STRATEGIC PRIORITIES

SHAPING THE WORKFORCE AND HR AGENDA IN 2024 AND BEYOND

FUTUREOFWORKHUB

A LEWIS SILKIN INITIATIVE

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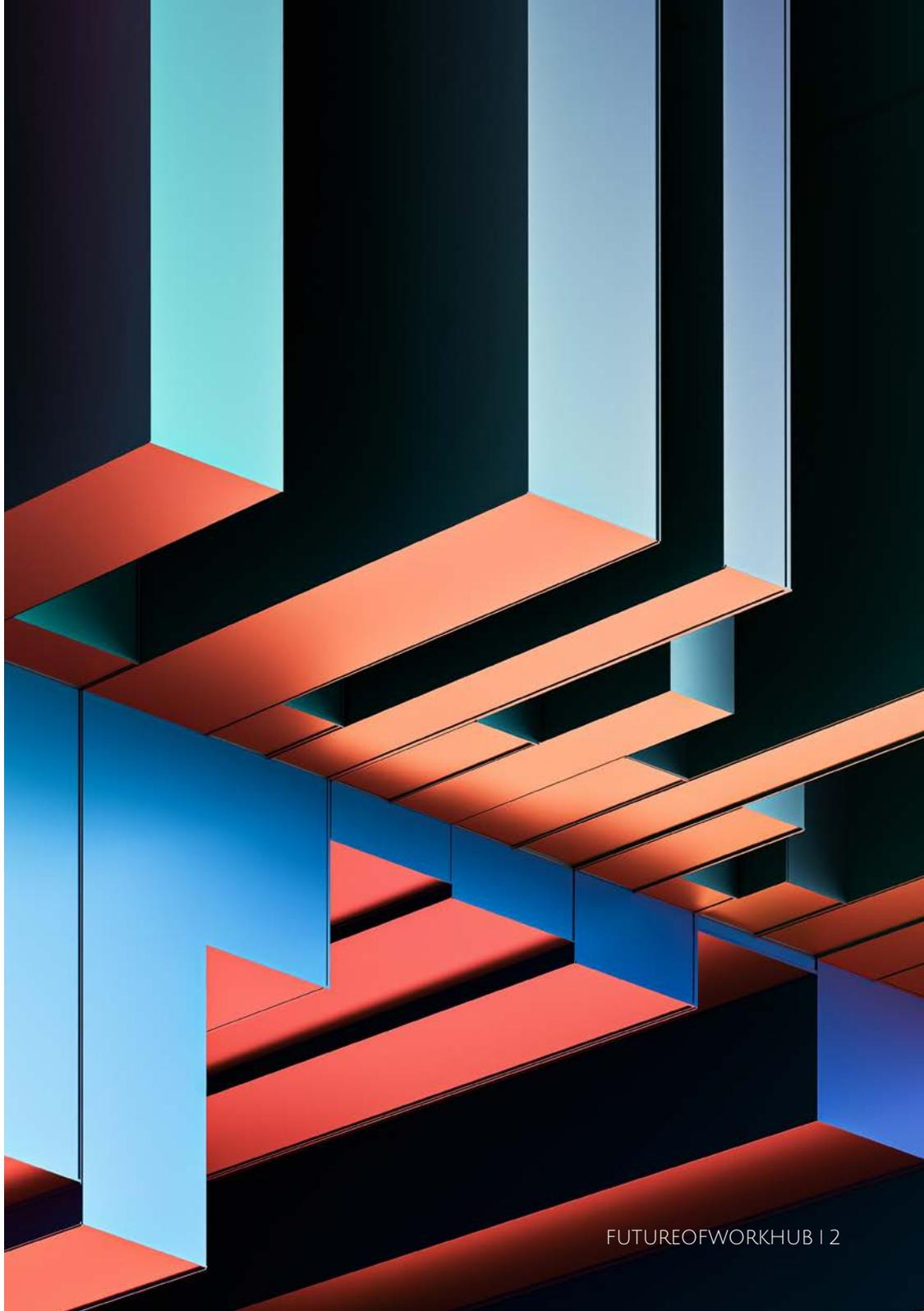
INTRODUCTION

The world of work is undergoing profound and extensive disruption. Large-scale trends are transforming work, workforces and workplaces. The legacy of the pandemic has combined with a tense economic and social landscape, presenting businesses with significant challenges. How can businesses best navigate this increasingly complex environment? And, if you are in HR or have people responsibilities, what are the key strategic issues and areas of priority action for 2024 and beyond?

Advances in technology are converging with demographic changes, shifts in the geo-political landscape, a growing climate emergency and evolving social trends to significantly impact the world of work, creating new opportunities and challenges for businesses. In a period of rapid and dramatic change, it is more important than ever to adopt a longer-term perspective, to ensure that businesses are ready to adjust and reassess models and strategies to survive and thrive in the future.

This report aims to help you steer a course through these large-scale trends and identify the priority actions needed to respond. The report explores the impact of four key areas - technology, demographics, sustainability, and geo-politics - on the world of work and spotlights insights from a range of experts on key strategic issues for businesses to consider alongside a set of priority actions to help businesses respond, prepare and build organisational resilience in the years ahead.

James Davies,
Partner,
Lewis Silkin

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Organisations need to be highly sensitive and attuned to early warning signals

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There's a difference between planning and preparedness. Planning is where you can see what is going to happen and you plan accordingly. Preparedness is looking at what are the high impact events that are going to make a big difference to our business and, when they do, what is it we wish we would be doing now.

Organisations need to be highly sensitive and attuned to early warning signals, bearing in mind that much of life will remain unpredictable.

Margaret Heffernan, Author, Entrepreneur, CEO and Thinkers50 Hall of Fame 2023

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TECHNOLOGY

Advancing technological capabilities are driving major structural and societal shifts which will impact the way we live and the way we work in the years ahead. As the pace and scale of technological change continues to accelerate, what are the challenges and potential barriers for business, and how can organisations fully capitalise on the opportunities?

Technological developments have a huge impact on how businesses organise themselves and the ways that people work. Future breakthroughs in health, sustainable energy, and quantum computing promise to impact society significantly with knock-on implications for the world of work. Businesses that can successfully harness existing and emerging technologies will benefit from significant opportunities and competitive advantages.

Developments in automation and AI are transforming businesses and redefining jobs. Robotics has led to machines replacing people throughout much of the manufacturing sector. AI, and now generative AI, threatens to do the same to many knowledge jobs. These changes are driving complex employee relations challenges as anxiety about the impact of technology on job security grows.

The number of organisations deploying data driven tracking and monitoring technologies in the workplace has accelerated. This technology can be used to improve decision-making, make efficiencies and boost productivity - but it also has profound implications for people's experience of work and brings fresh challenges concerning employee and data privacy.

To realise the full benefits of emerging technologies, businesses will need to provide support to enable workforces to adapt and build the necessary capabilities and resilience. Failing to do so risks growing inefficiencies, workforce conflict and jeopardising competitive advantage.

Using AI will be a competitive imperative for businesses, and SMEs need support to adapt

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Supporting businesses to realise the benefits of digital transformation and undertake those processes responsibly is a core issue of competitiveness. There is already a digital adoption gap between SMEs, some not even using basic digital tools, and larger firms.

The gap between v and larger firms increases when technologies become more sophisticated, and those companies less able to adopt and utilise AI technologies will soon be outcompeted by rivals who will be able to quickly produce larger volumes of goods and services at significantly less cost.

As AI is increasingly integrated into digital tools, more must be done to drive tech adoption. Supporting SMEs to become mature digital businesses is key to their success in an increasingly AI-enabled economy, but also to minimising labour market disruption.

Jake Wall, Policy Manager, Skills and Future of Work, techUK

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The impact of transformational technology... on society and the workplace

Radical and rapid advancements in technology play an increasingly fundamental role in our lives. The workplace is no exception. As organisations increasingly look to exploit AI and other innovations in the workplace and employees are ever more aware of the potential impact it might have, how should employers respond and adapt?

Technology deployment in the workforce will play a significant role in shaping workplace relations and defining employee, consumer and wider stakeholder trust in organisations in the future. It also has a wider impact in driving or mitigating economic insecurity and inequality in work.

Virtual worlds have the potential to offer some real breakthroughs for inclusion and a more equitable workplace but can also facilitate and exacerbate existing inequalities and inappropriate behaviours.

The adoption of data-driven algorithmic systems that control how, when and where we work has rapidly increased in recent years. Utilising AI tools and analytics across the employment lifecycle can bring transformative benefits, including providing valuable data driven insights on workforce productivity and efficiency, performance and even health. This can enable decision-making, provide greater flexibility and reduce cost. The application of leading edge neuro- and bio-metric technologies are also growing in a workplace context, bringing increased regulatory focus on transparency and ethical and responsible adoption.

What is permissible, culturally and legislatively, differs vastly around the world. Some countries have had what can be seen as intrusive monitoring for a number of years. Others, particularly those with trade unions and works councils, are seeing employees take a stand and have more say in how this type of technology is deployed, particularly as societies row back from their willingness to trade off established freedoms and privacy for safety during the pandemic.

Legislation is failing to keep pace with the speed at which technology is advancing. But in many areas, employers are left to manage the design, development, and deployment of automation, and its impact, in a competent and responsible manner. Failing to do so can lead to regulatory and workplace challenges around bias and discrimination, privacy and data protection, transparency, trust and fairness - and can potentially negatively impact on providing "good work".

TECHNOLOGY | DEMOGRAPHICS | SUSTAINABILITY | GLOBAL DYNAMICS & POLITICS | FIND OUT MORE

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Focus on the human-to-human experience technology creates

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People are people. If your technology is not being used in a way to help individuals improve their own lives or bring them together with other people, you run the risk of having a useless technology for technology's sake. Focus on the human-to-human experience technology creates. The power of technology to bring people together. Any time technology can be used to enable or enrich a human-to-human experience, that is a game changer. Any time technology is used to replace a human-to-human experience, society suffers a little in the end.

As a tool, what is most interesting in the AI space is the ability to more accurately, significantly and more efficiently pull together multiple insights from a variety of sources. The ability to synthesise and collate that information into useful resources that can enhance human decision-making is where the most value for AI lies in the short-term.

