

A child is sitting on a wooden stool, holding a wand that emits a bright, colorful light. The light is painting a large, textured, and colorful shape in the sky, resembling a giant, multi-colored flower or a cloud. The colors are vibrant, including red, orange, yellow, green, blue, and purple. The background is a dark, starry night sky.

Leading the Future of Work

An Agilus White Paper, September 2021


Work Solutions

Overview and note from our CEO



Mark Stran, Canadian-born American poet, essayist, and translator said, "The future is always beginning now." It's true, by the time you read this document, you will be in the future.

The future can be seconds, days or years away but we should not be spectators. The fourth industrial revolution is upon us. Technology is creating incremental change and new opportunities for businesses in Canada. We can watch the future unfold or we can take part in its transformation.

At Agilus we see the future of work as a dynamic, mobile, global workforce employed by businesses who are focused on their business outcomes and mutual success. Leading the future workforce is an opportunity to create and attract a new type of future work - a flexible and boundless one where employees own the work while organizations own the outcomes.

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**"The best way to
predict the future is to
create it." Abraham
Lincoln**

The future of work is being shaped by two powerful forces: The growing adoption of artificial intelligence in the workplace, and the expansion of the workforce to include both on- and off-balance-sheet talent.



Is the Future a Gig Economy?

Much has been written about the gig economy and the potential that all work will end up a series of "gigs" versus a career or full-time job and the inevitable elimination of all of the accoutrements that come with a career – job security, benefits, career progression, and community.

Society over time has created a number of hierarchical terms to label the perceived value of one's work:

Work: An activity involving mental or physical effort done in order to achieve a purpose or result.

Job: A paid position of regular employment.

Career: An occupation undertaken for a significant period of a person's life and with opportunities for progression.

Gig: A job, especially one that is temporary or that has an uncertain future.

Gig Economy: A labour market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

There is a broad cross-section of gigs in the workforce today:

Freelancing: Such as graphic design, video production, even dog walking

Temp/contract jobs: Such as seasonal retail or logistics roles, project work in IT

New technology platforms have enabled workers to use what they already own and be gig workers in the sharing economy; for example, Uber drivers.

So there are two types of gig workers: casual gig workers who also generate income as a T4 employee and those gig workers who are solely reliant on their gig work income. For the most part, the second group does not pay into a pension, employment insurance, vacation, or benefits despite this being their sole income.

The gig economy in its current state does not look financially attractive or very fulfilling for potential workers. Interestingly, even governments do not know how to categorize it – you are either working full-time, part-time or unemployed.

As gig work has become more prevalent, Statistics Canada completed their first analysis of the Gig workforce in 2016. They acknowledged the 'grey' in defining what 'gig' is and have used a tax definition of 'Unincorporated self-employed' income, which underestimates the size of the gig workforce in Canada. Some sources state it is as high as 30% of the Canadian workforce.

2019 Statistics Canada Study:

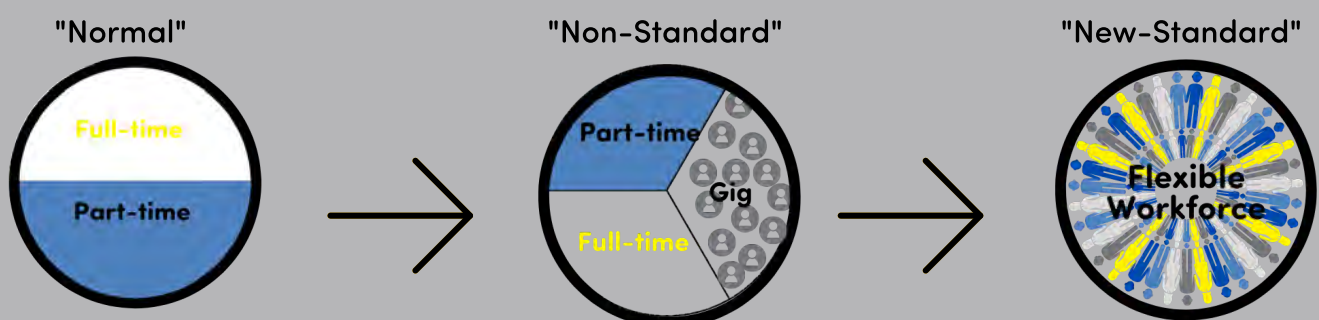
- Gig Workers: 8-10%* of the total workforce. (2016 Data)
- Split evenly between full-time and occasional Gig Workers
- Concentrated in major urban centers
- Female Gig Workers (9.2%) is higher than Male Gig Workers (7.2%)

It's also interesting to note where the study found gig workers in 2016:

- For women: Health care and social assistance was over 20% of gig work
- For men: Construction was over 12% of gig work
- For both women and men: Professional, scientific and technical services was very high (17 and 19%)

The assumption that most gig workers in Canada are Uber Drivers or AirBnB owners just isn't true.

