

A horizontal bar with a dark green segment on the left and a yellow segment on the right.

10 trends

Work and career



Overview

Trends in 'work life' is one of 14 dimensions that we use to examine UK consumers and society. Here we outline ten key trends in this area, from our larger trend bank, which will create both opportunities and risks to many organisations.

In Q1-2023, there were 33m people in employment in the UK. The employment rate (the % aged 16-64 in work) was 76%. On the surface, labour market trends move slowly - numbers of people back in work have been gradually recovering after the pandemic. However, attitudes towards work and careers have changed quickly since COVID while new technologies are enabling new patterns of working. Going forward, global issues and new technology will both influence what companies do, and people's working lives within them.

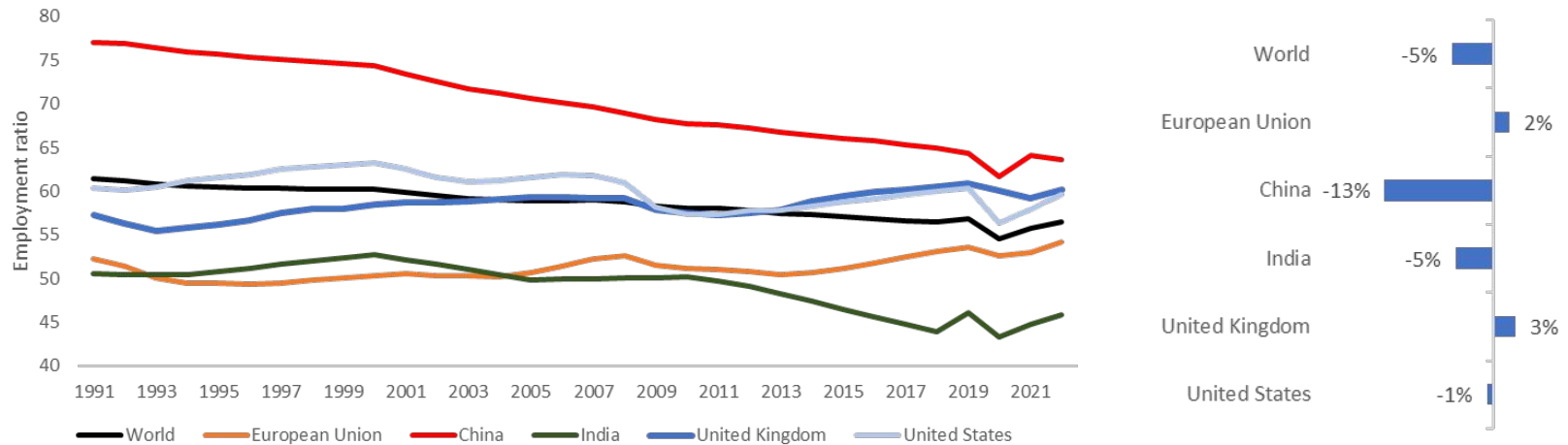




Global context

In 2022, the employment-to-population ratio worldwide was about 56%, indicating that just over half of the global working age population were employed. The demand for workers- overall and by region and sector - is being driven by population growth, gender equality and the age distribution. Over the next decade, these factors, plus AI, will affect the demand for labour in the UK and around the world.

Employment rate decline across the world (left) and changes in selected nations 1991-2022 (right)



10 UK trends



01. Economic inactivity

02. Transactionalism

03. Self protection

04. Gender inertia

05. Protean, boundaryless

06. Augmented work

07. Startups & side hustles

08. Collaboration over competition

09. Purpose & pay

10. Toward frictionless

Economic inactivity

01



Photo by Tetiana SHYSHKINA on Unsplash

About: While unemployment is low in 2023 (4%), the economic inactivity rate has increased over the past few years to c21%. Longer term, economic inactivity is reducing for women (from c45% in 1971 to 25% in 2022 and growing for men from 5% in 1971 to 18% in 2022). Meanwhile, job vacancies total over 1m - c50% higher than the average between 2004 and 2019.

Responses: Businesses face labour shortages and pay pressures. The Government have responded with policies to discourage early retirement and encourage more labour force participation of women with young children. Diversity consulting firms, training companies focussing on women and career development platforms for women (e.g. Where Women Work) have emerged or strengthened. Meanwhile other companies (e.g. B&Q) have specifically sought to attract over 50s in light of early retirement trends.

Future business opportunities & challenges: To close the remaining gender gap in workplace participation, businesses will need to continue efforts with family friendly policies to attract women, and flexibility to attract and retain older workers..