Elizabeth Bieniek, Internal Start-up Founder, Co-Founder Webex Hologram, Cisco

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There is a risk of polarisation between digital adopters and non-adopters

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Our research shows that adoption of AI and other digital technologies has so far been quite patchy. Only a third of employers have so far invested and among non-adopters, only 10% planned to invest in the near future. This suggests that alongside managing the potential changes new technologies might bring, we also need to consider the risk of polarisation with a growing divide between digital adopters and non-adopters.

Professor Jacqueline O'Reilly, Co-Director, ESRC Digital Futures at Work Research Centre, University of Sussex Business School

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Those that are transparent and engender trust will be those who are successful

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There is myriad different legislation in this area, and it is going to be hard, if not impossible, to keep track of everything in building AI governance and compliance processes. It may be better to synthesise a jurisdiction agnostic approach which takes key headings (transparency, accountability, monitoring of AI algorithms and systems, proportionality, risk assessment, bias assessments etc.) and use impact assessment tools to assess risk and impact and deploy that with all development and use of AI systems.

Legislation or not, employees need to have trust that any employer processes are fit for purpose, alongside trust in the efficacy of the piece of technology being used. Those that are transparent and engender trust will be those who are successful — whatever the underlying legislation says.

Alexander Milner-Smith, Co-Head of Data, Privacy and Cyber, Lewis Silkin

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KEY ACTIONS FOR EMPLOYERS AND HR

Find out more about these actions

Identify "use cases" for automation and barriers to adoption

Audit culture and trust levels and address workforce concerns

Conduct AI safety, people and data privacy impact assessments

Assign specific responsibility for keeping up to date with legal and compliance requirements

Monitor, review and assess risk as technology is adopted on an ongoing basis

Carry out due diligence in AI product procurement

Ensure human oversight of the implementation and use of high-risk systems

Train staff, monitor engagement and introduce acceptable use policy

The impact of transformative technology... on jobs and skills

At the AI Safety Summit hosted by the UK government in November 2023, UK Prime Minister Rishi Sunak encouraged us to see technology as a tool to help employees, not replace jobs. At the same time, Elon Musk warned that "there will come a point where no job is needed – you can have a job if you want one for personal satisfaction, but AI will do everything". Will AI be the "co-pilot" Rishi Sunak suggests? Or will it be a job-taker? What are the key challenges to address as HR prepare workforces for a more tech-enabled world of work?

As well as the impact on society and the workplace, the debate over the likely impact of AI and other technological advances on jobs continues. Optimists argue that automation will create enough new jobs and boost productivity. However, if the pace and scale of change combines with skill shortages, ongoing low productivity and sluggish economic growth, the impact on jobs will be significant.

Advances in technology and the rate of adoption will play a significant role in influencing the size and shape of the labour market. AI-led transformation will make many jobs redundant, create new ones and fundamentally change many more. Work itself is changing, as are employers' needs, and many individuals will not have the skills needed for the jobs of tomorrow. Employers operating in an increasingly competitive, global labour market will need to work ever harder to attract the best people with in-demand skills. Employers will also need to do a lot more to help the existing workforce develop new skills, or offer support to transition to other roles, to mitigate job losses. Given the speed of technological advancement, employers need to act fast to invest in their people strategies to successfully meet their future needs.

AI, alongside other technologies, has the opportunity to redefine organisational culture and build a more productive environment where humans can innovate and grow their inter-personal, creative thinking and communication skills. But as employers prepare for an increasingly automated world of work, careful attention must be paid to assessing and addressing the impact on work and the people who do it.

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

We are entering the era of AI competence, soft skills and human expertise

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From a skills perspective, automation and AI will decrease demand for tasks and related skills that are most easily automated and increase demand for those that are not. As more tasks are automated, these will rarely represent a full skillset. Indeed, an increase in the use of AI and automation will put a premium on inimitable human qualities and soft skills, and boost demand for the digital competences and skills required to work on or alongside these technologies.

Workers will need strong domain-specific and business knowledge, as well as soft skills like ethical reasoning and analytical judgment, to use AI effectively at work. Good communication skills can maximise the benefits of AI in interactions with customers and colleagues, whilst a curiosity for learning will be key to adapt to evolving demands.

However, most companies report an AI skills gap and many highlight deficiencies in soft and technical skills. Driving these skills across the UK economy will be a key challenge.

Jake Wall, Policy Manager, Skills and Future of Work, techUK

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Improving digital literacy at all levels is a key challenge

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Our research highlights a new skills challenge. In a major survey of 2,000 UK employers, most reported finding it fairly or very difficult to find employees with the required skills. Almost a third reported difficulties in retaining staff. However, few employers are investing in formal training, although there is more evidence of informal, on-the-job training. Improving digital literacy at all levels is going to be a key challenge - for individuals, employers and policymakers.

Professor Jacqueline O'Reilly, Co-Director, ESRC Digital Futures at Work Research Centre, University of Sussex Business School

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Technological change makes soft skills and data science skills ever more important

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With the recent surge in technological advancements, we observe a transformation in the skill set sought after in the workplace. Soft skills, such as teamwork, creativity, and an ability to negotiate, are becoming increasingly crucial complements to technology, alongside cognitive skills encompassing thinking abilities and intelligence. While practical data science skills remain vital for the future of work, it is imperative to emphasise that the value of such skills depreciates rapidly, necessitating continuous upskilling. For companies, this finding implies that prioritising upskilling is essential, ensuring that skill levels align with the latest technologies (for example, the newest machine learning tools). For individuals, it signifies that the combination of soft skills and cognitive abilities yields the highest returns in terms of wage outcomes.

Dr Cecily Josten, Research Fellow, The Inclusion Initiative, LSE

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KEY ACTIONS FOR EMPLOYERS AND HR

🖱 <u>**Find out more about these actions**</u>

Develop upskilling and reskilling strategies and support job transitions

Educate leaders on the impact of emerging technology

Audit current workforce skills, identify gaps in future requirements and keep under review

Engage with employees and employee representative groups and address workforce concerns

Consider long-term workforce requirements in an increasingly automated workplace

Make workforce learning and development a strategic business issue

DEMOGRAPHICS

Demographic change is profoundly altering the world of work as workforces increasingly reflect wider societal shifts and evolving societal values. Ageing populations, shifts in migration and changing values and expectations are having a considerable impact on the demographics of an organisation. How should organisations respond to this changing landscape?

The make-up of the global population is changing. Life expectancy has increased dramatically over the course of our lifetimes. Fertility rates are declining at the same time and, in many countries, are below the level needed to sustain a level population (all other things being equal). Populations are getting older in advanced economies and increasingly in many emerging ones.

Migration and technology are facilitating access to a global workforce. At the same time, the end of free movement with EEA countries and increase in regional conflict has led to a dramatic shift in where people migrate from to the UK, and the nature of that movement.

Demographics also impact values, attitudes and behaviour. As people continue to re-assess their working lives following the pandemic, employers recognise the need to shape the employee experience to meet changing expectations as a means of attracting and retaining the best people, unleashing individual and organisational potential and mirroring the communities in which they operate.

Working in diverse teams can help organisations build trust and understand different perspectives. However, as society becomes increasingly polarised, this can have knock-on impacts in the workplace. Careful attention is needed to build inclusive and fair environments for all supported by early intervention mechanisms to resolve conflict as it arises.

Diversity of thought, experience and background is essential

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Organisations can say diversity is important, but if the only metric is whether the org chart pictures look diverse and not whether or not the culture of the organisation, and the boardroom, encourages diversity of thought, diversity metrics will be short-lived. Diversity of thought often comes from a diversity of experiences. And diverse experiences often come from diverse backgrounds. And that is the goal. To bring more ideas, more backgrounds, more experiences, more diversity overall to the table.

Elizabeth Bieniek, Internal Start-up Founder, Co-Founder Webex Hologram, Cisco

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The impact of shifting demographics... on longevity at work

The proportion of older people in the total population across the globe is increasing dramatically as life expectancy rises and birth rates decline in many countries. The number of over 65s and particularly the over 80s are projected to significantly increase in the UK over the next 15 years. As the workforce ages to reflect this shift, what steps do employers need to take adapt to these changes?

Many older workers are looking to work longer to fund their retirement. Employers are also looking to retain and attract older workers to combat skills shortages and benefit from their experience and knowledge. Working life's traditional stages are being blurred and, as society moves towards the "100 year life", employees will expect to enjoy flexibility across their working lives and will become increasingly comfortable with the idea of multiple careers. Employers will need adapt by adjusting recruitment, retention and development strategies to respond to the different priorities and pressures of a multi-generational workforce.

Different generations are often ascribed divergent values and characteristics influenced by the circumstances and key events of their generation. However, many employment practices that are highly valued by older workers are beneficial for all, even if individual motivations are different. For example, flexible working options and health and wellbeing support alongside training and development opportunities may be particularly attractive to older workers - but they are also valued by those with caring commitments, and younger workers who increasingly look to build flexibility into their life. Employers need to rethink work and design workplaces that appeal to employees at different life stages in order to take advantage of the benefits of a multi-generational workforce, such as increased resilience and innovation, retention and productivity, and diversity of skills and perspectives.

The Brexit referendum, the pandemic and growing financial inequities between generations have highlighted growing age-related fault-lines which can create barriers to understanding and connection in the workplace. With enduring prejudices and stereotypes about the potential contribution of older workers, employers will need to understand and manage these emerging conflicts – and trust will have a crucial role to play in successfully addressing them.

TECHNOLOGY | DEMOGRAPHICS | SUSTAINABILITY | GLOBAL DYNAMICS & POLITICS | FIND OUT MORE

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Companies need longevity strategies which are on a par with sustainability and tech strategies

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Longevity will have a massive impact ... on everything. It will reshape careers, companies and countries, as well as economies and politics. Fast-ageing Asia and Europe are starting to reveal just how far-reaching these shifts will be. Its impacts will be on a par with sustainability challenges and AI, but is not yet prioritised in this way on the leadership agenda. Leaders will need to get longevity on their strategic agenda and managers will need to be skilled on both sides of the longevity equation.

The shift in generational balance means we'll have populations with as many people over 50 as under. Never in human history have we experienced this. Will we proactively prepare and adapt to what may be a beneficial evolutionary balance? Or ignore its massive implications and suffer the tensions that may erupt between generations unwilling to address the challenge together? Too often limited to arcane discussions of pension viability, longevity offers unimaginable opportunities to the individuals and organisations that seize its scope. But first, they'll need to become longevity literate.

