

# Human touch and the future of work

Occupations that deal with complexity, supervising, assessing, deciding, teaching, but also care and personal interaction, will be most relevant in the future, Werner Eichhorst writes

**W**hat are the occupations that will be most relevant in the future? Definitely those where non-routine cognitive, interactive or manual work performed by human beings is important, ie. dealing with complexity, supervising, assessing, deciding, teaching, but also care and personal interaction. In these areas, human beings are crucial and will likely remain indispensable – not only the most highly skilled, but also in lower and medium skill segments.

Humans shape these jobs based on qualification, experience, motivation and collaboration. Many jobs of the future will rely on this human factor, creating a huge potential of making these jobs 'richer' and more intrinsically interesting or rewarding than the jobs in the past, which were often characterized by more routine and repetitive tasks. While new technologies enable mobile working and technologically assisted interaction, we can see that communication between humans is still elementary in many respects, particularly in services tailored to individuals.

Given market pressures and competitiveness considerations, there is an increasing tendency to address human creativity and motivation more systematically via organizational and human resource practices. However, on the downside, this can be more invasive to individuals and bring about more external control, e.g. through contract-based work and stricter monitoring. As human capital will matter crucially, one can see the future of paid work as a sort of 'human capitalism.' Although this does not automatically imply 'human(e)' working conditions, the decline of routine jobs opens up new room for genuinely human activities that can be organized in more or less 'human(e)' ways.

Competition is everywhere in the economy. This puts all firms under pressure to ensure competitiveness in terms of the relation between price and quality of goods and services offered to other businesses or consumers. There are different models of competitiveness based either on quality or on cost advantages. Which way to choose depends on the market environment and on the capacities that can be built? One might distinguish between a 'high road' (competing on quality) and a 'low road' (competing on the cheapest price). This has massive implications for the types of workers needed, their qualification and working conditions.

A more demanding model favouring quality and innovation, probably fitting better with the European high wage/strong human capital arrangement, requires specific skills and potentially more long-term employment relationships with workers, allowing for flexibility, but also ensuring a fair balance between effort and reward. Such more ambitious models can only be sustained if higher prices can be set on global markets for quality goods and services.

This model must also place these firms in competition with firms choosing the low road with corresponding models of employment regarding skill formation, employment stability and pay. Thus, when firms adopt a more demanding business model, they will have to invest more heavily in the qualification, long-term employability and health of their workforce. This is a core requirement for the feasibility of such types of production and a type of 'hard' driver compared to corporate social responsibility activities that tend to be more superficial. But the sustainability of such a model basically depends on the client or consumer acceptance of a certain price for a certain quality.

The reconciliation between employer and individual objectives is probably one of the core issues when it comes to the future of work. This is because skilled workers and their ability and willingness to be productive, creative and responsible are core assets of future economic activity. And these workers tend to become an increasingly scarce resource in Europe. In fact, the future of work will mostly be shaped by corporate practices aiming at productivity, innovation and speed for the sake of competitiveness.

