all become connected, so the data we create through our usage will inform and channel the goods and services we have most when we need them. We could be in an abundant and entirely different model of consumption, which leads to questions about economics. That some people are even talking about universal basic income is an entirely radical shift from the traditional acquisition of wealth and stuff to live by. Small housing, tiny living and the slow movements are coming into our lives as antidotes to hyper-stressed, pointless ways of crafting a living. Never underestimate the power of a movement that restores humanity, care and productive behaviours simply because it revokes the ingrained disciplines our previous generation were used to. People over profit? Care over capital? Inclusivity over exploitation? It could be our way in the near future of work and life.

## The Fourth Industrial Revolution

It is a bold and even courageous claim by forecasters, analysts and leaders that we are in the midst of a tectonic shift in our industry model and, therefore, life

model. Klaus Schwab and the World Economic Forum are proclaiming that this is as big a shift as we saw in the 1800s and then previously through the age of enlightenment (Schwab, 2016).

Yuval Noah Harari, in his book *Sapiens*, did much the same and the 'lost' art of anthropology becomes *en vogue* once more (Harari, 2015). We are a sentient species with a pattern from history and aspirations for the future, and once you decode tribalism and understand our most destructive tendencies, you can also see our most advanced civility and creativity.

We most likely *are* in the middle of the eye of the storm. And when you are, it's easy to deny, dismiss or decry this as hyperbole. It's also – history tells us this – when those denial-based challengers are ironically acting as proof that we *are* in the midst of huge changes. Deniers and naysayers, sceptics and antagonists are normally there out of fear. And, of course, some high form of intellect based on old mathematics and computation, and a genuine rubbishing of experts who are simply calling out patterns and trends because they're there and telling us something.

So we ignore the call that we are in the middle of a quantum shift at our peril. Yet we can retain critical thinking and avoid panicked rejections or overexuberant alliances as we explore and learn our way into a genuinely new shift that affects all our lives.

### *Environmental concerns and consumption of planetary resources*

When I wrote the first edition of this book, Extinction Rebellion did not exist and no one outside of her family and friends had heard of Greta Thunberg. Indeed, there wasn't even a declared *climate emergency*. It was climate change in 2018 – but we've now shifted our thinking towards a more impending and near state of ecological doom.

There are still deniers aplenty to the damage and destruction being caused to natural resources and our wildlife and ecosystems. Yet, we see polar ice caps melting, higher average temperatures year-on-year and convulsive weather system mutations. Yes, the earth has a history of shifting climates, but this appears to be undeniably fast, and a causal trail is pretty clearly pointing to our engineering.

That so many scientific figures and now business leaders are caring about the world we live in is telling. Corporate social responsibility was an attempt to get carbon use on the boardroom agenda and use reputation capital to force some reductions and compliance.

We now know that it *can* be more economical to build and use your own wind turbine, that waste is the war we should all be raging on, and that this planet cannot repair itself at the rate we are using its natural resources.

With a forecasted 10 billion people on the planet as imminent, we really need to think about water and greenhouse gases, and create a surge in the use of clean, green and renewable energies (Emmott, 2013).

Will solar, wind and wave power drive us to zero cost for energy use? Probably.

Are governments reliable enough to steer this agenda? Probably not.

Business has a huge responsibility to ethically treat the planet, the people of the world and the consumers of its goods/services and not just service the markets and shareholders.

*A decade is a long time in HR or anywhere*

If I were writing this book even 10 years ago, we'd likely be talking of the power of the internet to speed up transactions and maybe not much else. We knew about planetary concerns then but saw no way to decouple ourselves from the use of fossil fuels.

We knew less about alternative structures for businesses other than the traditional scaled hierarchy. Now we have thousands of variations of business models, business structures and ways of working.

It's a world where the sun never sets and globalization is more prominently the model than ever before.

So many things have changed and taken a foothold that we have a term for this rise – the exponential curve. Salim Ismail and others put a strong case together based on Singularity University's own research and study of Ray Kurzweil's (2001) Law of Accelerating Returns that it has become the new norm.

Quite literally, the world's businesses still want to be Usain Bolt – perhaps even more so to recover from the effects of the global COVID-19 pandemic of 2020.

## Conclusion

Returning to HR for a second, HR's current proposition was built for (at best) mid-1990s businesses and has done very little to reshape itself entirely since then. Sure, there are outliers and challengers (and they will feature in this

book), yet the basic model of HR is a servant to the organization around the people in its employ:

- codifying human endeavour into job descriptions;
- building reward structures based on some form of algorithm kept as secret as Colonel Sanders' recipe;
- recruitment and hiring to get the best person possible who fits the description despite being subject to biases, poorly executed evidence exchanges and a phoney war for talent;
- development and career progression which favour the extroverted project-jockey over the diligent deep expert; and
- exits and *right-sizing* routines which treat people as ejectable components in a re-engineered machine.

Since I wrote the first edition in 2018, more is now being declared that it is definitely time for the *human* in human resources to *really* mean something.

It's also time for an ideological revolution in the way we look after people that will begin to matter to organizational sustainable success in light of the response to the global pandemic.

### THREE KEY TRANSFORMATIONAL HR TAKEAWAYS AND REFLECTIVE QUESTIONS TO CONSIDER

- 1 In appreciating how interconnected the world is, we can see how everything has an impact on the world of work.

**Q: What are the trends that may transform the nature of your work?**

- 2 Where we found new things to think about in this opening chapter, there is a sense of activated interest towards those trends and factors.

**Q: What has this chapter made you want to know more about and identify where to find a rich source of insight?**

- 3 We can appreciate there are unknown elements yet to come to light, yet we can see that certain skills are going to be more useful to us in the future.

**Q: What are the skills you now feel are of increased need for you and those you work with?**

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