Avivah Wittenberg-Cox, CEO, 20-first and Thinkers50 Hall of Fame 2023

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There are more similarities than differences between employees of different ages on what they want

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There are lots of myths and perceptions around workers of different ages, especially around what they want when it comes to the workplace or their attitudes in the job market. But our work has shown more similarities than differences than are often reported in the media. So, among other things, all workers equally value a job that is secure, for instance, meaningful, a job that pays well and offers flexibility to help workers better combine their work, personal and family obligations.

Of course, there are differences between ages. For instance, older workers tend to have more chronic health problems, meaning they might need more support to stay active at work and to accommodate the symptoms of chronic pain or fatigue. But really beyond the average, there is substantial individual variation in the support that is needed within age groups and at different life stages. So, for instance, younger individuals also have chronic issues and, therefore, employers who can successfully combine the talents and diverse outlooks of their employees, whatever their age, generally find that their workforce is enriched and more productive as a result.

Shruti Singh, Project Lead, Ageing and Employment Policies at OECD

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An ageing workforce raises the importance of creating intergenerationally inclusive teams

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Populations around the world are living longer and having fewer children. As people work longer, and there is less 'younger talent' in the pipeline, our workplaces are becoming more age-diverse. This shift requires leaders to rethink career trajectories and what talent 'looks like'. It also requires the prioritisation of age and generational diversity, ensuring productive working relationships between teams of people that span multiple generations. To date, age and generational diversity has received very little strategic attention. Like other forms of diversity, age-diverse teams have the potential to increase the knowledge and networks used to solve problems and create value. However, many workplaces are currently experiencing frictions between generations that undermine collaboration and prevent the productivity benefits of age-diverse teams being achieved. Older workers often find themselves excluded from talent pathways or unable to find new roles or advance due to routine bias. Meanwhile, younger workers are often deprived of the autonomy and voice they need to have an impact in their roles.

Our research shows that by prioritising intergenerationally inclusive work practices, such as making it easier for each generation to 'fit in', developing and advancing people based on merit rather than age, committing to an age-diverse workforce and having leaders who are effective in managing age-diverse teams, workplaces can start to unlock the productivity benefits of age and generational diversity.

Daniel Jolles, Research Assistant in Behavioural Science, The Inclusion Initiative, LSE

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KEY ACTIONS FOR EMPLOYERS AND HR

[Find out more about these actions](#)

Conduct a generational workforce audit and adjust workforce strategies

Review job design to facilitate longer working careers

Embed flexibility in employment practices across the workforce

Equip managers with the skills to manage multi-generational teams

Invest in reskilling and development and embed a culture of life-long learning

Train staff on age diversity to tackle stereotypes and treat different age groups fairly

Use career "check-ins" as part of ongoing skills audit and workforce development

Ensure workplace policies, wellbeing strategies and benefits packages meet workforce needs across different life stages at work

The impact of shifting demographics... on diversity, equity and inclusion and evolving values

Demographics, migration, globalisation and social trends are all drivers of increased diversity. While companies recognise the value of a diverse workforce and the need to promote equitable opportunities, what are the priorities for organisations seeking to ensure a working experience where everyone can thrive and build organisational resilience and success for the future?

Workforces are becoming increasingly diverse, comprised of individuals of different age groups, gender, sexual orientation, race and ethnicity, disabilities and abilities, education, socio-economic backgrounds, religious and political beliefs, values and experiences. Workforce diversity is also influenced by access to global talent pools and inward migration.

Addressing DE&I is not only the right thing to do, but it is a strategic imperative in order to successfully attract and retain the best people, protect brand value and build competitive advantage. Many employees expect employers to see them as a whole person, understand their needs and value their expectations. As a result, many employers have been focussed on building inclusive cultures where people feel a sense of belonging and are respected and integrated in the organisation.

Employers increasingly recognise that different groups have different needs and challenges, and a nuanced approach is needed. Addressing bias, prejudice, stereotyping and lack of understanding in a positive and effective way is becoming more and more important. Employers are increasingly looking to employee representative groups to support and develop the business approach to DE&I.

Scope for conflict and division is likely to only get worse in a progressively more politicised environment with the potential for more intolerance for the views of the "other side". A diverse workforce with different values will need to work together effectively to drive organisational success. As these issues spill over into the world of work where differing (and often protected) viewpoints conflict, employers will need skilled leaders to navigate these divisions and emerging social tensions.

Stakeholder pressure from current (and future) employees, investors and wider society has prompted closer attention to DE&I. That focus is likely to grow, even in an economically challenging environment. Although DE&I initiatives tend to be disproportionately impacted by budget cuts in response to worsening economic conditions, employers that consciously choose to invest in DE&I now (when others don't) could gain competitive advantage in the years ahead.
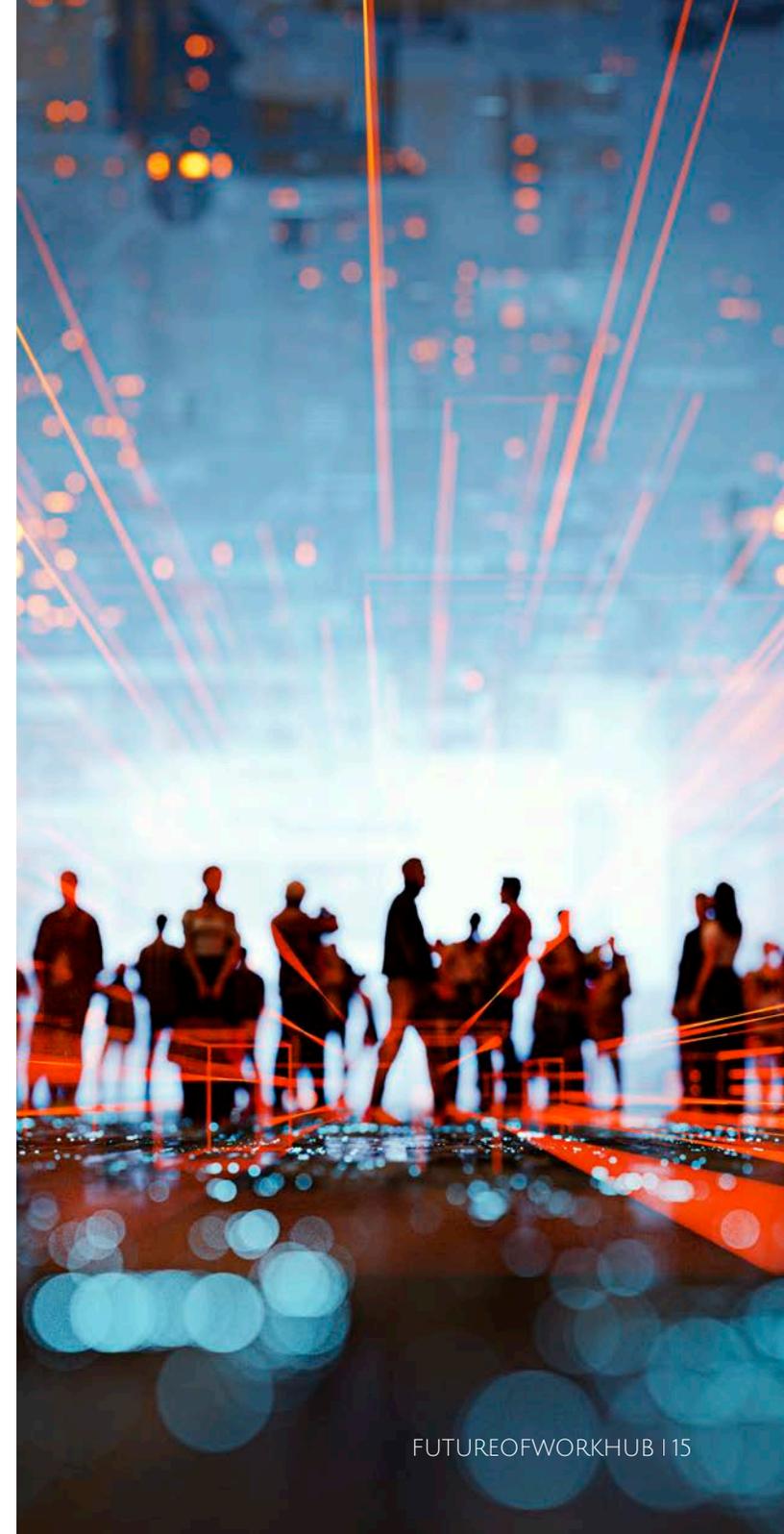
WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Collaborative leadership is a necessary skill for increasing both inclusion and productivity at work

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Workplaces are becoming more complex and diverse; developments which call for new leadership styles. Automation and technology continue to disrupt workplaces, changing job requirements more frequently, and companies are increasingly open to diverse talent. This necessitates that leaders adapt. Our research indicates that leaders need to be collaborative and inclusive, fostering a sense of belonging by creating a team dynamic that includes everyone and by respecting the uniqueness of each employee. Leaders must, however, also embrace leadership by being open to criticism and conflict. They cannot shy away from challenging situations but should take responsibility. The combination of these skills equips a modern leader to effectively handle the challenges that arise in today's dynamic work environments and make organisations productive and inclusive.

Dr Cecily Josten, Research Fellow, The Inclusion Initiative, LSE

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Inclusion is central to creating competitive and sustainable organisations

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Our populations and therefore our workforces are increasingly diverse across a range of characteristics, many of which are recognised and protected in evolving regulation and law. The need for organisations to understand and respond to this diversity is reflected in their ability to attract the full range of skills and experiences needed, and in how well they represent the communities they are part of and the customers they serve. As a result, people from all backgrounds expect to be treated fairly (including pay, employment conditions, and opportunities) and with respect, and to be given opportunities to thrive and grow.

Inclusion is therefore central to creating competitive and sustainable organisations, but requires not just understanding and elimination of biases in systems and processes, but also behavioural and cultural shifts from leadership. This will be backed up by further requirements for external reporting to encourage progress for the longer term for the good of organisations but also for society.

Peter Cheese, Chief Executive, Chartered Institute of Personnel and Development (CIPD)

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Well-managed conflict can be an important driver of organisational growth

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We need to learn how to disagree well because disagreement and these fissures will continue to evolve. There will continue to be black swan events. We'll continue to have massive issues coming down the line - just look at the cost of living crisis. All of the stresses in our economy are going to create ongoing challenges within our workplaces.

Conflict is unavoidable, inescapable. In fact, it's a healthy expression of working life and indeed I would argue that when it's managed well, conflict can be a really important driver or a catalyst to innovation, creativity, growth, insight, and learning. In fact, well-managed disagreements and conflicts within our workplaces are the antecedent to growth.