The Future of Work is a transition from non-standard to new-standard
A Flexible Boundless Workforce



Why are we hearing more about the future of work?

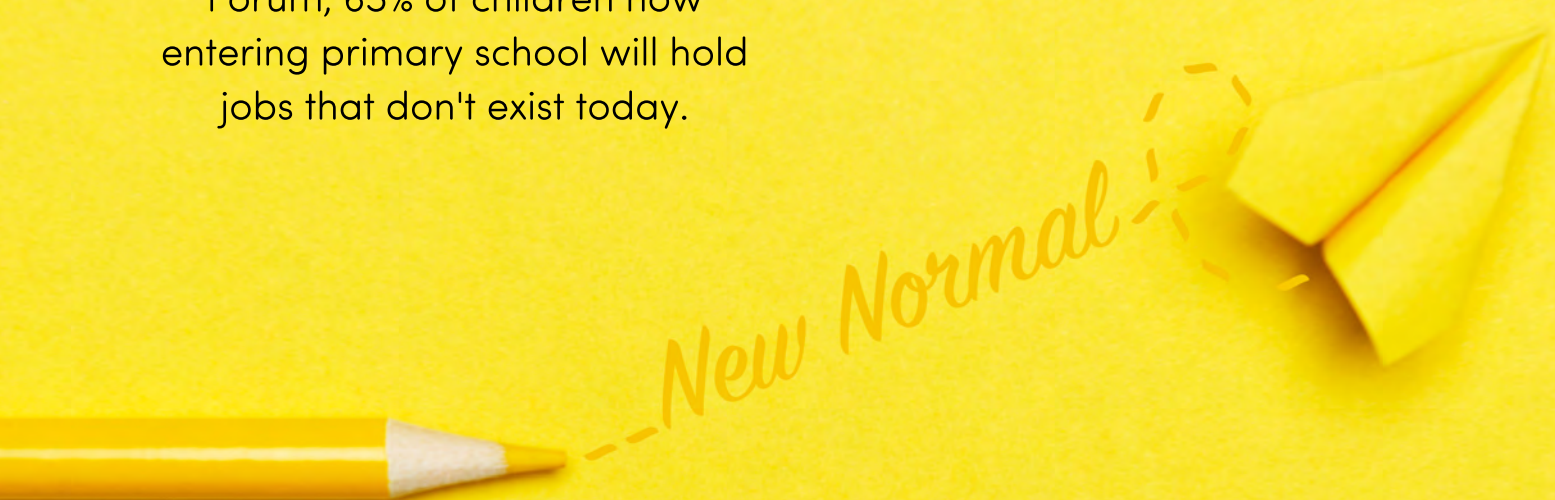
For the first time, we have five generations in the workforce. Every generation moves the needle of progress forward but that has stalled while technology has distracted us with exponential growth. Businesses have been relying on digitalization, AI, AR/VR and cloud computing among others, to reinvent the workforce. We have been waiting for a digitized disruption to the future of business and yes, according to Ceridian's 2020 The Future of Work Report, it's possible that nearly 50% of jobs will be automated in the coming years. The impact of AI on businesses is projected to increase labor productivity by up to 40%.

The pandemic further helped expedite this two-fold: not only did the pandemic make online-centric work environments the norm, but it also gave the vast majority of adults time to pause and reflect on what they wanted from their lives and career. Many surveys have revealed that the roles many of us held were not meeting our expectations whether in purpose, work + life or financially.

The future of work is not two or one generation away; it is literally impacting how we will work within the next decade and year. The Fourth Industrial Revolution is upon us and the bold will win out.

What are the power trends pushing the new world of work closer?

According to the World Economic Forum, 65% of children now entering primary school will hold jobs that don't exist today.



● Transferrable skills

We discussed the opportunity to hire based on transferable skills versus experience within the Attraction portion of this document. This trend will drive the future of work as well.

