

Human/e capitalism: work, knowledge and non-hierarchical cooperation

Paid work has become more diverse and fluid. Werner Eichhorst writes that for companies to harness the potential of workers they will need to collaborate and let them do their job

Recently, there has been an intense global debate about the future of work, mainly evolving around the role of globalization and technological innovation. Yet, many studies tend to focus almost exclusively on technology and tend to be written and read in an overly deterministic fashion, assuming, first, that a certain number of jobs are disappearing or at risk of going extinct over the next five or ten years, and second, that this is predominantly driven by technological innovation.

However, with more precise estimates being presented, there appears to be higher probability that such predictions are wrong. This has to do with the fact that the future is not determined by technological factors or trade directly, but shaped by market actors on a day to day basis, incorporating, improvising as well as adapting to the rules governing work and labour markets. Hence, while point estimates are almost certainly wrong, general and long-standing trends identified on the labour market are valuable pieces of information.

From this, we have learnt that paid work has become more diverse and fluid over time and around the globe. In a way, labour markets can be conceived as onions with different layers consisting of types of employment that differ by their closeness to and distance from the core that is made up by standard full-time employment relationship in the formal sector.

Part-time work, fixed-term contracts, temporary agency work, but also freelance work, platform work and other types of contracted labour or informal employment constitute different outside layers, characterized by highly diverse working conditions and specific aspects of flexibility. Yet, technological change, global integration and differences in labour supply and demand can move the boundaries between the different layers.

Furthermore, open-ended traditional dependent employment is changing as well, with increasing diffusion of work and non-work driven by technological options and business reorganization that favour mobile, highly flexible,

project-based work. Even the boundaries between the ins and the outs of a firm tend to become less and less clear cut, facilitating also hybrid combinations of contracts over time or even simultaneously.

While studies on technological change cannot predict precisely what is going to happen, we can extrapolate from earlier experiences and refer to the most recent wave of those studies that human work will also change its character over time. We will certainly continue to lose more routine jobs.

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In terms of occupations and sectors that are currently affected in particular we see many low- and medium-skilled manufacturing jobs, but also standard office clerk work such as banking, administration, data processing or accounting. These jobs are at risk of becoming index fossils of the recent past as what can be automated will be automated at some point if this technically and economically feasible as well as acceptable to society. This might take some time, maybe more than what some experts on technology expect. What is lost, however, is lost forever, at least in the form we know.

Yet, human work is certainly not coming to an end in the foreseeable future. But the future is open and depends on the way actors shape it. There might indeed be a darker side to this development. The future could bring more rather than less surveillance based on numbers and smart algorithms, with greater trust in figures and performance indicators than in people.

This could mean also an increased degree of routinization of non-routine work, which implies a devaluation of expertise at different levels, the devaluation of knowledge through intelligent machinery and, finally, a dequalification in many occupations. Hence, contrary to common beliefs, this could result in rather more than less routine work, more boring, but demanding, heavily monitored jobs with strictly enforced one-sided transparency and intrusiveness.

However, the productive, creative and socially progressive potential of the new world of work can hardly be realized under such conditions. In fact, it does not make sense to race with the robots and to put humans into structures that turn them into parts of a machinery. Rather, human work flourishes best if it is most different from machines.

Human capacities are excess capacities compared to programmed action, rather non-routine in addition or complementary to routines. There are competencies that only humans have and that they can use to work and

service other human beings. In these domains, humans do not compete directly with machines, and even the most advanced technologies will hardly change this. The future is about using and developing the non-technical, non-digital side as much as developing and using technology and digital solutions.

What then becomes more relevant, and most observers would certainly agree on this, is social interaction, creativity, initiative, reasoning and learning, negotiating and coordination, complex problem-solving, analytical, critical thinking, and care – but even there is some ambiguity with this as well. In principle, the dominant tasks of future jobs might move labour into a more humane direction, making work less repetitive, dangerous and boring for more and more people.

Human work matters in the end, and work by humans will be more shaped by humans themselves in the future, despite all technological innovations, quite ironically, as human abilities, experiences, improvisation matter. Less routine means that humans will be able and have to craft and interpret their jobs more substantially.

This is both empirically and normatively important and can be seen as a potential liberation from old ways of working in a more bureaucratic setting. Yet, the extent to which these genuinely human traits shape work depends on the way work is organized.

Technology does not change the fact that work is with humans, and humans have to cope with themselves and each other. The fundamentals of human relations, productivity, cooperation, struggles about boundaries remain. What can be seen as of today is the fact the future role of human work challenges the way work has been organized so far. The quality of the outcome, the service or the product, is intimately related to the quality of the work environment, the processes and structures.