Transactionalism

02



Photo by Alexandre Debiève on Unsplash

About: Between 2019 and 2023, more British workers came to consider that work is “just a means of making money” (36% v 43%). While the majority would still “work harder than needed to help their organisation”, the number had reduced from 57% to 51% in the same time. Only 37% are “inspired by their work” 39% also say that they have little or no say in choosing tasks involved in their job (CIPD).

Responses: Organisations have sought to start considering and measuring the employee experience, as well as the customer experience. Employee experience measurement and analytics companies have grown over recent times, such as Crunchr and myHRfuture.

Future business opportunities & challenges: Irrespective of efforts to optimise the employee experience, people are gradually adopting new relationships with work. Following the lesson of the Customer Experience field, that personalisation improves satisfaction, organisations may need to create differentiated employee experiences to buck the trend of declining engagement.

Self protection

03



Photo by Adrian Swancar on Unsplash

About: COVID caused a national change in attitudes towards work, accelerating a previous trend of giving greater weight to well-being in career decisions. 24% still say that they feel exhausted in work and 27% say it has a negative impact on mental health (CIPD, 2023). 186m working days were lost because of sickness or injury in 2022, which was a new record high. Absence due to mental-health was the biggest contributor.

Responses: Organisations have recognised that mental health has become critical, and more have wellbeing programmes than ever before. Organisations selling and operating employee-wellness programmes have grown, such as Elevate and SuperWellness.

Future business opportunities & challenges: A new category of “wellness tech” has been emerging over the past few years that can support organisation’s wellbeing programmes. For instance, various apps help with offering sleep therapy, or diet advice. Future apps are envisaged to read an employees vital signs and diagnose food or exercise interventions. In contrast, technologies in call centre software, allows managers to also track and listen-in to agents - creating a potential harmful application.

Gender divides

04

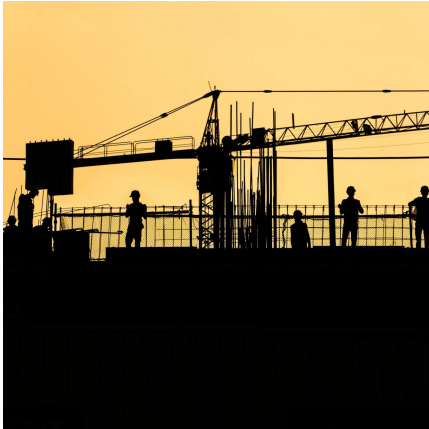


Photo by Shivendu Shukla on Unsplash

About: Between 2002-22 there have been no significant changes across all major sectors in the the male: female ratio, despite efforts to promote jobs to people in underrepresented groups. The most heavily male-dominated sector is construction in 2002, but the male: female ratio has only fallen from 7 to 6. Similarly, only small changes were seen in female dominated Human Health and Social Work sectors from 2002.

Responses: Organisations, professional bodies and government agencies have increased their focus on targeting a wider pool than identity groups who have typically occupied a given profession (e.g. The UK Government focussed on targeting women, black and disabled people in adverts for AI careers) (HMG AI Strategy).

Future business opportunities & challenges: Businesses that fail to attract staff from outside of the traditional genders - notably women in STEM related subjects - run the risk of having shortfalls in recruits in the future in demand increases in their sector. Opportunities arise for businesses from introducing more diverse perspectives into decisions.

Protean, boundaryless

05



Photo by Ben White on Unsplash

About: We change career several times in our lifetime. Protean careers are where people continually self-evaluate and continually adapt to opportunity. Boundaryless careers are where workers move between industries, organisation-types or even professions. Over time, we have increasingly seen workers demonstrate greater mobility and pursue these non standard career paths, particularly in consulting, creative and technology industries where knowledge has a shorter shelf-life.

Responses: According to a Hays survey in 2022, organisations are placing greater onus on staff with a growth mindset - 80% say they seek an aptitude for learning at interview. Companies are also using more technologies to test an employee cultural fit e.g. by automating background checks, checking social media and running assessments.

Future business opportunities & challenges: While 'recruittech' will invariably improve, highly mobile professionals will still offer organisations the opportunity to gain knowledge without incurring an FTE cost. Organisations that adapt best to a labour supply market will be adept at using in-house staff with flexible eco-systems of agencies, consultancies, associates and freelancers from around the world.