Transferable skills are skills and abilities that are relevant and helpful across different areas of life: socially, professionally, and at school. They are 'portable skills' and are owned by the employee, not the business. Companies are looking to innovate and future-proof their businesses by relying on employees with creative-problem solving, leadership communication and technology skills to address a rapidly changing and digitizing market place.

● Mobility of Workforce

With remote work accessibility, never before have employers had this much access to the global workforce. However, the other side of the coin is workers can now easily move around within an economy and between different economies. This means neither stakeholder is held to the commuting tolerance of the candidate.

● Changing behaviours

We are behaving differently. Even before the pandemic, Millennials and subsequent generations, in particular, were behaving differently. They are very comfortable sharing their private lives, learning asynchronistically, research and conducting business all online. They create content independently, are very comfortable voicing opinions online, and taking the role of influencer without traditional or formal credentials.

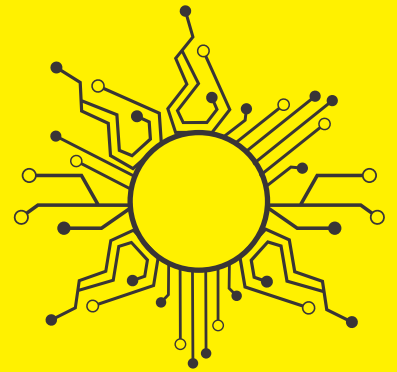
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- 71% of U.S. adults ages 18-29 use Instagram in the United States.
 - 87% of users are outside the U.S.
 - There are 320 million global Instagram users aged between 18 and 24 years.
 - There are 354 million global Instagram users aged between 25 and 34 years.
 - 72% of teens use Instagram.
 - 73% of U.S. teens say Instagram is the best way for brands to reach them about new products or promotions.
 - 130 million Instagram accounts tap on a shopping post to learn more about products every month.
 - Instagram users spend an average of 30 minutes per day on the platform in 2021.
 - 25% of U.S. teenagers say Instagram is their preferred social media platform.

● Technology

Technology advances are keeping us engaged and more productive than ever before.

Technology is not only growing exponentially; it is growing dynamically (non-linear) invading and enhancing all business touchpoints. The impact of this is businesses and workers are becoming more and more reliant on technology and technology is location agnostic.

- By 2025, 38.6 billion smart devices will be collecting, analyzing, and sharing data.
- The web hosting services market is to reach \$77.8 billion in 2025.
- 70% of all tech spending is expected to go for cloud solutions.
- There are 1.35 million tech startups.
- Global AI market is expected to reach \$89.8 billion.
- There are 4,383 million internet users, which account for 56.8% of the world's population.
- The big data market is expected to reach \$103 billion in revenue by 2027.
- The number of websites will go over 1.6 billion.
- 84% of enterprises have adopted a multi-cloud strategy.
- There are 3.9 billion active mobile internet users as of January 2019.



<https://hostingtribunal.com/blog/how-fast-is-technology-growing>

● Uncertainty

The pandemic has created global economic uncertainty and it is felt here in Canada as well. Ballooning debt, leading indicators of inflation, and potential tax increases have the markets and businesses skittish. Economic uncertainty implies that the future outlook for the economy is unpredictable. When people talk of economic uncertainty, they usually imply there is a high likelihood of negative economic events and with that is risk aversion.

We see this in businesses limiting their spending over the past 18 months through decreasing hiring, internal mobility, cross-training, and contract roles. Businesses are avoiding long-term commitments. Market uncertainty on employee well-being means companies must transform their workforce strategy and HR function to future-proof their organizations and drive innovation.

Adversely, employees and candidates are looking for security. They are also risk-averse and this is seen through the ghosting of roles, interview hesitancy, and monetary motivation. But it also shows up with wanting more control by leaving the job market, looking for purpose-driven work, and seeking roles that are aligned with their personal values.

Shifting values are changing our perceptions of work

There has always been gig work in the employment market. Technology has made it easier to gig and to hire gig workers. The pandemic has shifted values in the world of work and has accelerated the need for flexibility for both employers and workers.



● Employers' Shifting Values

Increased need for flexibility in navigating uncertainty

There is an increased need for flexibility in order to adapt to changes in demand for new products, pivots, or strategies. We recently completed another Agilus Work Survey where employers spoke about their views on 2021. The most repeated words in the survey were 'Cautious Optimism'....which is very Canadian of us. When there is caution, flexibility is critical.

