

Adapting to the future by Transforming and Innovating

The world of work is changing rapidly, driven by five global megatrends in the areas of technology, sociology, demographics, regulation and political economy. These megatrends will transform the world of work in the coming years. This may challenge our industry, but it will also create new opportunities.

Although it is too early to know the exact nature of the transformation, we believe the time to begin acting is now. The broad directions are already becoming clear: increased employee and employer flexibility, new

employment models, rapid job creation and destruction, digital-physical hybrids, data-driven insights and solutions. Under our Transform agenda, we are adapting to these developments by introducing new delivery models and enhancing digitisation across all business lines. As well as adapting our existing offerings, we are developing and acquiring new approaches and capabilities – this is the focus of our Innovate agenda. We are exploring, experimenting, and launching pilot projects in new solutions, enlarging the scope and value of our activities in the emerging world of work.

5 global megatrends changing the world of work



Developments in areas like robotics, artificial intelligence and 3D printing will reduce repetitive and low- to middle-skilled jobs in the manufacturing and service industries. At the same time, they will create new jobs that do not exist today. Technology will also enable more efficient and effective labour market intermediation. This will change business models in our industry.



Ageing and fertility trends in Europe, North America and parts of Asia will mean shrinking labour forces and higher dependency ratios, leading to skills gaps and pressure on welfare systems. In some markets, over-65 is becoming the fastest-growing segment of the population. Migration from countries with younger and growing populations will become a topic of increasing importance.



New forms of social interaction are driving new employment models in the 'sharing,' 'on-demand' and 'away from home' economies. These new models will change work-life patterns, especially amongst younger (Generations Y and Z) and older workers. Flexible working arrangements such as freelancing, telecommuting, temporary work and SOW consultants will increase. These sociological trends are already taking hold: contingent staff (those engaged in non-permanent working arrangements) already account for up to 40% of the workforce at some large companies.



Today's political and economic landscape has been described as volatile, uncertain, complex and ambiguous. For every government, sustainable economic growth is essential. Against this background, governments and businesses are seeking greater access to talent and increased workforce flexibility to drive economic competitiveness and growth. They will increasingly look for total workforce solutions to achieve these goals.



Traditional employment structures with guaranteed benefits are shrinking rapidly. The "precariat" is expanding; income and wealth inequalities are large and growing. These are the preconditions of social unrest, political upheaval – and regulatory intervention. Developments in 2016, including "Brexit" and the rise of populist political movements in Europe and the United States, challenged the regulatory status quo. These challenges will continue.