It's not a risk to put your people first. It's not a risk to be more humanising in the way that you develop your policies and processes. It's not a risk to be compassionate, supportive and to engender an environment where people can be constructive. In fact, it's the opposite of a risk. You'll generate the most brilliant outcomes and you'll release the inner brilliance of your people, your teams and collectively within the workplaces.

David Liddle, Founder, CEO, TCM Group

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KEY ACTIONS FOR EMPLOYERS AND HR

⌖ [Find out more about these actions](#)

Audit and evolve culture to foster collegiality, collaboration and a sense of belonging

Review diversity and anti-harassment policies and train managers and the wider workforce

Widen recruitment pools and adopt flexible resourcing strategies

Empower employee representative groups to support and evolve DE&I goals

Review traditional approach to conflict management

Increase monitoring and reporting obligations to drive transparency and organisational change

Review supply chain and procurement requirements to embed diversity

Provide support for migrant workers

TECHNOLOGY **DEMOGRAPHICS** SUSTAINABILITY GLOBAL DYNAMICS & POLITICS FIND OUT MORE

SUSTAINABILITY

Climate change will increasingly influence the world of work as temperatures and sea-levels rise and extreme climate events become more frequent. But sustainability is about more than climate change and encompasses the social impact of business and its role in wider society. As societal values shift towards greater sustainability and social responsibility, how should organisations respond?

Economic anxiety, disinformation and a failure of leadership has led to a growing deficit of trust in political institutions. Business continues to be seen as the institution that is most competent and ethical, putting mounting pressure on employers to play a larger role in supporting the welfare of their employees and the wider communities in which they operate.

As employers face increasing scrutiny from consumers, investors and current and future employees on how they perform – beyond financial performance - climate change and sustainability concerns will increasingly influence employers' priorities and drive organisational change. Businesses will need to adopt long-term thinking and invest in developing sustainable strategies.

A major part of a company's social impact is on its employees – including diversity and inclusion, employee wellbeing, and personal and professional development. These are all factors which play an important role in defining an organisation's culture. This in turn plays an important role in attracting, retaining and motivating staff and, consequently, sustainability and long-term success.

As more empowered and assertive workforces have exerted pressure on employers to "do the right thing" over recent years, employers have been working hard to create open and inclusive workplaces, while ensuring protection against discrimination and harassment.

Economic headwinds may lead some employers to re-evaluate their efforts and scale back. However, failing to anticipate and address sustainability concerns has the potential to drive up calls for action, both in the form of employee activism and increased monitoring and reporting obligations as a tool to incentivise change.

We need organisations that are truly, in themselves, regenerative

> *If you want to build a really meaningful manifestation of continuity — a commitment to the long-term — you need to be very real about what the role of the business is and what its plan is to ensure it has a net positive effect on the society in which it makes its sustainable profit.*
>
> *We need organisations that are truly, in themselves, regenerative. Organisations that are concerned for people's health, for the health of society, for the health of the environment.*

Margaret Heffernan, author, entrepreneur, CEO and Thinkers50 Hall of Fame 2023

The impact of increased focus on sustainability... on addressing the climate crisis

Growing realisation of the global impact of climate change promises to drive significant change in the world of work. Climate change has soared to the top of people's concerns over the last decade and an organisation's environmental credentials and impact will continue to gain in prominence. What steps do businesses need to take to meet this growing challenge?

In recent years, a succession of record temperatures and other extreme climate events have signalled an increasingly urgent need to act. Businesses need to rethink the locations from which they operate, their supply chains, the goods they produce, the services they provide and the steps they take to look after the health, safety and welfare of their people and communities.

Green ways of working are fundamental to organisational resilience and longevity, and organisational decision-making will increasingly have regard to its environmental impact. Taking action to address an organisation's environmental impact is increasingly important in attracting, motivating and retaining the best people. However, driving change among employees and customers can meet more resistance where it increases costs in an era where cost-of-living challenges persist and anxiety builds about the impact of the climate crisis on jobs. Actions with the potential to drive change among suppliers include scrutinising procurement and supply chains and ensuring sustainability is a key factor in decision-making.

Employees increasingly look to influence their employer's approach to environmental sustainability, and this has emerged as a growing factor in values clashes within the workplace, placing employers firmly at the forefront of managing this growing tension. Failing to respond effectively risks impacting negatively on workforce trust levels and the employee experience.

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Climate is the defining issue and crisis that sits above all other crises

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If you want to be serious in positioning any business as being pro-social — business that does good in the world (profitably or unprofitably) — the acid test is what is being done on climate. This is the defining issue and crisis that sits above all other crises.

The vast majority of UK citizens know that the climate change is real and man-made. Severe weather events in summer 2023 brought this home, making the crisis real and close. Hot sunny days did not cheer people up, quite the opposite. Older generations may experience guilt and responsibility; younger ones are questioning what future they have to look forward to. Both are scrutinising their employers' environmental impact more critically than ever. If they work in the energy sector or in industry heavily reliant on fossil fuels, workers may experience real disquiet: do they have a job in years to come and, if they do, can they be proud of it? You can run from this debate or you can address it.

Margaret Heffernan, author, entrepreneur, CEO and Thinkers50 Hall of Fame 2023

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There is a mandate for business to do more

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While in general business is the most trusted to do what is right, the 2023 Edelman Special Report on Climate showed that trust in business to keep climate commitments has fallen. Among the 65% who say companies are not doing well at living up to their climate promises, the number one reason is because they are too focussed on short-term profit, followed by business only pretending to care, and leaders fearing backlash.

People are six times more likely to say that business isn't doing enough on climate change or inequality compared to doing enough. With the most recent 2024 Edelman Trust Barometer finding that economic fears persist as societal concerns rise, it is clear that people overwhelmingly want more engagement from business on a range of societal issues which is where the opportunity is.

Penelope Mantzaris, Senior Vice President, Edelman Intelligence

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Action on climate change is not a choice, but a necessity

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Ensuring sustainability and diversity is embedded at the heart of the culture of an organisation helps to inform day-to-day decisions and gives us the opportunity to be part of building a better future. A future that allows people to succeed regardless of their background; and a future that is environmentally conscious and sustainable. Action on climate change is not a choice, but a necessity. Working together can make a real impact and, while there is always more work to be done, a genuine commitment to responsible business at all levels in an organisation which encourages people to lead the way in creating change can contribute to a more equitable society, and one which does not compromise the ability of future generations to meet their own needs.

Michelle Besa, Responsible Business and Sustainability Manager, Lewis Silkin

"

KEY ACTIONS FOR EMPLOYERS AND HR

Build a clear business case for more sustainable working practices

Adopt a clear action plan focussed on targeted and realistic goals

Consider internal and external reporting on targets and action plans

Engage with employees and employee representative groups to explore sustainable working practices

Educate the workforce on personal and work related impact on the environment

Identify skills needed to adapt and provide upskilling and development opportunities

Consider linking leadership incentives to climate and environmental targets

The impact of increased focus on sustainability... on evolving social trends

As the social norms and demographics of our societies change, they are influencing the expectations of people at work. The relationship between employer and employee is changing and the "social contract" is evolving. With business increasingly expected to engage in sensitive, and sometimes divisive, societal issues, what do employers need to consider?

Expectations of the role business plays in wider society are shifting. A growing focus on ethical behaviours, people's individual needs and "good work" mean the traditional employment relationship based on job security and financial stability in return for loyalty is increasingly outdated. People want more from their employer than the industrial age "transactional idea" of giving work in return for job security, fair pay and benefits. Modern businesses are expected to act responsibly and develop long-term sustainable strategies.

People increasingly see the values of their employer as an extension of their own values and brand. The unprecedented collective experience of the last few years has prompted many to rethink their priorities and question the place work has in their lives. Developing a sense of (individual and organisational) purpose and deriving meaning from work have emerged alongside flexibility and belonging as having a significant impact on an individual's sense of what matters in their life.

In recent years, how an organisation is valued is increasingly becoming measured by what position it takes on certain matters – how it is using "soft power" to address societal concerns. Organisations that get this right can build higher resilience and well-being, higher retention and engagement, and boost innovation and brand value, all of which impact positively on the success of the company. However, the reputational risks posed by accusations of "greenwashing" or "social washing" are growing in an increasingly complex and nuanced environment.

Challenges can arise where there are a range of views among employees in an organisation on issues on which there may not be a consensus and employers will need to build capabilities to resolve these growing tensions.

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

We need to reconceive leadership

"

A bumpy exit from the pandemic has startled most business leaders but the biggest surprise seems to be that, after a two-year trauma, their workforce isn't the same anymore. This shows a remarkable lack of imagination: what did they expect? People change all the time - that is their greatest strength, one that is routinely overlooked and under-rated. They changed, fast, to accommodate lockdowns and remote working; most organizations owe their survival to that capacity. They could change to adapt to new technologies and roles, if management involves them in that process as much as they were forced to during COVID.

We need to reconceive leadership as asking questions, convening and listening really well and understanding how to build trust between everyone.

Margaret Heffernan, author, entrepreneur, CEO and Thinkers50 Hall of Fame 2023

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Employers need to work hard to connect organisational and employee sense of purpose

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Employers will need to consider how to encourage employee autonomy and flexibility through work design and organisational culture. Employers will need to work harder to identify how best to connect organisational and employee sense of purpose, building trust, a sense of belonging and responding to employee activism. I think this all leads to the sort of creation of what I call 'PREFAB' jobs: purpose, fair and transparent reward, engagement, flexibility, autonomy and a sense of belonging.

James Davies, Employment Partner, Lewis Silkin

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Belief that employee pressure can change almost anything about their organisation grows

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The 2023 Edelman Trust Barometer shows that a lack of faith in societal institutions triggered by economic anxiety, disinformation, mass-class divide and a failure of leadership has brought us to where we are today — deeply and dangerously polarised. Business is the only institution seen as competent and ethical and is under pressure to step in and fill the void and do more on societal issues from belief-driven consumers and activist employees. But most people don't think business can avoid being political when it addresses contentious societal issues. Business is on safer ground when it stays in areas of comparative advantage where it can make a tangible difference, including sustainability, DE&I and reskilling.

