



## Valuable Advice from Workshop 2

**The Future of Work: Developing productive, sustainable, and socially-inclusive work models in the face of rapid technological change and value shifts**

**Held on Thursday 13 June 2019**

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### Executive Summary

The world of work is changing faster than ever. Widespread connectivity, increased automation, and emerging technologies, together with shifting demographics and changing values, are disrupting individual roles, moving work practice boundaries, blurring the nature of work and traditional models of employment and rewards, and challenging established business strategy.

Jobs will change and people coming into them will have different expectations of modern companies. Business leaders will have to adapt, not just to stay relevant themselves, but to make the most of what their staff have to offer. The benefits of diversity have been chronically under-utilised in traditional ways of working. The change being forced on the working world creates a challenge and an opportunity to model different behaviour and encourage change.



(L-R) Vincent Vuillard, Siobhan McKenna, Richard Spong & Kerri Dewe (Chair)

### The Speakers

#### **Siobhan McKenna, CEO, Global Women**

Siobhan has a background in media, digital and utility sectors and was founder and CEO of MediaWorks Interactive. She led transformation initiatives in New Zealand's education sector and was appointed a Future Director with Ports of Auckland in 2017.

#### **Vincent Vuillard, Co-Founder & Director, FutureWork Studio**

Vincent is the co-founder of FutureWork Studio which aims to create sustainable freelancing options for professionals while helping businesses upskill their workforce for the future. Vincent has held senior executive and consultant roles in New Zealand and Australia, and worked extensively across Asia.

#### **Richard Spong, General Manager, Covenant Trustee Service**

Richard is a chartered accountant with significant experience in the financial services sector in the UK and here. He stepped in for his colleague at sister company Perpetual Guardian, Head of People and Capability, Christine Brotherton.

#### **CHAIR: Kerri Dewe, Director, Lowndes**

Kerri is a director in Lowndes' corporate and commercial team, with extensive corporate and commercial law experience gained in New Zealand and overseas.

# What They Said

## Kerri Dewe: Are we on the right path?

Kerri set the scene. She said the Institute of Directors identified the future of work as one of five issues that should be top of mind for directors in 2019. Minister of Finance Grant Robertson has described it as “one of the most significant areas the New Zealand government needs to work on”.

Between 1989 and 2018, there was a large increase in the professional, scientific, technical services, health care and construction sectors but jobs in manufacturing more than halved, from around 23% to 11%, in a trend that is expected to continue. But the gig economy – encompassing more flexible, and less secure jobs – has not yet arrived, with the proportion of casual or fixed term jobs stable since 2008, no changes since 2000 in the number of self-employed workers or workers with multiple jobs, and an increase in the proportion of people in full-time jobs relative to part-time jobs.



## Siobhan McKenna: Bring your homeself to work and be culturally curious

Siobhan highlighted prime minister Jacinda Adern’s clear example to the world. She hoped it inspired business leaders in New Zealand to “grow up and show up”. She highlighted a McKinsey study in the UK, showing that gender diversity offered the highest performance uplift across surveyed businesses. For each 10% increase in gender diversity at senior executive level, there was a 3.5% increase in EBIT. And conversely, those business with the lowest diversity were also lagging in performance.

“It’s the smart thing to do, it’s the business-minded thing to do,” she said.



There were two components to getting it right, hiring diversity and inclusion. “Diversity is being invited to the party,” said Siobhan. “Inclusion is being asked to dance.” She suggests that decoding inclusiveness in the workplace doesn’t have to be daunting to start, as according to her view, the traits and behaviours required for (genuine) team collaboration are a helpful place to start as they are very akin to a key part of what’s needed for building inclusive cultures.

She offered a quick, three-step guide on how to dance. Firstly, share personal weaknesses; don’t be afraid to show you don’t know everything. Enable other people in teams to speak, and include different views, even if you don’t agree with them. Secondly, learn about cultural differences in your team, be culturally curious.

Thirdly, acknowledge team members as individuals and know what they do. Siobhan said if you pursue engagement with curiosity and connection “you’ll find most issues of inclusion are being dealt to”.

She also listed three things to stop doing: Overpowering others with directness; stop tending towards favouritism and stop openly discounting alternative views.

For new generations coming into the workforce, ‘fitting in with the way things are around here’ isn’t on their agenda.