Augmented work

06

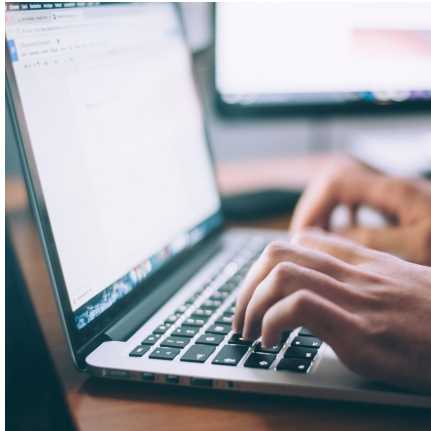


Photo by Glenn Carstens-Peters on Unsplash

About: A study by McKinsey found that AI has the potential to absorb 60% to 70% of the time that employees spend on their activities today. By mid-2023, 45% in the UK were using AI at least a little in their work by June 2023 (ONS) Business-productivity tools are rapidly emerging, with one report of over 4,500 new apps in June 2023 alone. Presently, AI is augmenting human work rather than replacing jobs.

Responses: Organisations have started to deploy AI to automate high-volume repeated tasks for several years, including addressing customers' simpler queries via chatbots.

Future business opportunities & challenges: Organisations are faced with increasing dilemmas on how to use AI, to augment or replace workers. Mass layoffs of departments, where work has been replaced, could theoretically improve profitability but have a catastrophic adverse impact on morale. As AI also becomes available to staff at all levels, organisations will need to have tighter policies to prevent misuse.

Start-ups & side hustles

07



Photo by Bench Accounting on Unsplash

About: 753k new companies were set up between March 2021 and March 2022. There were 614k in 2016-17 - retail and wholesale businesses being most popular (Company House). Different surveys also suggest that between 30%-40% of people in the UK have a side hustle i.e. a job alongside their main income.

Responses: Some organisations like MetroBank have responded positively to side-hustlers in their workforce (though broader cases of supportive employers are more in the US than UK). Forms of support come indirectly, by offering more flexible working, or directly, by giving staff autonomy in work to pursue projects with a mutual benefit

Future business opportunities & challenges: Businesses could better tap into the talent, motives and passion of side hustlers - 2 in 3 side hustlers said that having a secure main job allowed them to “pursue their passion”. However, the side hustle community lament that they are presently not often considered by businesses to fulfill contracts. As the autonomous worker trend continues, businesses have opportunities of building flexible resource pools. A refusal to adapt could also see businesses face risks of losing staff that become frustrated with constraints of their 9-to-5 job.

Collaboration not competition

08



Photo by Chris Montgomery on Unsplash

About: More complex systems within and across organisations for innovating, creating products and delivering services have made collaboration one of the most important attributes for employees to demonstrate. Various research suggests employees spend c50% of the time collaborating.

Responses: Technologies have been at the heart of organisation's responses to collaboration, including agile project management software (e.g. Jira), video-conferencing (e.g. Zoom), and knowledge management (e.g. Confluence). Software that enables employees collaborate has seen growth over recent years - from \$9bn (2016) to £13bn (2022), bolstered by remote working after COVID (Statista)

Future business opportunities & challenges: Organisations become more responsive and innovative by embedding scalable, integrated collaboration tech at the heart of business processes. As AI enters the workplace, "CoBots" will add a further dimension to collaborating by interacting across human groups.

Purpose & pay

09



Photo by Nick Fewings on Unsplash

About: The demand for employers to align with the values of workers has increased with the younger cohorts to the labour market. 36% of under 24s say that they wouldn't take a job if this was not the case (Randstad). Similar numbers (c55%) also say that they move jobs for better pay and greater fulfillment (CIPD).

Responses: Organisations have responded to the new demands of their stakeholders and employers with ESG policies and investments (Environmental Social and Governance). By 2020, \$35 trillion in assets were being managed in accordance with ESG principles across Oceania, Canada, Europe, Japan and the United States.

Future business opportunities & challenges: Purpose-driven organisations need to tread a tightrope if not sure of their audience. On the one hand, Gen Y and Gen Z employees are demanding alignment with ESG, and pressures exist from within certain supply chains. On the other hand, there has been a backlash against “Woke capitalism” which criticises businesses taking stances in political issues where there is perceived over-reach into the realm of personal values.

