

The Smart Manager

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the other side of the future

□ lynda gratton

SMART SUMMARY Nightmare scenarios or the future of work are many and varied. But what about the good news—including the death of hierarchy and the rise of more powerful women?

The nightmare scenario of the future of work is increasingly clear. Technology leads to a world of ever-growing fragmentation where billions of people connected across the world are continuously bombarded by requests; the virtual nature of technology will leave many deeply isolated and craving physical relationships; and globalization will widen the divide between winners and losers to create a new global underclass.

The nightmare scenario is impressively and assiduously documented. Many of the fears are justified. But there also more positive, energizing and uplifting possibilities.

So let's look at how the future of work could more optimistically evolve:

co-creation: the multiplication of impact and energy

The world of 2025 has the potential to be a world of cooperation, where the competitive focus of the Baby Boomers is replaced by a more cooperative spirit. Much of this has to do with the combination of technological developments and globalization.

Connectivity is rising irresistibly. For example, by 2025 we can expect the number of people connected with mobile phones across the globe to exceed five billion.

Connectivity is an important aspect of the bright side of the future. However, it is not as simple as who is connected to whom; the other important issue is what they are doing through this connectivity.

The digitization of books will become an incredibly useful source of information. Billions of people will gain enormously from the many charitable foundations that put more complex learning material on the web to be used without charge.

It is not just e-books and e-learning programs that will help people across the world to reach their potential—it is also the self-generated content in websites and web pages.

In 2009, there was more video content uploaded to YouTube in two months than all the new content on the USA TV network since 1948, and every week 220million new photos were being added to Facebook. By 2010, there were more than 540million unique users

on Facebook, 425million on YouTube, 97million on Twitter, 73million on MySpace and 38million on LinkedIn.

This level of connectivity and the power of aggregation and self-creation will create wise crowds that begin to out-predict experts, and open source innovation to bring the best ideas of the world together. It will also mark the death of the classic hierarchy. In its place will emerge a more peer-to-peer way of working and an understanding that collective intelligence can play a profound role in the world. When five billion people are connected to each other in ways that are active rather than passive, then what will emerge are ideas that behave in ways we have not experienced before and this aggregation will help create and share at unprecedented levels.

social engagement: the rise of empathy and balance

The upside of a hyper-connected world is that through the very process of connectivity a global mindset will begin to emerge as people travel more, understand others more deeply, and, through this understanding, begin to empathize with their situations. Empathy fosters social engagement and with that the possibility of balancing the various aspects of our lives—be that work, charity, parental responsibilities or community commitments. Gen Y is the first truly joined up, global generation, and this has made Gen Y-ers more understanding of differences, better able to see the other's point of view and, in a word, more empathic.



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It's a generation who are members of virtual communities, with 'friends' all over the world, who are familiar with diversity and more accepting of differences. This is a generation which is technically savvy, very comfortable using technology at work, and which prefers to communicate through email and text messaging rather than face-to-face contact. They are also at ease with webinars and online technology as a method of distributing information and learning.

We can anticipate that in the brightest future of 2025, billions of people are choosing to take control of their working lives and to craft them in a way that resonates with their own values and aspirations. This has the potential to create a great deal of variety in what is considered possible.

the role of powerful women

In 2010, around 50% of graduates entering companies were women. But, while women are entering companies in equal numbers to men, they are still not getting to the top. In 2010, around 30% of managers were women, yet the percentage of women employed at senior executive or board level tended to be around 10% and was rarely more than 15%.

We can expect these proportions to change over the coming decades. One accelerating force will be government legislation. Another will be the changing nature of the aspirations of Gen Y and Gen Z men who want to spend more time with their families. As more women get to the top, so too the corporate cultures become less macho and more accommodating to diverse individual needs.

As more women enter senior positions at work, so the domination of men over the public sphere will begin to wane. As more women enter senior positions, so the

stereotypical description of them as opaque or irrational will ebb. Finally, with regard to the sexual division of labor—as more working mothers attain significant roles, so the traditional division of home labor, where working women take the lion's share of work in the home—will begin to fade. As a result, in many companies the culture will become less masculine, and men will bring more of their home life to work.

micro-entrepreneurship: crafting creative lives

Across the world in 2025, hundreds of millions of people will work as micro-entrepreneurs and as partners in what have been called 'ecosystems'. These are gatherings of like-minded people, gathered around an idea. It is these clusters of micro-entrepreneurs, rather than corporations, that will be a crucial part of shaping the direction of the market.

In the past, it was the developed countries in the West and Japan that created hubs of innovation. Think of Silicon Valley. This focus on the developed world was reflected in the locations of R&D laboratories, which multinationals kept in their own countries.

This is changing and will continue to do so. A combination of investment, education and a strategic policy focused on new technologies will spur the development of new clusters of innovation in emerging economies. Witness the rise of nanotechnologies and biotech in Beijing, digital media and genomics in Seoul, biofuels in Brazil and automotive technologies in Poland.

One of the likely drivers of frugal innovation in India and China is the return of the diaspora. From 1980 to 1999, 25% of Silicon Valley startups were Indian or Chinese entrepreneurs, and between them they generated \$17bn in annual revenue. By 2005,

that percentage had increased to 30%. Many of these entrepreneurs will be using their skills and networks back in their home country as the shift of economic energy moves to Asia.

In India, the powerhouses of value creation were in the IT sector, led initially by companies such as Wipro, Infosys, Tata Consulting Services and HCL Technologies. Many of these companies began their lives as the IT back office of the developed economies. However, just as Chinese manufacturers moved up the value chain, so too the IT sector in India moved up. In 1995 for example, Airbus and Boeing both outsourced their basic back office tasks to Indian companies. By 2009, they were partnering on complex tasks such as the Infosys design for a section of the wing for the Airbus's A380, while HCL Technologies had partnered on two vital technology developments around averting collisions and landing in zero visibility.

What is fascinating is the extent to which the focus of innovation is on cost innovation — using resources more thoughtfully and redesigning products more frugally. Launched in 2008, the Tata Group's Nano car, for example, with the dream of the 'one lakh car', built innovation around manufacturing; procurement and value chains, which saw the price drop to around 40% of a small European car. Similarly, Bharti Airtel slashed the cost of mobile-phone services by radically innovating around its suppliers.

Sometimes these innovations come through entrepreneurs creating entirely new businesses. Think

of money transfer from mobile phones. This was not a Western development but was pioneered by the Kenyan company Safaricom. In the wake of Safaricom's success, the technology was taken up by Africa's biggest cellular network operator, MTN, and rolled out across many African countries, to be followed by rollouts in China and India.

The rise of co-creation, the surge in social engagement and a growth in micro-entrepreneurship provide for a positive future. Yes, technology will lead to fragmentation and isolation, but imagine a world where five billion people are connected to solve the big challenges ahead. Yes, globalization is in danger of creating an underclass of terrifying proportions. But, imagine if the whole world engaged in the process of innovation, and if developing countries began to teach the West how to be frugal in their innovation. Yes, demography can potentially pit young against old, but imagine what a working life extended to seventy could mean if work was positive and fulfilling. □



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