Increase in the adoption of technology and digitization of industry processes

The last 18 months have either improved your organization's use of technology or highlighted the gaps in what's needed for technology. The use of technology will only become more pervasive in all industries which will result in more project work and flexibility.

Access to global talent and skills

The world is connected and 'You're on mute' is a global phenomenon. The employee skills and employer needs need not be in their backyard or even in the same country anymore.

A new openness to a hybrid remote work culture

Most of us have had some degree of remote work over the last 18 months. This new work structure has shown organizations that workers are adaptable, which opens up the willingness to try new ways of engaging talent.

Improving the use and increasing trust of technology to measure outcomes instead of hours

New technology adoption has increased the trust in the tools and increasing the need and trust to look at outcomes instead of hours. This is a new paradigm for many companies and workers which changes working relationships and has new implications for managers having the relevant skills needed to lead their teams.

● Workers' Shifting Values

The last 18 months have given many workers time to reflect on their personal values and re-assess what is important to them (both the WFH and essential workers).

Increased clarity and self-awareness

The pandemic made everyone look at their morality and take stock of accomplishments and lifestyles. What does success look like at work and at home?

Flexibility

The global workforce is not looking for anarchy. Work still needs routines, place, purpose, and people to be effective but there is demand for a much more personalized approach that fits with the individual's needs. What one person's day looks like no longer aligns with a universal model e.g. commute, work 9-5 and return home.

This also extends to the work to be done. Employees are looking at their roles and thinking I want to do more of this and less of that. How can I make that work for me?

Work + life

Physical distancing has turned our gaze internally. People are prioritizing their health and family to a degree never seen before. The past 18 months have empowered them to make better choices and they are reluctant to return to the perceived "rat race".

Employees are investing in hobbies and developing their hidden skills and digitization is giving them the opportunity to monetize them.

The pandemic has also forced people to rely more on their community – locally or online. and reconnect with like-minded people. George Floyd's murder was a turning point that drew everyone in and the impact continues to be seen in boardrooms, Twitter accounts, and government policies. In Canada, the Residential School crisis further compounded our need to unite as a community.

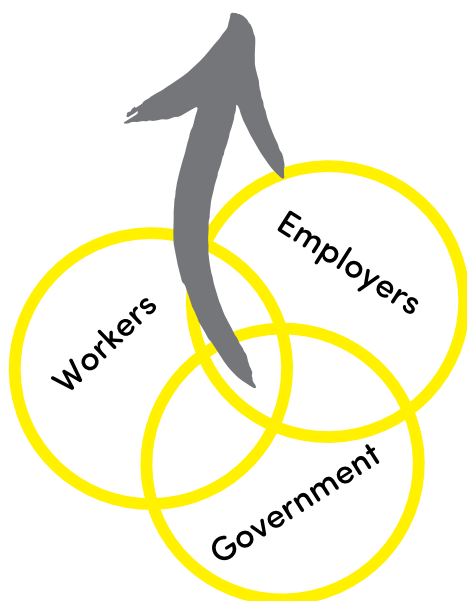
New opportunities unlocked from geography

With the global adoption of remote work, workers are no longer limited by commuting times and physical space. This is especially true in Canada where distances between urban centers are significant.

Independence and shift to owning my contribution/impact

Remote working gave employees a sense of independence and freedom from the office and managerial oversight. They learned that they were good at managing their work outcomes and schedule. Many processes were updated and will continue as best practices. Employees gained a sense of empowerment and focused on real deliverables and impact.

The Future of Work



Flexibility has moved up the values list for employers and workers. Gig work will continue to grow with the percentage of the workforce but for it to get an updated, respected definition, there will need to be supported from the government. There needs to be an openness to new classifications and worker protections to maximize worker impact and produce organizational outcomes. It needs to be a team effort from workers, employers, and governments to accept that the traditional employment structure needs to make way to include more innovative ways of work.

Ultimately, new classification and protections would increase the labour market participation across all demographics, unlocking talent and allowing organizations to flourish.

When it comes to the future of work, new values (both employer and worker) will be the context to drive and further define the contradiction that is gig work of today and the flexible, boundless workforce of tomorrow.



● What will a boundless workforce look like?