The 2023 Edelman Special Report on Trust at Work highlighted that job seekers scrutinise whether CEOs speak out on controversial issues and expectations around social impact are growing. 61% of employees say when considering a job, they expect the CEO to speak out publicly about controversial issues they care about. 71% of employees say societal impact is a strong expectation/deal breaker when considering a job. And 50% of employees believe that exerting strong pressure can get the organisation to change almost anything about itself.

Penelope Mantzaris, Senior Vice President, Edelman Intelligence

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To have effective employee voice, it has to be informed employee voice

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To have effective employee voice, it has to be informed employee voice. In other words, whatever structure you have, whether it's trade union or a works council, if you're not imparting information to the representatives and indeed to the workforce as a whole, then how can they engage in a more strategic discussion? Many organisations set up structures, whether a staff forum or a works council or informational and consultation machinery, but then they don't embed the operational requirements needed to really make them work. That's why the terms of reference, the role of the rep and how representative the rep is are incredibly important. It's not just a question of setting up a structure, it's a question of having an architecture that actually works.

Alongside that, the culture within which any of these forms operates is incredibly important. You have to have openness. You have to have trust. You have to have accountability. People in leadership positions need to be prepared to receive some messages that they may not like. Those organisations that still believe in command and control are going to lose out because there's no question that people want respect and fairness and to be listened to and to have their diverse needs thought about. This expectation operates in workplaces now in a way I genuinely don't think it did a generation ago.

Nita Clarke OBE, Director of the Involvement and Participation Association

"

Expectations of work and working cultures have shifted

"

The relationship between work and worker has shifted over the last decade or more, driven to a significant degree by expectations of younger generations coming in to work who want a voice, choice, more support, and belief in and clarity of purpose. Organisations have to be clear on what they stand for (exemplified by greater demand for transparency, signing up to good business principles, and ESG reporting), and clear on their value propositions for prospective employees which need to feel more personalised reflecting the shift from collectivism to individualism. Particularly as AI and technology reshape jobs, it is important that the jobs people do are meaningful, use their skills effectively, give them agency and some autonomy and other characteristics of good work. Corporate cultures need therefore to be supportive, open, less hierarchical, actively engage their people, and demonstrate behaviours that visibly and consistently follow stated values. Tolerance for not following these principles is low and with trust and loyalty at lower levels than the past, the impact on retention and engagement are obvious.

In recent years much more attention has been focused on all aspects of wellbeing particularly mental health and the pandemic itself has further acted as a catalyst. Employees today look for cultures and organisations that recognise this and provide supportive environments, flexible working opportunities and manageable workloads, as well as fair pay and security and therefore demonstrate wellbeing as part of the social contract. An important cultural dimension is the concept of 'safe' cultures where people can speak up where they see injustices or where they need help, and they can feel supported and not judged. The benefits to businesses are manifest in loyalty and retention, drop in absenteeism and sickness rates, and to productivity.

Peter Cheese, Chief Executive, Chartered Institute of Personnel and Development (CIPD)

"

KEY ACTIONS FOR EMPLOYERS AND HR

⌖ <u>Find out more about these actions</u>

Adopt a clear people strategy with clear targets and goals

Invest in growing leadership capabilities and equip managers with the necessary skills and competencies

Foster good work and opportunities to develop

Invest in training on inclusion and diversity

Audit and evolve workplace culture to build trust, foster collegiality, collaboration and a sense of belonging

Implement work models and policies and procedures that reflect workplace culture

Align organisational and employee sense of purpose

Review traditional approach to conflict management and build up early intervention strategies

GLOBAL DYNAMICS AND POLITICS

Globalisation has been a powerful driver of workplace change. Businesses have been able to build competitive advantage by accessing global workforces, supply chains and markets. However, operating in a globally inter-connected and inter-dependent environment also brings significant risk. How can organisations build resilience to meet the challenges of an ever-changing and uncertain geo-political landscape?

Over the last 40 years, globalisation has brought immense benefits to countries, their economies and their people. Businesses have embraced greater cross-border collaboration to drive growth and innovation, facilitated by a relatively permissive domestic political environment.

However, globalisation is undergoing a significant transformation and becoming more complicated, characterised by rising inequality and geo-political conflict. 2024 will see elections in Europe and beyond which risk weakening global systems and negatively impact on democracy if less predictable and more nationalistic autocracies emerge. The global landscape is becoming increasingly fragmented and as domestic politics become more divisive, this has the potential to have a meaningful impact on the world of work.

The nature of globalisation is also transforming as globalisation in the production of goods retreats at the same time as globalisation in the provision of services expands with remote working becoming much more practicable. The use of employers of record has grown to meet the needs of organisations with geographically fragmented workforces, but the cross-border regulatory environment is becoming increasingly complex.

Despite public opinion on migration appearing to soften since the Brexit vote, in anticipation of the upcoming election, political focus continues to shift away from people and the contribution they can make, to a greater emphasis on driving numbers down. In many cases this negatively impacts on the ability of businesses to access the skills they need.

With the prospect of significant political and economic turmoil expected to continue in the years ahead, organisational and workforce resilience will be of critical importance in creating the right conditions to respond and build sustainable businesses for the future.

We're moving away from a world of harmonisation to a world of divergence in laws and regulation

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The idea that globalisation would be the death of distance, or the world would converge, has stalled. We're seeing divergence in systems. We're moving away from a world of harmonisation of systems and one system to a multi-system world where different countries, different regions will have different law. And that means expertise is really going to be very important, particularly if you're doing cross border activities or selling to other markets.

Whether it's anxiety about artificial intelligence or whether it's anxiety about climate or whether it's anxiety about finance or cyber or whatever it is. More rules, more regulations. And that means more law.

Ian Goldin, Professor Globalisation and Development, University of Oxford

"

The impact of global dynamics and politics... on managing geopolitical and economic risk

Major events in the world, alongside evolving societal attitudes, advancing technologies and a shifting political landscape are fracturing global co-operation and breaking down global norms. As the working landscape continues to shift rapidly in response, a "business as usual" approach presents a significant risk to business success. How can HR support organisations to respond?

The past 40 years saw radical shifts in government policies which facilitated enormous growth in emerging markets and a nearly six-fold growth in world trade. Businesses have taken advantage of the flow of ideas, innovations, products and people made possible by a more technologically advanced and connected world by expanding into new and growing markets, building cross-border supply chains, and accessing a global pool of highly skilled workers and cheaper labour resources.

However, this period of rapid globalisation has also fuelled an escalating climate emergency, nativist politics, financial shocks and a pandemic – all of which transcended borders. Many economies have experienced periods of stagflation (high inflation and low growth). Very low rises in productivity despite technological advances, together with increased inequality, have been key contributors to low growth. A challenging economic environment and growing voter dissatisfaction is putting pressure on governments to act.

Escalating social concerns and a surge in protectionist policies are challenging the status quo. Many businesses are "on-shoring", "near-shoring" or "friend-shoring" to mitigate against these risks. These changes are also driving a shift away from regulatory convergence and the development of global rules. Companies confronted with disparate national regulations and a growing emphasis on greater cross-border cultural understanding are facing an increasingly complex environment in which to manage a global workforce.

Reliance on a global recruitment pool to secure the best people and dependence on migration routes to bring in much needed skills has led to poor investment in domestic skills in many areas. This is having a direct impact on organisations' ability to meet current skills shortages, requiring many businesses to refocus on, and invest in, reskilling the workforce.

TECHNOLOGY   DEMOGRAPHICS   SUSTAINABILITY   **GLOBAL DYNAMICS & POLITICS**   FIND OUT MORE

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

The "butterfly defect" of globalisation is leading to an acceleration of systemic risks

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Globalisation has been a powerful force for good. However, the flip side is what I call the "butterfly defect" of globalisation - the accelerating spread of new systemic risks. At the same time, the globalisation of politics is leading to increasing nationalism and protectionism. This is dramatically slowing down global co-operation which poses significant risk at a time when more co-ordination and agreement is needed to solve global challenges, such climate change or rising geo-political conflict.

Ian Goldin, Professor Globalisation and Development, University of Oxford

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Business needs to play a leading role

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We are living through a period of huge systemic change in a multi-polar world, with divisive forces fanning economic grievance. Left untended, the findings from the 2023 Edelman Trust Barometer signal that the consequence will be further polarisation, slowing economic growth, deeper discrimination and an inherent inability to solve problems.

We see how these macro pressures manifest at an individual level in a set of fears ranging from inflation to nuclear war. These sit on top of pre-existing worries about job losses to automation and the impact of climate change. The consequence is a descent from distrust to acute polarisation in society. Without intervention, we will see a continued move from a crisis of institutional trust to a crisis of interpersonal trust.

Penelope Mantzaris, Senior Vice President, Edelman Intelligence

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Boost productivity by thinking long-term

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Solving the so-called productivity puzzle will rise up the political and business agenda. Despite advances in technology, productivity rates have increased little with many studies seeking explanations. In the UK, investment in new robotics and other new technologies has been lower than in many other countries. This will have to change. Businesses will be encouraged to invest long-term and do more to improve the quality of work they offer. Government policy will need to incentivise longer-term thinking and embracing the potential improvements in productivity from the latest advances in technology. Increased productivity should result in higher wages and accelerate much-needed economic growth.

James Davies, Employment Partner, Lewis Silkin

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KEY ACTIONS FOR EMPLOYERS AND HR

[Find out more about these actions](#)

Build a workforce strategy which supports resilience and adaptability

Ensure leadership teams are regularly appraised of geopolitical impacts

Audit overseas footprint and supply chains and develop contingency plans

Think beyond the short-term to boost productivity

Build up horizon-scanning capabilities

Invest in resilience and adaptiveness as critical workforce skills

Prepare for requests for cross-border working

Address workforce concerns to build trust and mitigate against polarisation

The impact of global dynamics and politics... on the future direction of employment law and workplace regulation

Diverging political trends across the globe will influence the regulatory approach to workers' rights, emerging technology, trade union membership, and tax and migration policy. This will significantly impact the world of work. How can businesses create an organisational environment that is agile enough to leverage opportunities but that can also adapt to a rapidly shifting regulatory landscape?

Politics will continue to have a profound influence on the world of work in the coming years driven, at least in part, by demographic changes and shifts in social values. In the UK, polling suggests a Labour party victory at the next election which promises a leftward shift and a more interventionist pro-job politics.

Political decisions flowing from elections this coming year in the UK, EU and US on the regulation of AI will have significant implications for the scale and speed of AI-driven job disruption. And with a continuing trend in employment law to use transparency as a method of driving change, reporting across a range of measures can be expected to respond to advances in technology and the growing focus on the environmental and social impact of corporate activities.