Pressure is also coming from outside. The internet brought business data into the light and a more informed customer base is now asking questions like “What’s it made of, what do you pay staff, what is your gender pay gap, what is your purpose, your values, do you support flexible working, does your board diversity reflect your customer diversity, and do you have recyclable packaging?”

She said leaders should bring their home selves – where they are more complete and fun to be with – to work. For some people that would mean unlearning behaviours that helped them climb the ladder in the past. And to see how you are doing, she said to ask yourself: Do I foster a high trust environment? Do I make it okay for people to challenge, to be vulnerable, to make mistakes and learn? It needs leadership and, if not you, then who?

## Vincent Vuillard: The robots are coming for your tasks... not your job

Vincent said internationally and locally, the next decade will see unprecedented change.

Around the world, people are asking if robots are coming for our jobs. Yes, but also no. A McKinsey report said 50 per cent of current tasks in 8000 different jobs can be replaced, but it’s not distributed evenly. Only ten percent of jobs are vulnerable to 90 per cent of automation. That creates a different problem. It means a lot of people become under-utilised as parts of their jobs are automated. He says research for the Business Advisory Council shows 700,000 jobs in New Zealand will be affected in this way but 900,000 different jobs will be created.. This requires a skills shift that encompasses both hard (technical) and soft (leadership) skills.

And the key point to note was how jobs are already changing. Supermarkets illustrate the trend. Checkout operators used to have to know the prices, then how to scan items, now they have to know how to problem solve to help people when self-scanning doesn’t work. So their skills are changing from hard skills to more proactive and customer-facing. He says technology will not be the limiting factor in job growth; talent will.

Leadership and soft skills are not something that comes easily to some people and it's not something most people have been trained in. Walmart, which has a million workers (half of NZ's workforce), is investing US\$5 billion in teaching skills. Google, for another example, is investing US\$1bn. What should New Zealand invest?

He noted that in a few years we will have four generations at work, with different ideas and ways of working. Half will be millennials demanding new ways of arranging how we work, such as grouping people differently, perhaps treating them more like freelancers, asking them to work with other groups in the company in and paying for their skills. But this also demands societal changes, for example as Chair Kerri pointed out, as banks currently give mortgages based on job security, not skills security.

Businesses will need to prepare for that change to 700,000 affected jobs and for 900,000 new jobs by investing in skill building and finding new ways of working.



### Richard Spong: How to reduce stress – do five days' work in four

Perpetual Guardian's bold and world-famous experiment in introducing a four-day working week started after founder Andrew Barnes read an Economist report on UK study that showed only 2.5 hours of a work day were productive (and 1.5 hours in a similar Canadian study). He wondered if people were being distracted and interrupted by their everyday lives. If they were given time to reconnect with families would they be more engaged at work? Is there a link between productivity and engagement?



The idea was to test a four-day week. If staff could do their jobs in four regular days, they would still be paid for five. Two academics oversaw the trial in April and May last year. They reported that team engagement levels increased over four measures, leadership, commitment, stimulation and empowerment from percentages in the 60s to the 80s; that stress measures dropped from 45 per cent to 38 per cent; and that the figure for work life balance improved from 54 per cent to 78 per cent.

"What we saw on the ground was more compelling. People were visibly more relaxed and engaged and enjoying their work. There was a lot more cross-training and development mostly because we needed to have cover for the roles. There was a big increase in innovative ideas as people had to come up

with how they were going to be more efficient and challenge outdated processes and systems." It was a change for leaders too as they had to stand back and trust staff to make good decisions. Productivity was the same or went up for some groups and sick days went down. It was a success for almost all groups (not those dealing with year-end tax returns at the time of the study). Staff want to make it work, and are encouraged to come up with their own solutions to issues arising along the way.

The change was implemented in November with the addition of a volunteer day in a community organisation one day a quarter. For those that can't get their work done in four days and are often working five, the company is working with them to find ways to improve efficiency.

He said it also had other benefits worth considering. Mental health is a big issue in New Zealand and addressing work-life balance in this way could make a difference. Also, 20 per cent fewer cars on the road at peak times would make a significant impact on infrastructure planning and pollution levels.

In answer to a question, he said he understood only eight other companies worldwide have launched a similar experiment so far. No doubt many more are waiting to see how it works out, but their data to date is showing a positive and sustainable workplace change.

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