

The disruption of HR: Green jobs, digital transformation, and liquid workforces

By <u>Sonia Tshabalala</u> 12 Feb 2024

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Sonia Tshabalala, People Director at Sage Africa and Mddle East

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The scale of the disruption ahead could be as dramatic as the Covid-19 lockdowns and the advent of the web. McKinsey forecasts that one in 16 workers may have to switch occupations by 2030. Research from the World Economic Forum found that employers anticipate a labour market churn of 23% of jobs in the next five years - constituting emerging jobs added and declining jobs eliminated.

Technology shapes new ways of working

Digital technology remains one of the most powerful forces reshaping the world of work. During the pandemic lockdowns, organisations and their workers rapidly pivoted to remote work, higher levels of automation, and digital commerce, enabled by cloud tools and high-speed internet access. Covid-19 hit the fast-forward button on digital transformation, and the pace of change has yet to slow down.

Debate is raging about the impact of AI on the workforce, with a growing consensus that millions of workers will need to reskill and upskill to remain relevant in a changing labour market. According to WEF, net employment could decrease by 2% over the next five years due to AI and other structural shifts in the workforce.

Just a few years ago, the assumption was that AI and intelligent automation posed the most significant threat to work that comprised repetitive, routine processes. However, the rise of generative AI platforms such as ChatGPT indicates that some knowledge worker roles with higher levels of cognitive content are also under threat.



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Meanwhile, the shift towards hybrid work has opened companies' eyes to the potential of more liquid and decentralised workforces. Many organisations were exploring using offshoring, freelancers, contractors, and gig economy platforms for selected roles. Covid-19 accelerated this trend, proving that some tasks can be done as well by someone on the other side of the world as by someone in the office.

In this untouched environment, there is a distinct shift from the rigid hierarchies, siloed corporate functions, and clear job descriptions of the past. Teams may comprise any mix of freelance, contract, gig economy and full-time workers. They could be assembled for specific projects and disbanded when their work is complete.

These trends mean that organisations today have four Bs in their toolbox to choose from when deciding how certain tasks, processes and jobs are executed. They can 'buy' skills from an external service provider, like a vendor or a contracting house. Or they can 'borrow' them by using freelancers. They can 'build' their own skills by hiring full-time employees. And finally, they can 'bot' — or automate — them.

Winners and losers in the new job market

This trend broadly benefits companies, enabling them to source the right skills more easily at competitive prices — and without necessarily growing their overheads. It also favours some South African professionals with rare and expensive skills. Software developers, for example, can get high-paid remote work from offshore employers who pay them in hard currency.

But for many workers, this trend may erode employment stability and benefits. However, employers must tread carefully in a country with high unemployment and union resistance to casualisation of jobs. South African HR leaders should balance the opportunities of a more flexible workforce against their social responsibilities and the prescriptions of labour legislation.



The optimistic view is that modern technologies and ways of working are not only disruptive but also rife with opportunities to create more flexible and inclusive workplaces. For example, the shift to remote work can enable companies to implement more inclusive hiring strategies in support of single parents, disabled people, and semi-retired workers.

Technology, meanwhile, can augment humans rather than replace them. No one likes busy work like capturing data or combing through Excel spreadsheets to find errors. Machines can do this faster and more accurately than humans — letting people focus on more stimulating and meaningful work where interpersonal relationships or critical thinking are key.

What is more, the many megatrends that are changing the world of work are creating new job opportunities, not just destroying old ones. Digitalisation creates opportunities for cloud architects and data scientists. The green transition means we need engineers and technicians.

Navigating change with empathy

Businesses, governments, unions, and employees will all need to consider how to transition to the future of work in a way that creates employment and boosts South Africa's global competitiveness. Ageing workforces and labour shortages in rich countries could be a major opportunity for a country with South Africa's dynamic young population.

Forward-thinking companies will transition to the new world with an empathic approach, focusing heavily on reskilling and upskilling their people to remain relevant. However, Al and robots are no substitute for empathy, creativity, critical thinking, leadership, negotiation, and innovation. Companies focusing on these human elements in their talent management strategy can get a distinct edge in an era of digital tech and automation.

ABOUT THE AUTHOR

Sonia Tshabalala, People Director at Sage Africa and Mddle East

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