Long-term migration might well be the answer to a skills shortage fuelled by an ageing population, low fertility rates and the increased adoption of technology in the workplace. However, longer-term workforce planning relying on the skills of migrant workers is challenging in a political environment where migration rules are subject to "knee jerk" changes to meet the demands of party factions or to attract voters ahead of an election.

Employment laws and enforcement bodies are increasingly proving to be ill-equipped to respond to the rapidly changing world of work and emerging societal values. Employers will need to take a more proactive role in navigating and shaping the employment relationship where the regulatory environment lags behind the reality of the world of work.

WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Keep abreast of the regulation of AI as rules and regulations diverge

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The appropriate regulation of AI will become increasingly topical. Today's laws are often ill-equipped for the issues which arise from the adoption of AI. In the UK, the current government is promoting a pro-innovation, light-touch regime, although we have seen a shift in position acknowledging guardrails are required. Elsewhere, we will see greater controls. As the existing restrictions of data laws on the use of AI become more apparent, international businesses will have to grapple with potentially diverging rules on AI usage.

Alexander Milner-Smith, Partner and co-Head of Data, Privacy and Cyber, Lewis Silkin

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It is much harder to provide freedom to employees than many companies may like

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The explosion of cross-border working (even before the pandemic), particularly in knowledge jobs in the tech sector, have required businesses to be increasingly flexible when considering home working requests. Even though the period of strict pandemic lockdowns has ended, many companies still find themselves needing to navigate requests to work from "home" abroad (permanently or for a temporary period) or are simply finding out after a period that someone already is.

The growth in the perception that it is possible to be a digital nomad — being able to base yourself anywhere in the world when it is convenient to you — is resulting in pressured global mobility and HR heads trying to reconcile this expectation with the legal regulatory quagmire of immigration restrictions, employment rules and tax implications.

It is much harder to provide freedom to employees than many companies may like. Some employers are developing working from abroad policies which seek to balance legal considerations alongside individual considerations, particularly where those businesses are facing skills shortages and need to retain talented people. A few countries have introduced digital nomad visas to encourage more immigration. So far, those are often economies that have a strong reliance on tourism. It does not seem to be something that UK is keen to introduce at this point.

Naomi Hanrahan-Soar, Immigration Partner, Lewis Silkin

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The need to manage the workplace risks of AI systems need forming into good regulation

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In September 2023 we published a report, based on a survey of 1000 UK firms, which looked at the adoption of AI in UK firms and the consequences for jobs. That report found that the net impact on job numbers and job quality was positive — but only when there was a high-engagement HR culture in the organisation. A survey of 6000 workers (publishing Spring 2024) showed that some technologies improved workers' wellbeing, while others — like surveillance tools and wearables — increased anxiety and fears of job loss.

This research builds the case for the importance of assessing the impact of workplace algorithmic systems. The risk here is that, with no regulatory requirement to manage risk, harms around equality, access to work, fair pay, terms and termination of work — as well privacy harms - will be introduced at individual and relational levels.

Our Good Work Algorithmic Impact Assessment tool is designed to engage stakeholders across an organisation to assess socio-technical risks across the design, development and deployment of a system, and commit to ongoing review of it too so that risks are anticipated and managed. We believe that this approach will meet the calls of businesses and workers to have assurance as they respond to this new world of work.

Dr Abigail Gilbert, Director of Praxis at the Institute for the Future of Work

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WHAT ARE THE KEY ISSUES? HERE'S WHAT OUR EXPERTS HAD TO SAY

Listening is one of the top three trust building actions

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The 2024 Edelman Trust Barometer finds that the majority in 26 of 28 countries say that regulators lack adequate understanding of emerging technology to regulate them effectively. Business has emerged as the most trusted institution to integrate innovations into society ensuring it is safe, understood, beneficial and accessible. Furthermore, over 80% say that hearing their concerns and letting them ask questions is important to earn and keep their trust in businesses being good managers of change. Listening is one of the top three trust building actions.

Penelope Mantzaris, Senior Vice President, Edelman Intelligence

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There's an opportunity to be ahead of the regulators

"

There's a tension between needing to ensure that we have a business environment that fosters innovation, and also has appropriate employment and social protections. There's a balance that lies between policy and regulation — that sits with the government, and leadership and self-regulation — that lies with employers.

There is the opportunity to be ahead of the regulators and not wait for the regulation to catch up with you. Be the ones who are innovating and taking the lead when it comes to developing the models and environments that are most attractive for the people who want to work with you.

James Davies, Employment Partner, Lewis Silkin

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KEY ACTIONS FOR EMPLOYERS AND HR

Find out more about these actions

Track carefully potential changes in employment and workplace regulation

Keep on top of immigration rule changes and compliance

Carry out an annual audit to assess readiness for anticipated change

Build fluency in managing a global workforce and navigating different rules

Identify core corporate values and embed across jurisdictions

Use impact assessments to understand legal and workforce impact of new technologies

Prepare for an increase in monitoring and reporting obligations to drive transparency and organisational change

Consider first-mover advantage of building workforce models and standards which go beyond regulatory requirements

PRIORITY ACTIONS FOR 2024 AND BEYOND

As change continues to accelerate, disruption is likely to increase in frequency and severity, challenging HR and those with people responsibilities who increasingly need to meet the twin needs of responding to external factors alongside achieving organisational goals.

We have drawn together a set of key priority actions emerging from this report. We hope you find them a useful tool to support strategic planning for the year ahead.

The Future of Work Hub

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There's an asymmetry of risk. If I do something new, I might fail. But what is less visible is the incredible danger of the status quo. Doing nothing is a gigantic risk, but just because it is business as usual it doesn't feel like one. How do you make the invisible risk as visible, or seem as visible, as the risk of taking action?

Margaret Heffernan, author, entrepreneur, CEO and Thinkers50 Hall of Fame 2023

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- KEEP APPRAISED OF SHIFTING GEOPOLITICAL LANDSCAPE
- DEVELOP WORKFORCE UPSKILLING AND RESKILLING PROGRAMMES
- EMBED A CULTURE OF LEARNING AND DEVELOPMENT
- ACTIVELY AND STRATEGICALLY ADDRESS WORKFORCE CONCERNS
- TRACK CAREFULLY POTENTIAL CHANGES IN EMPLOYMENT AND WORKPLACE REGULATION
- ENSURE WORKFORCE POLICIES AND PRACTICES SUPPORT ORGANISATIONAL CULTURE AND GOALS
- CONDUCT A CULTURE AUDIT AND MONITOR LEVELS OF TRUST
- BUILD ORGANISATIONAL AND WORKFORCE RESILIENCE AND ADAPTABILITY
- EMPOWER EMPLOYEE REPRESENTATIVE GROUPS
- CONDUCT AN AUDIT OF THE GENERATIONAL MAKE-UP OF THE WORKFORCE
- BUILD-UP HORIZON SCANNING CAPABILITIES
- CONDUCT IMPACT ASSESSMENTS TO UNDERSTAND AND MITIGATE RISKS
- CONDUCT AN AUDIT OF WORKFORCE SKILLS
- ALIGN EMPLOYEE AND ORGANISATIONAL SENSE OF PURPOSE
- REVIEW APPROACH TO TRADITIONAL CONFLICT MANAGEMENT PROCESSES
- BUILD LEADERSHIP AND MANAGER CAPABILITIES

Evolving employer priorities: insights from our podcast series

2021

- PHYSICAL WORKSPACES
- ROLE OF THE GOVERNMENT
- NEW WAYS OF WORKING
- TRUST
- EVOLVING EXPECTATIONS
- SKILLS AND RESKILLING
- DE&I
- TECH/AI/AUTOMATION
- SUSTAINABILITY
- PRIVACY

2022

- NEW FOUR-DAY WEEK
- NEW LEADERSHIP CAPABILITIES
- NEW WORKPLACE CULTURE
- NEW WAYS OF WORKING
- TRUST
- EVOLVING EXPECTATIONS
- SKILLS AND RESKILLING
- DE&I
- TECH/AI/AUTOMATION
- NEW AGEING WORKFORCE

2023

- NEW GEOPOLITICAL UNCERTAINTY
- NEW WORK DESIGN
- FOUR-DAY WORK WEEK
- LEADERSHIP CAPABILITIES
- WORKPLACE CULTURE
- PHYSICAL WORKSPACES
- ROLE OF THE GOVERNMENT
- NEW WAYS OF WORKING
- TRUST
- EVOLVING EXPECTATIONS
- SKILLS AND RESKILLING
- DE&I
- TECH/AI/AUTOMATION
- SUSTAINABILITY
- AGEING WORKFORCE
- NEW EMPLOYER INNOVATION

Legend:
- Consistent issues over **two** years
- Consistent issues over **three** years