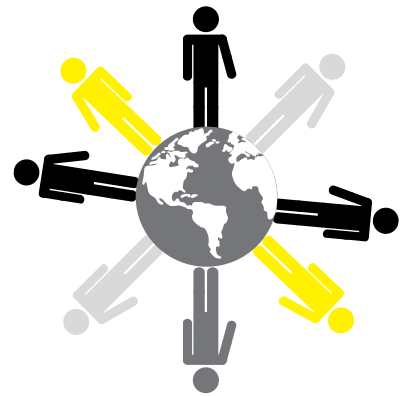
A boundless workforce will be defined by the synergistic efforts of both employees and employers. Working independently and anachronistically, employees will complete tasks and projects as required. They will have resources and project managers to assist with goal-setting, timing, and budgets. They will also have access to learning and development teams to assist with skills development and IT teams for support.

The employees will be geographically located across the globe but meet digitally when necessary and share projects, files, and data through the Cloud. Employees may be working with one or more employers and will be responsible to meet the outputs of each assignment required. They will work with digitized employment apps that will deploy them based on their availability, skillset, and previous successes.

Employers will have access to a global workforce ensuring not only a broad set of skills are available at a moment's notice, but a diverse team that can bring their unique perspective to agile problem-solving. Businesses will also be more responsive to client needs with a 24-hour workforce.

The teams of the future can be distributed all over the world. They'll be fluid, quickly spinning up to tackle new challenges and often including gig workers. The old-school model of corporate leadership will no longer work, and leaders must cultivate a whole new set of skills.

Employers will leverage their flexible, digital teams to disrupt their industries faster. They will still rely on traditional full-time employees when in-person requirements dictate, for example, bricks and mortar retail or hospitality. However, through AI, even these will be scaled back.



● How can government support the future workforce

First and foremost there is an immediate need to update the provincial Employment Acts to protect workers and businesses where their employees are working from home. Already courts are filled with Worker Compensation incidents of people getting hurt at home while performing their jobs. There is a lot of ambiguity on what constitutes work-related injuries when working at home that needs to be addressed.

Second, Government must step in to legislate Shared Economy employers who do not cover insurance, benefits, or vacation. To date, these workers have been labeled independent contractors but things are changing in Europe. These gig workers are gaining rights and benefits and as these changes take hold around the globe, the gig economy is facing a transformation.

Finally, the government should not rely on the private sector or individuals to fill in the gaps on employees benefits for part-time, contractor gig workers. Action needs to be taken so Employment Insurance (EI), Worker's Compensation Benefits (WCB), and Canada Pension Plan (CPP) are funded through payroll deductions.

Definition: Shared Economy

An economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services that is often facilitated by a community-based online platform.

Ref: investopedia.com

- Uber's loss in the U.K. Supreme Court last month forced the company to reclassify 70,000 of its British drivers as workers.
- In Spain, legislators have introduced a raft of measures that would recategorize gig workers as employees with formal contracts and benefits.
- All the while, the European Commission, the EU's executive arm, is thrashing out plans for some kind of regional reform on gig economy workers.

<https://www.cnn.com/2021/04/12/europe-could-be-seeing-the-end-of-its-gig-economy-deliveroo-uber.html>

A boundless, flexible workforce will not appear overnight. Businesses and workers must work together to create the right conditions for the gig economy to morph into this dynamic alternative.

● **How can businesses support a boundless workforce**

Equal pay for equal work	In order to create a fluid workforce, businesses need to address inequality in pay. Not only for our current environment, to attract women back into the marketplace but also to create a seamless, agile workforce.
Diversity, inclusion & belonging	If businesses can't create a sense of belonging for a diversified workgroup in Canada, they will not be successful in working with a digital team a continent away. The time is long overdue to address and eliminate discrimination in the workplace.
Purposeful workforce design	Traditional business models will need to adapt and transition. Creating a business focused on outcomes not work will be paramount for success. Businesses that design their organizations for resilience will be more agile than competitors.
Autonomy to deliver outcomes	Businesses will need to be more comfortable managing outcomes than hours, managing energy than burnout, and managing outcomes rather than metrics.
Social support & benefits	Part-time and gig workers need a social safety net like everyone else. Payroll deductions for vacation, employment insurance, pensions, and WCB/WSIB need to be common practice and legislated by the government.
Training/onboarding/offboarding	Proper onboarding designed for the project assigned, training as required and offboarding are smart ways to tap into the gig worker. The boundless workforce offers a wealth of feedback for employers.
Culture (part of a project versus part of a company)	Organizational culture will need to adapt to a globally mobile workforce and create a slimmed-down portable culture that resonates regardless of the location, generation or project. Businesses need to get smart on creating a viable product or culture that can be implemented.
Employee engagement	A flexible, boundless workforce is filled with individuals who want to be a part of something bigger. Designing an EVP and conducting regular engagement surveys and focus groups will remain important in this new world of work.
Role design	Perhaps one of the biggest changes for business will be creating new roles where the output is the main objective and not the work – what, not the how and adapting the nature and structure of work to unlock and support the future workforce. Also, understanding and designing roles that may include a part of a traditional role or parts of many roles to meet the needs of a singular project or an output.
Leading a boundless workforce	Leaders may have felt challenged to lead a remote workforce for the past 18 months but leading a flexible workforce will require a new set of skills.