Toward frictionless

10

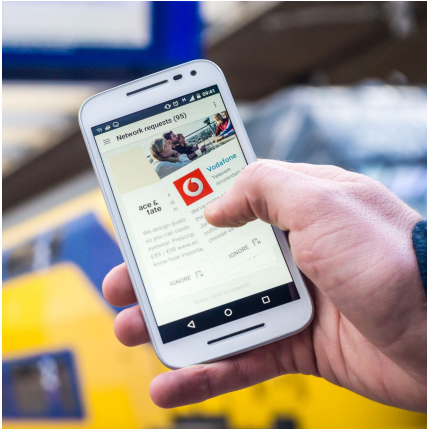


Photo by Magnet.me on Unsplash

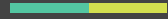
About: With major platforms like LinkedIn offering “one click” or “easy” applications, 70% of job applications are now done on mobiles. Abundant job postings, job alerts and recruitment agencies are also reducing the historic friction of finding a new job. Additionally, younger workers are increasingly content to apply for jobs despite lacking all of the required skills e.g. 84% of 18-24 year olds say they’d do this (Hays)

Responses: To handle ever more applicants for jobs, recruiters are using ATS software to screen applications and video-conferencing to hold interviews. Willio, Spark Hire and Vidcruiters are examples of dedicated video conferencing platforms for job interviews.

Future business opportunities & challenges: The increasingly ability for AI to host parts of job interviews will increase the capacity for recruiters to handle applicants. With machine learning and big data, recruitment at scale will increasingly rely on algorithmic evaluations. AI algorithms are also being programmed to avoid discrimination - such as Textio - which uses AI to remove the bias from written job descriptions.

Factors affecting the future





Perspectives on the future: Satya Nadella, CEO, Microsoft.

The future of work is not about one job, one career, or even one company. It's about lifelong learning, personal growth, and embracing change.

Key factors affecting the future UK trajectory



Evolving systems & structures

Organisational structures have become flatter, to remove cost, increase autonomy and improve agility. Technology and global labour markets could further change the structure of extended or virtual companies.

Purpose vs. production

Most sizeable UK organisations are pursuing an ESG programme or similar. Levels of continued support, or a reaction to perceived overreach, will influence the evolution and impact of how companies respond.



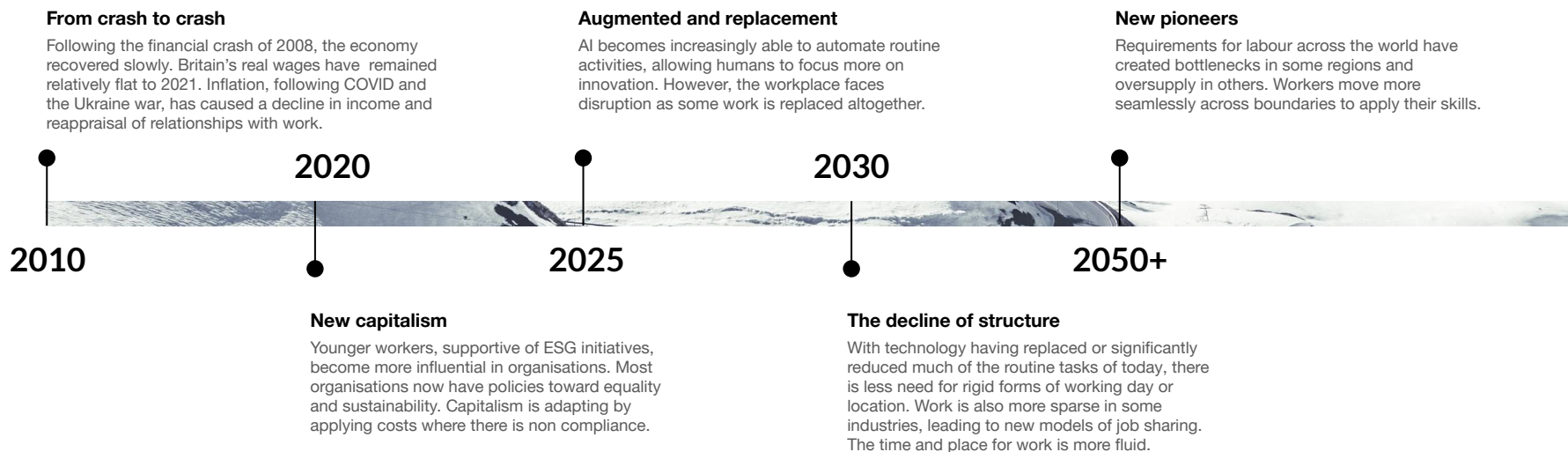
AI's role and impact


Organisations will face difficult choices in adopting technology to augment or automate human work. AI regulation, industry economics and social factors will shape the ultimate impact of AI.





Timeline





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