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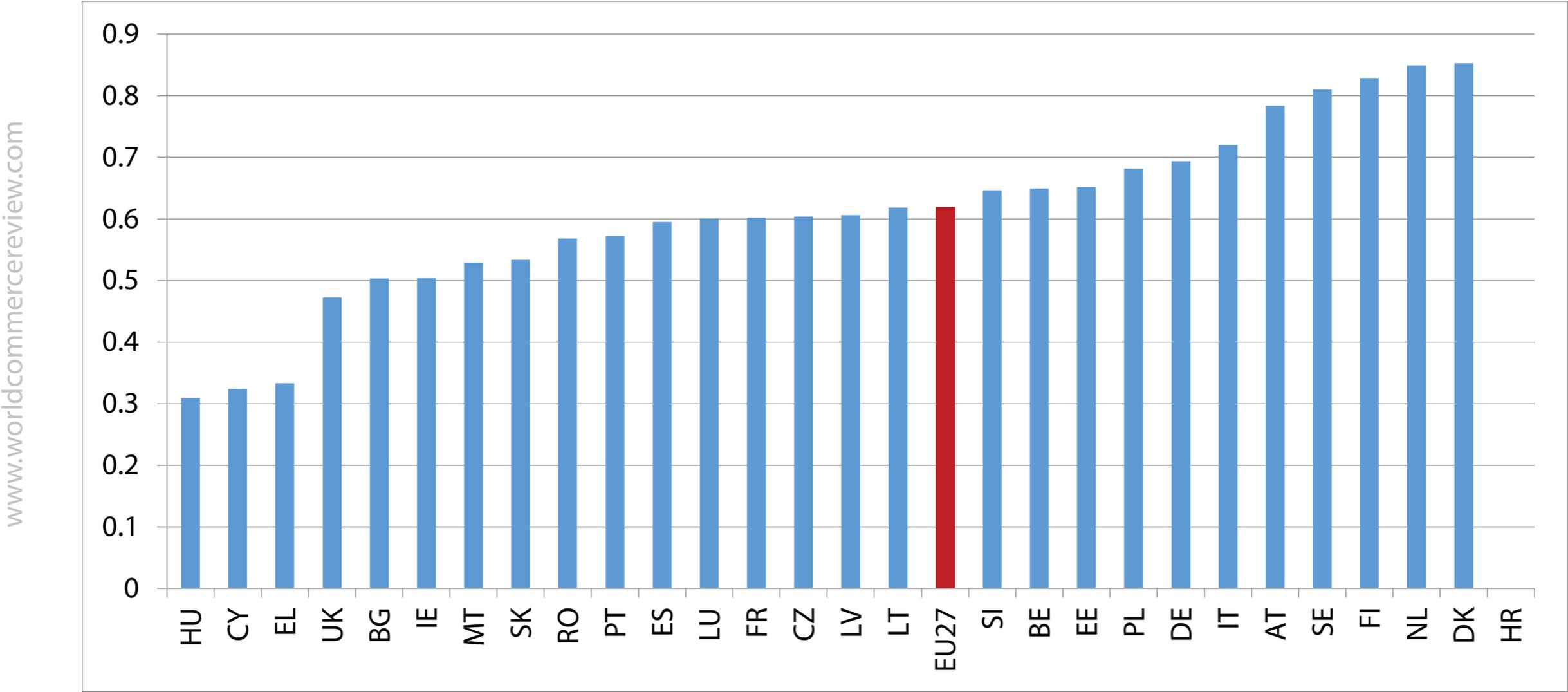
But at the same time, demands on workers cannot be increased indefinitely without creating stress and severe health problems in the long run. Physical and mental health issues have gained importance, as has the search for solutions to ensure a proper work-life balance under new economic circumstances. We know from research that job strain due to excessive demands and limited control eventually leads to severe problems in terms of employee well-being, motivation and health.

Therefore, human resource policies and organisational innovations that help reconcile productivity and attractiveness of the workplace will contribute substantially to the success of firms when competition on markets (including the market for talent) is strong. To attract qualified people, work needs to be attractive in several ways: the balance of effort and reward must be perceived as fair, and employers must be flexible in negotiating with potential and incumbent workers about their working conditions, including working time patterns, mobile working, individualised career paths, targets to be achieved, building upon existing experiences and general trends observed. This creates substantial scope for flexible, negotiated solutions at the company, department or individual level. So far this tends to be a privilege for those whose skills are scarce.

While allowing for individual differences and workforce diversity, firms also need to observe overall fairness in the treatment of all employees. Apart from general rules on employment conditions, it may also make sense to set incentives to internalize external effects of non-sustainable human resource policies through a bonus/malus system in sickness and disability insurance. For example, responsible behaviour of firms could be encouraged by lower employer contributions if fewer workers go on leave due to sickness or disability.

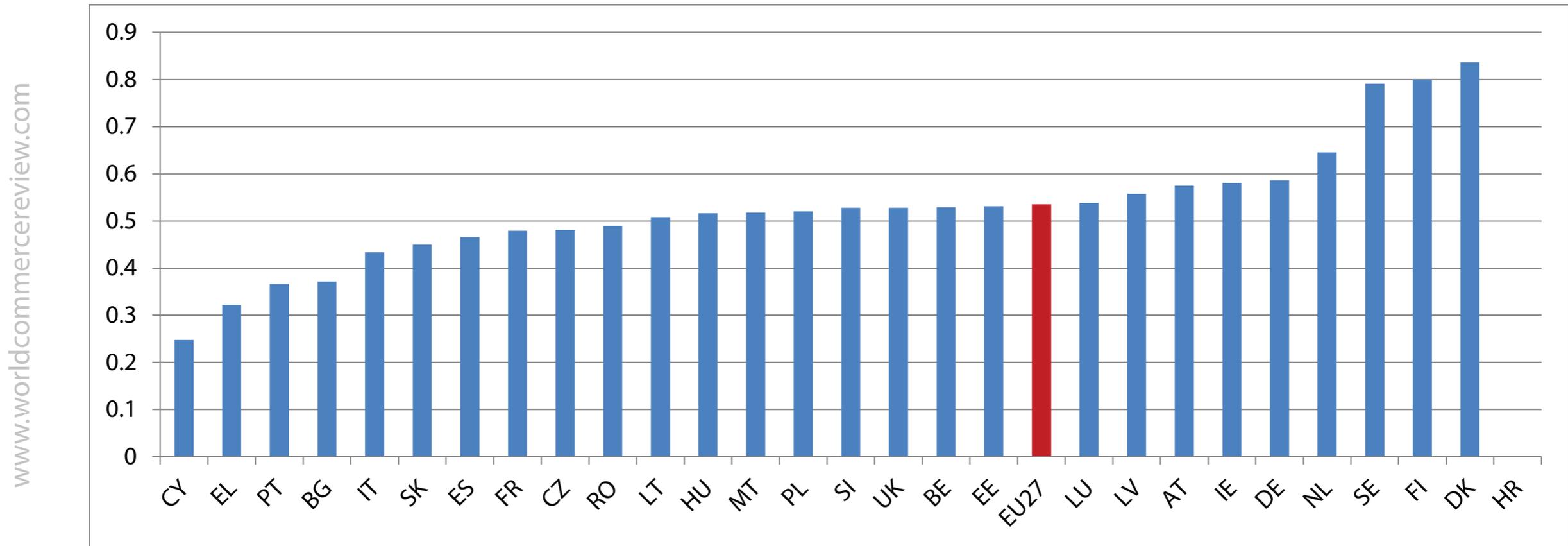
Creativity and cooperation are crucial in many occupations. In a rapidly changing environment, there is a premium for quick and efficient delivery. Strict monitoring and control, often using data continuously being collected and monitored, may raise productivity in terms of reaching certain targets in the short run, but will probably not work in the long run when it comes to stimulating and supporting innovation. At the same time, we see tendencies towards the outsourcing of creativity and innovation, and attempts at a more industrialised model of the creation of ideas.