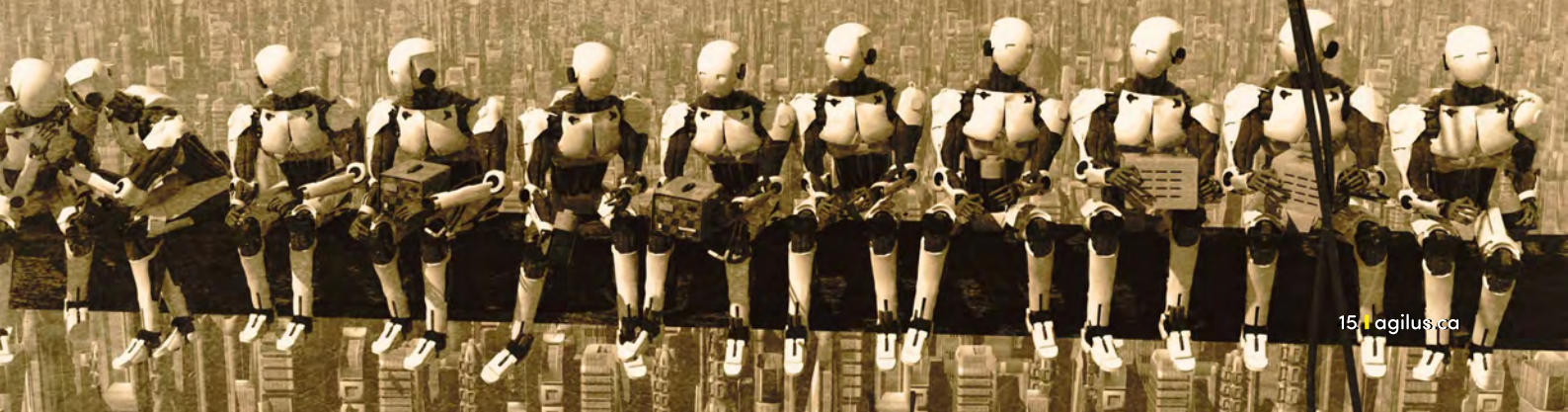
**10 Leadership Skills
of the Future
Workplace**

Actively Agile
Emotional intelligence (EQ)
Humbly Confident
Accountable
Visionary

Courageous
Tech Savvy
Intuitive
Collaborative
Culturally intelligent

<https://bernardmarr.com/14-essential-leadership-skills-for-the-4th-industrial-revolution/>

The future employee is anyone changing
their behaviour and mindset
to adapt to the changing workforce.