The brighter side is one where human capital matters most and where it is developed in a way that is productive and human-centric at the same time. Human capital is individual, less standardized, more critical, creative, and not to be detached from the individual. In that sense, work involving human capital and oriented towards the core human capacities described above tends to be less standardized, more driven by personal skills, experiences, motivation and style.

Individuals need to bring in their skills to work, and individual characteristics become productive factors. If work depends on people's involvement and the active use of their skills, then a favourable environment is crucial. Human capital is owned by individuals, acquired over time, used and updated in interactions, it cannot be stored and saved – but its value depends on the terms of trade, supply and demand, and also on the option not to have to sell at any price.

We know from research into labour markets that individuals can expect better working conditions if their skills are less easily replaceable. It also implies that welfare state mechanisms that provide income and employment security help raise individual bargaining power.

For human capital to be productive, working conditions matter as knowledge work is also based on psychic and communicative aspects, not only cognitive. Work cannot be done without at least tacit consent of coworkers and broad acceptance of tasks, duties, deadlines, standards and some willingness to act proactively.

In the new world of work individuals are the best experts in their work. They know what they do and they also know best what could be improved. In that sense, the real experts of the working process are those working concretely, and they can be critical and professional as well. In that respect, concrete work based on knowledge is more operational rather than managerial.

Actually, this type of work requires less of traditional supervision and management. This has massive implication for knowledge, self-management, motivation, control over emotions, but also on organization and management.

Maybe this is the first time that human work and knowledge is becoming the single most important source of productivity – and as a response old organizational models are becoming obsolete. Hierarchical settings tend to undermine commitment, trust, autonomy, professionalism as they create incentives to care about hierarchical promotion and impose restrictions on others.

In fact, firms try to be productive, creative, but what they chase is most is lost partially by the way: creativity and commitment. In a hierarchical setting, much of individual creativity is invested to make hierarchical steps. Through this, traditional hierarchies undermine the things chased most: creativity, productivity, commitment in a wider, more encompassing sense.

Hierarchies reinforce power asymmetries, rewarding more instrumental creativity while productive creativity is suppressed. Creativity still needs some acknowledgement of individual spontaneity and much less direct intervention and management.

When we look at current debates about management, organization and staffing, human resource professionals are pretty much aware of these issues. In fact, one might find a potential for future-oriented development in many organizational and human resource concepts and an implicit criticism of existing practices of running firms and managing people.

Actually, many firms experiment with creative, more autonomous, less conventional ways of organizing work. Still, these zones with larger autonomy, fewer hierarchies and less rules typically face a hard time being transferred to

the main business. Future-oriented models are often only supported by lip service, still they are hardly realised in full practice in a way that is close to the original idea, given the fact that these concepts clash with existing managerial routines.

In fact, a better organization of work would raise productivity, it would allow for, and benefit from, some room for experiments, unplanned ideas, outside strict work schedules, but not isolated from them, areas to learn, permanently, with some slack.

The principle of a workshop, with crafts in many fields but less managerial intervention might be helpful as a guideline in this respect. Craftsmen and craftswomen are attentive, stubborn, experienced, responsible, quality-driven, committed, they know what to do and to adjust incrementally based on intuition and experience. In a workshop, coordination and collaboration are developed in a flexible, less hierarchical way, both community-oriented and autonomy-friendly way at the same time.

Of course, this requires independent, skilled individuals on the one hand, and on the other a working climate based on trust. This means replacing a low trust/high monitoring environment by a high trust/low monitoring environment. In this sense, firms better equipped for the future tend to avoid steep hierarchical structures and the massive accumulation of supervisory power by some.

This implies questioning leadership more broadly, with some firms experimenting with more egalitarian structures or temporary leadership only that is task- or project-based, referring to experience and mastership, but not necessarily a permanent and general type of leadership in a conventional way. Work is operational rather than managerial. This limits the attractiveness of higher positions, less energy is spent on mobility struggles.

Managerial intervention would undermine self-responsibility, professionalism, and it would lack some legitimacy in such a setting. As development and application are more integrated, innovation becomes more stepwise and more permanent, and less distinguishable from production in the classical sense.

Ideally, this model also uses the knowledge and critical thinking of all involved when it comes to new ideas and improvement. This can work if strict monitoring of workers that can be seen as mature professional is avoided. This also makes measuring everything that can be measured (even wrongly) unnecessary. Regarding pay, as external motivation and bonus/reward systems as they tend to undermine intrinsic motivation, individual incentives are increasingly counterproductive.

To some extent, the reward lies in work itself and co-ownership could become an important source of motivation and commitment. Firms of the future can be seen as collaborative workshops that combine expertise and talents, and share risks. This is better done on par.

This craft-like type of work is possible in most areas, at different skill levels, in different sectors, and not just in high skilled professional work or in traditional crafts. Progressively, we can see elements of this principle in emerging organizational models. Those who work know what to do. Just let them do their job. ■

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