Find out more
- Listen to our podcast
- Read our Eight Drivers Report

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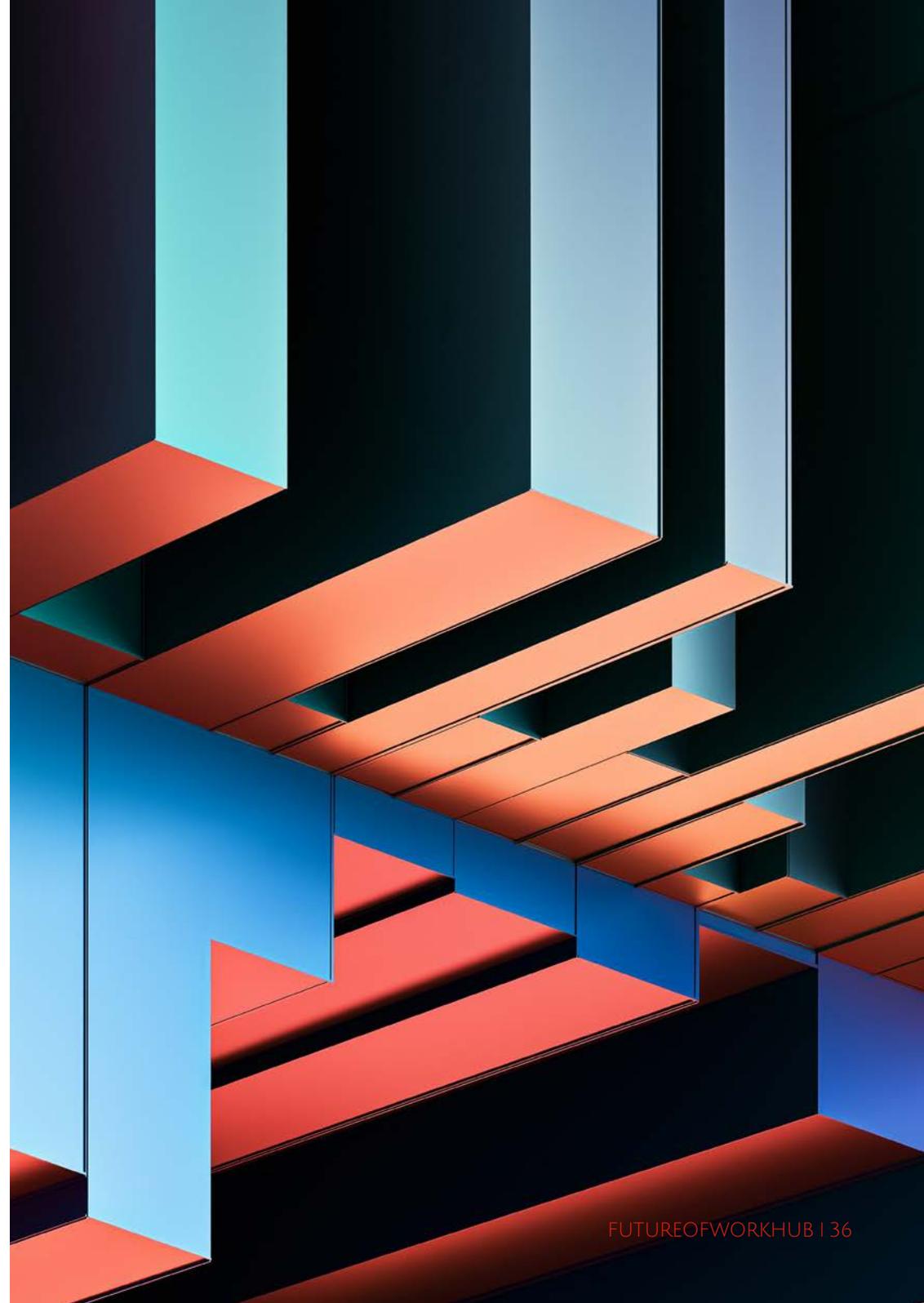
FIND OUT MORE... READING RESOURCES

THE IMPACT OF TRANSFORMATIONAL TECHNOLOGY...

... on society and the workplace

AI in the workplace: mind the regulatory gap? Lewis Silkin
[Read here]

AI, recruitment and the law: how do equality and data protection laws regulate this process? Lewis Silkin
[Read here]

Findings from the Employers' Digital Practices at Work Survey, Digital Futures at Work Research Centre
[Read here]

The New Frontier: Artificial Intelligence at Work, All-Party Parliamentary Group on the Future of Work
[Read here]

... on jobs and skills

The future of work in 2050 – too few jobs or too few workers? Future of Work Hub initiative by Lewis Silkin
[Read here]

Making AI work for Britain, techUK
[Read here]

Adoption of AI in UK firms - and the consequences for jobs, Institute for Future of Work
[Read here]

The Future of Jobs Report 2023, World Economic Forum
[Read here]

Robot-proof, Oxford Martin School, Oxford University
[Read here]

THE IMPACT OF SHIFTING DEMOGRAPHICS...

... on longevity at work

The Midcareer Opportunity: meeting the challenges of an ageing workforce, OECD
[Read here]

How can employers make their workplaces appeal to older workers? Lewis Silkin
[Read here]

The ageing workforce, Ius Laboris
[Read here]

What is the productivity potential of your multigenerational workforce? Proviti Global Business Consulting and The Inclusion Initiative, LSE
[Read here]

Women's career trajectories can be a model for an ageing workforce, Avivah Wittenberg-Cox, 20-first
[Read here]

Generationally balanced workforces, Avivah Wittenberg-Cox, 20-first
[Read here]

... on DE&I and evolving values

Elevating Equity: Diversity and Inclusion, the joshbersin company
[Read here]

How diversity, equity, and inclusion matter, Mckinsey & Company
[Read here]

Inclusion at work 2022, CIPD
[Read here]

What makes an individual inclusive of others? The Inclusion Initiative, LSE
[Read here]

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FIND OUT MORE... READING RESOURCES

THE IMPACT OF INCREASING FOCUS ON SUSTAINABILITY...

... on addressing the climate crisis

2023 Trust Barometer Special report: Trust and Climate, Edelman
`Read here`

How the climate crisis is impacting jobs and workers, World Economic Forum
`Read here`

Responsible business through crisis, CIPD
`Read here`

Climate ignorance wins no talent wars, Margaret Heffernan
`Read here`

Annual Global CEO Survey: Reimagining the outcomes that matter, PwC
`Read here`

... on evolving social trends

Toolkit for an ethical way forward, Ius Laboris
`Read here`

A blueprint for good work, RSA
`Read here`

The employee voice, social media and the culture wars - where to draw the line? Lewis Silkin
`Read here`

2023 Trust Barometer Special Report: Trust at Work, Edelman
`Read here`

The new rules of work: How the psychological contract is evolving, CIPD
`Read here`

Manifesto for Good Work, CIPD
`Read here`

THE IMPACT OF GLOBAL DYNAMICS AND POLITICS...

... on managing geopolitical and economic risk

2023 Trust Barometer, Edelman
`Read here`

2024 Trust Barometer, Edelman
`Read here`

Business and Democracy: What's the problem? Jericho Chambers, Ipsos and the CIPR
`Read here`

Global Risks Report 2024, World Economic Forum
`Read here`

... on the future direction of employment law and workplace regulation

Labour market policy and employment law under a Keir Starmer-led government, Lewis Silkin
`Read here`

Labour confirms plans for employment law, Lewis Silkin
`Read here`

Navigating the employment law landscape for AI, Ius Laboris
`Read here`

Good Work Algorithmic Impact Assessment, Institute for the Future of Work
`Read here`

Other useful materials

Future of Work Hub 2023 Report

Future of Work Hub 2022 Report

Future of Work Hub podcasts
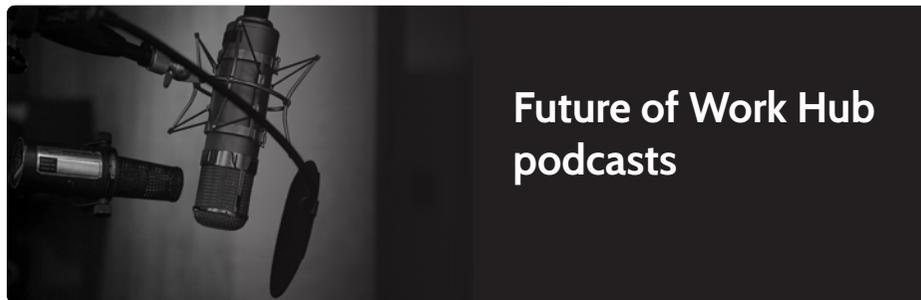
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Margaret Heffernan, author, entrepreneur, CEO and Thinkers50 Hall of Fame 2023

Michelle Besa, Responsible Business and Sustainability Manager, Lewis Silkin

Naomi Hanrahan-Soar, Immigration Partner, Lewis Silkin

Nita Clarke OBE, Director of the Involvement and Participation Association

Penelope Mantzaris, Senior Vice President, Edelman Intelligence

Peter Cheese, Chief Executive, Chartered Institute of Personnel and Development (CIPD)

Shruti Singh, Project Lead, Ageing and Employment Policies at OECD

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About the Future of Work Hub

Lewis Silkin LLP launched our Future of Work Hub ten years ago. The interest in and impact of the future of work continues to grow and plays a central role in both business and political thinking in the UK and across the world.

The world is changing continuously and at an unprecedented pace due to rapid technological advances, shifting demographics and evolving societal expectations. The convergence of these drivers of change is having a significant and direct impact on the world of work, bringing complex challenges for government, businesses and individual's alike.

The Future of Work Hub is a resource that supports organisations in their horizon-scanning - enabling them to see ahead, identify and anticipate future opportunities and challenges and evaluate how best to respond. The Hub website brings together leading resources on the drivers shaping the world of work and regularly produces and curates original content from a broad range of stakeholders on how organisations can respond and adapt. The Hub also acts as a forum to generate and inform debate through conversations with leading experts, innovative thinkers and peer-to-peer insight sharing.

Visit our website or follow us on X.

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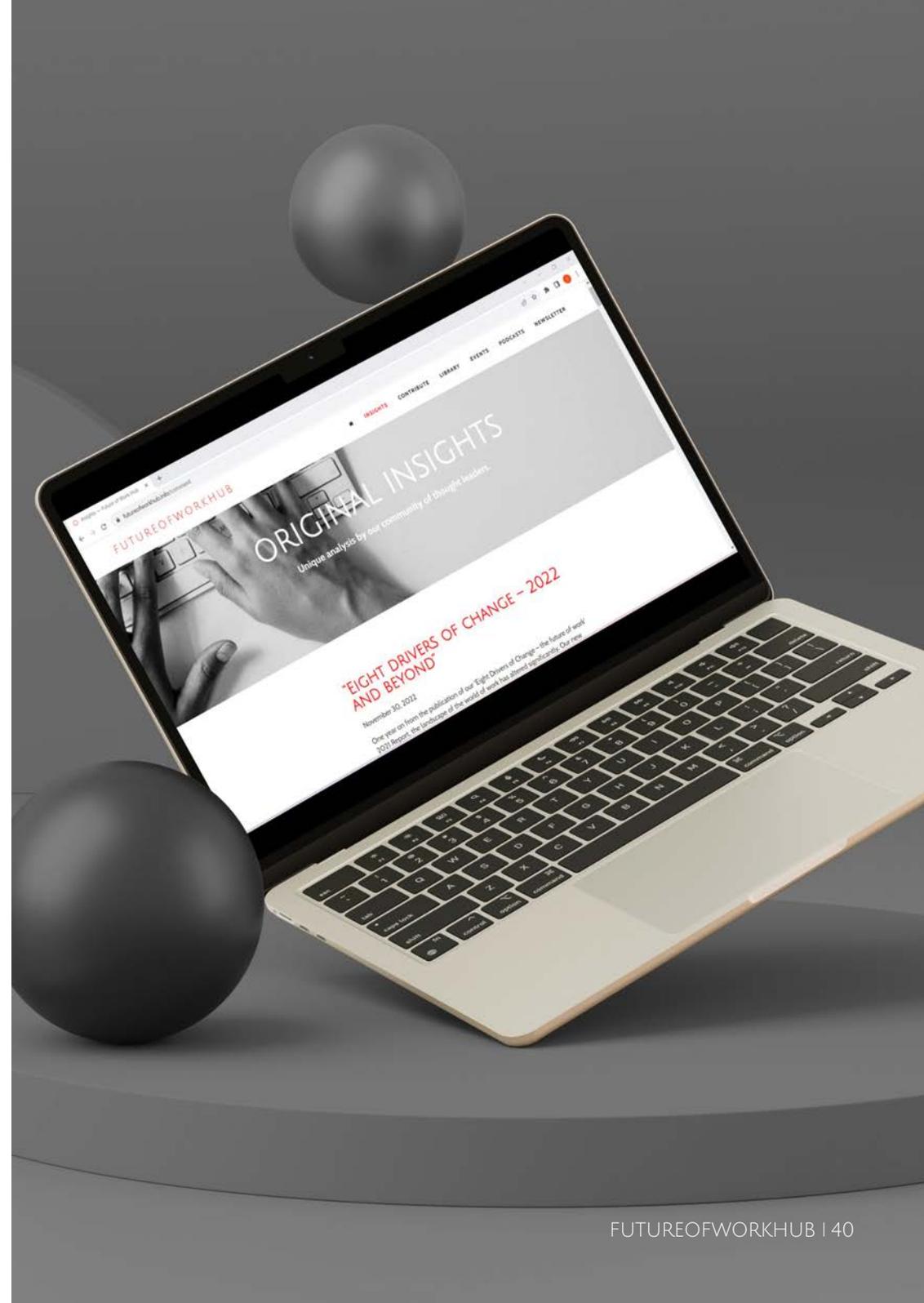
Find out more