Graph 1. Workplace NOT dependent on the direct control of your boss



Source: Eurofound, EWCS 2010, question q46e

Graph 2. Team members decide by themselves on the division of tasks



Source: Eurofound, EWCS 2010, question 57a

This is a quite logical development in a market-driven economy. But it may imply an even heavier hand on individual workers. Research has shown consistently that autonomy and intrinsic motivation within work tasks is a core element of job satisfaction, in particular in skilled, non-routine work. Employees need appropriate control over work processes and resources to cope with job demands, deal with high work intensity and avoid negative stress, job strain and eventual health problems leading to sickness absence or disability. Work intensity and productivity are clearly related with autonomy if stress is to be avoided.

In a more general sense, 'richer' jobs in terms of these characteristics tend to be perceived as more rewarding than classical hierarchical progression. If skills, motivation and experience at the individual level matter most, individuals have to be respected with regard to their individuality and particular strengths, but also their weaknesses.

Autonomy, trust and professionalism based on skills and experience is therefore important – and more productive – than rigid hierarchical control and permanent close monitoring. Regarding the relevance of autonomy-friendly work environments on the one hand, and employee wellbeing or the avoidance of job strain on the other, we can observe major differences across sectors and across occupations, but notably also between European countries.

Working conditions seem to be most employee-friendly and autonomy-oriented in Scandinavian countries (Finland, Sweden, and Denmark) and the Netherlands in terms of working time, autonomy and the avoidance of stress and job strain. These countries also have the most learning-oriented work environments.

Of course, there are notable differences by sector, occupations and the skills structure of workers in different types of work organisation, but there is also a strong national influence on the way work is organised. All in all, these countries tend to have models of work that are, on average, better prepared for the future than elsewhere. Many other countries have large untapped potentials when it comes to 'modernizing' work arrangements to meet future requirements.

The future world of work will certainly be demanding – perhaps more so than in the past – on individuals, but it will also offer many new opportunities. All jobs are potentially subject to change and can become obsolete. Rather than absolute security of employment, there is a permanent situation of trial, probation and assessment. Future jobs can still be long-term and permanent, of course, but this is no longer guaranteed.

In many cases, future work will be fluid and virtually unlimited in its interaction or integration with the rest of life – with a stronger emphasis on subjective involvement, requiring self-organisation, professionalism, articulation and communication. This is particularly relevant for knowledge- and project-based work. To cope with these demands, education and life-long training matter – not only formally, but also informally based on practical experience in similar non-routine work. These jobs are potentially rewarding as they allow for tasks to be shaped individually according to talent, taste or style.

However, while full engagement and identification are seen as desirable and competitive assets, this raises psychological issues in terms of stress, potential exhaustion and mental health. The demands of the new world of work will require a more in-depth discussion of these issues.

The future world of work will reward the psychological disposition to work effectively under demanding conditions for a long period of time. To some extent we are already seeing this now: Heavy subjective involvement and deep identification with the job can be characteristics of a high performer, but this may also lead to mental health problems, stress and burnout symptoms in the long run.

Moreover, there are naturally differences across workers in terms of preferences regarding work and life boundaries, working conditions and employment types. But there are also notable differences in talents and mental capacities to cope with the demands of the labour market. Preferences for a proper work-life balance, expectations regarding job satisfaction, and mental health issues are at the core of people's ability and willingness to cope and adapt to the modern world of work.

Individuals must learn to perceive and articulate their needs, to see potential risks, and to set limits for themselves and co-workers. It is important that individuals not only learn how to shape the way they work, but also how to bear responsibility for themselves and others. ■

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