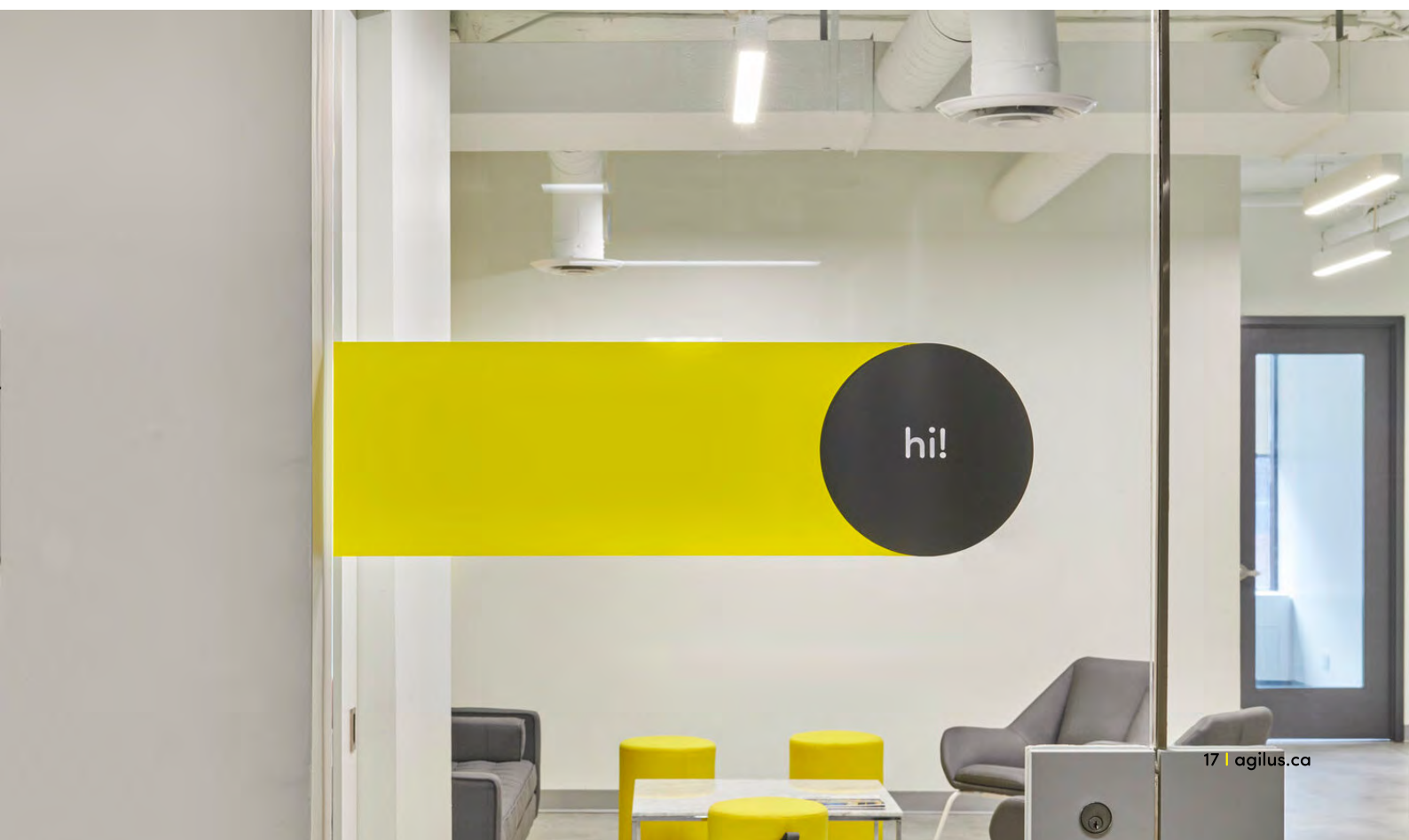


● Challenges facing a flexible workforce

Budgeting	Initially, budgeting for flexible workers will be challenging. Understanding what the market will bear and what to offer to attract talent will require businesses to face a steep learning curve.
Integration with other staff	How will boundless workforces collaborate and work with traditional staff? Businesses will need to integrate these models so they can work closely without animosity or misunderstanding as one group is used to having their work managed and the other is committed to outputs – not process.
Productivity assessments	How will productivity be measured and further how will gaps or inefficiencies be identified when managers only receive the output.
Performance evaluations	Businesses will need to reevaluate their performance evaluations and consider the frequency and format to create a more engaging and productive process.
Talent retention	By nature, a flexible workforce is fluid and comes and goes as attractive assignments are offered. How will businesses build a stronger working relationship with high performers and keep them on-call?
Ownable talent	One of the key differentiators for businesses is their employees. It will be harder for businesses to market their star employees if they are temporary or under contract. What can businesses own in this boundless workforce?
Outcome-specific work	Defining outcome-specific work and allowing workers to own the work is a fundamental shift in the way things are accomplished currently. From elementary school to high school or work, there has always existed oversight to the process and the output.

The legitimacy of the gig workforce is here, online-centric work is happening, and now is the time to build out the new models, classifications and systems to enable individual goals, organization goals and Canada's economic growth. It won't happen overnight but flexibility will become a virtue, not just a value. Gig work will become the new standard and not non-standard. We are moving towards a flexible workforce, a boundless workforce.

The future is bright.





Agilus Work Solutions

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Let's get to work!



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