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Businesses need to be on top of the capabilities and limitations of emerging technology in order to understand the potential legal and employee relations risks and take steps to mitigate them.

The starting point is to identify a clear business need for the technology and identify barriers to adoption (such as lack of infrastructure, workforce resistance to change, cost, skills and the existing regulatory environment). The people and privacy impact should be fully addressed. Due diligence will be essential when procuring AI, as well as considering the need for explainability in any AI system. An AI safety and data privacy impact assessment will help identify and assess risks and mitigations and these should be kept under review.

AI will help build data-driven eco-systems and better inform decision-making. However, decisions made using AI will need to be transparent, explainable and accountable to minimise the risk of bias and discrimination, and any humans in the loop will need to be specifically trained. Dedicated responsibility for tracking legal and compliance developments in this fast moving area of the law will be needed.

Introducing technology to drive strategic objectives often needs to be delivered through a significant change project to align behaviours and skills and drive positive business outcomes. Consultation with employees will form a key part of strategic planning. A supportive culture that engenders trust and addresses concerns about the impact of technology will enable individuals to innovate and experiment. This will be central to the successful adoption and use of AI technology in the workplace. Effective training alongside clear policies setting out the parameters of acceptable use will be essential.

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As business needs evolve, HR will play a pivotal role in preparing workforces to adapt so that organisations can become agile in responding to continuous change.

The role of leaders, at all levels, will increase in importance and will require the necessary skills to lead with a more human-centric mindset. Employers need to recognise underlying workforce anxiety and involve staff in discussions on the impact of technology in order to build trust.

It will be important to stay on top of technology developments across sectors and consider the use cases for technology adoption alongside future skills requirements. As organisational models shift from jobs and roles to skills and work, an audit of the current workforce will be important to identify current gaps in skills needed for the years ahead and enable businesses to build a workforce strategy to attract and retain the best people, improve productivity and build competitive advantage. This may necessitate accessing untapped external skills pools alongside facilitating internal mobility pathways, and developing upskilling and reskilling strategies.

Employers need to become educators. This will require a greater focus on training and developing people in the skills needed for the future, such as interpersonal and communication skills, resilience, flexibility and innovation. Individuals will need support to build skills and transition to new roles. A culture of continual learning and development will be key.

KEY ACTIONS FOR EMPLOYERS AND HR

Find out more

Conduct a generational workforce au̶ adjust workfo̶ strategies

Invest in reski̶ development embed a cultu̶ long learning

HR has an important role to play in enabling an organisation to respond to the ageing profile of the workplace and take advantage of the opportunities a multi-generational workforce presents.

It will be important to understand the demographic make-up of the workforce and identify areas of risk (for example, losing tacit knowledge and experience as older workers leave the business) and opportunity (for example, leveraging alumni networks and introducing returner/re-entry programmes).

An age-friendly employer will attract and retain the best people, whatever their age. Some steps, such as flexible working arrangements, well-designed jobs, workplace health screening, mentoring, career reviews and retraining and reskilling opportunities will be valued by the workforce as a whole. Others may be targeted specifically at older workers, such as menopause support, grand-parental leave and phased retirement. The importance of these policies is likely to grow as the workforce ages.

Many employers have DE&I policies in place which include age positive provisions. Training managers is key to the successful implementation of such policies. Managers will need the confidence and skills to resolve rising intergenerational tensions and manage age groups across a multi-generational workforce effectively.

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Find out more

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HR has a central role to play in responding to evolving social priorities and shaping an inclusive organisational culture.

Inclusion and belonging are essential to an organisation seeking to attract and retain the best people and protect brand value. Empowering employee representative groups with a mandate to support the business in an inclusive way can build engagement and trust across the workforce.

Organisational and workforce diversity can be improved by identifying and removing barriers that often inhibit individuals accessing or fully participating in work. It will be important to widen the recruitment pool and have flexible resourcing strategies. Developing a DE&I strategy that works beyond the walls of the organisation can drive wider change by embedding diversity through supply chain and procurement requirements. Organisations that take steps now will be well positioned in the future, particularly as monitoring and reporting obligations across various measures of pay and diversity are likely to grow.

Workspaces and processes should support a workplace culture that fosters collegiality, collaboration and a sense of belonging. Where tensions emerge, managers will need to have the knowledge and skills to deal with them fairly and minimise discord through effective training and implementation of their diversity and anti-harassment policies. It will be important to review traditional approaches to disciplinary and grievance procedures and build in early intervention strategies (such as mediation) to ensure effective mechanisms and communication channels are in place to handle conflict between different groups.

KEY ACTIONS FOR EMPLOYERS AND HR

↖ **Find out more about these actions**

Build a clear b...
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practices

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and development
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to climate and
environmental targets

Companies with transparent and genuine commitments to address the impact of the climate crisis, backed up by its leaders, will attract the best people and receive high levels of engagement and loyalty from their employees.

Employee representative groups will have a key role to play in driving engagement with sustainable working practices and their adoption.

While employers continue to be seen as the most trusted institution in general terms, failing to deliver on sustainability promises risks eroding trust. With employees increasingly looking to their employer to share credible information on climate impact and mitigations, workplace education and training on climate impact will empower a workforce to take sustainable forward-looking decisions.

KEY ACTIONS FOR EMPLOYERS AND HR

Find out more

Adopt a clear
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How employees are managed has a significant influence on employee engagement and wellbeing. Employees want leaders at all levels who are ethical, authentic and transparent.

Culture, workspaces and processes need to foster collegiality, collaboration and a sense of belonging. As the needs of the business evolve alongside employee expectations, ensuring workforce models and organisational policies and procedures support the organisational culture and workforce needs will engender higher engagement and commitment.

With businesses continuing to be seen as more trusted, ethical and competent than politicians or the media, individuals increasingly look to their employers to be a source of trusted information and take action on wider societal issues. But leaders also need to be skilled at navigating the increasingly political role of the company where taking a position on contentious societal issues can give rise to significant reputational and employee relations risks. Identifying the issues that are relevant to the organisation and gaining the support of highly trusted "informal" leaders can significantly help to achieve acceptance and commitment towards organisational approaches to ESG, and reduce challenges from those with diverging viewpoints.

Conflict management strategies will need to become a key part of people strategy. Early intervention mechanisms will be essential to address and resolve rising tensions in the workplace.

KEY ACTIONS FOR EMPLOYERS AND HR

↖ Find out more

Build a workforce strategy which supports resilience adaptability

Build up horizon scanning capa

An increasingly global and uncertain landscape requires high levels of organisational and personal resilience to navigate growing complexity.

On an organisational level, leaders need to have an acute understanding of the external environment in order to assess and respond to emerging risks and opportunities across political, economic and social trends, and to adopt workforce models that meet the shifting needs of the business and its people. At a workforce level, it requires flexibility and adaptiveness as workforces play an increasingly important strategic role in managing uncertainty and resolving challenges.

Employers will need to invest in resilience and adaptiveness as critical skills as well as technical (doing the job) skills. Managers will need to be suitably equipped to support cross-border working and to effectively oversee and direct a fluid and global workforce.

Employers need to shift strategic focus to the development of their people by understanding current workforce capabilities and identifying current and future gaps and opportunities to reskill, particularly in the context of shifting migration rules.

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Organisations will need governance in place to meet a range of challenges, particularly in a politically uncertain environment.

Businesses will need to track carefully potential changes in employment and workplace regulation to ensure compliance with rapidly evolving rules and regulations, both domestically and globally, and as global regulatory frameworks in relation to employment, tax and social security diverge. Employers reliant on migrant workers will need to keep resourcing strategies under review as ongoing political debate on migration continues to escalate, often leading to swift and significant changes to migration policy.

A Labour party win in the upcoming UK election promises major changes to individual and collective rights and include clamping down on insecure work and enhancing enforcement.

Rapid advancements in technology will bring new rules to safeguard individual employment and data privacy rights and continue to shape stakeholder expectations. Impact assessments will have a central role to play in understanding the legal and workforce impact of new technology.

Employers can attract and retain the best people and gain competitive advantage from developing corporate processes, standards and workforce models which go beyond legal minimum requirements and align with corporate values and brand proposition. Monitoring and reporting standards are likely to be increasingly relied on as a tool to nudge corporate behaviour and employers should take steps to prepare for this increasing scrutiny.

Employers engaging employees globally to secure the best people and meet skills shortages increasingly need to navigate complex systems in relation to immigration rules, employment regulation, insurance, data protection and tax and social security issues. As countries' regulatory systems diverge, multinationals should consider applying consistent internal standards across jurisdictions which align with their corporate values, whatever the local rules.

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