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# New Normal:

What happens when the future arrives early?

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## Introduction

Covid-19 brought the future early. It achieved in three months what research into future work predicted would occur in five years: an immense shift in how, when, and where we work.

For everyone it was a massive speed bump. While some employers are still driving along shakily, others have crashed to the side of the road. For the lucky few, it has been a wakeup call to activate future plans earlier. While not every employer had agile future workforce development plans, all their responses provide important insights into best practice and what to avoid on the road ahead.

## Prometheus Unbound

Much of the knowledge about what organisations need to do to manage their workforces during and after the pandemic existed prior to COVID-19.

As in the legend of Prometheus, we resist and ostracise messengers who challenge existing paradigms. In this instance, we treat people who bring us insights into preparing workforces for the future of work and learning with suspicion. However, we can no longer afford to ignore these messengers and their tidings. We must actively challenge the views of those who seek to lock everyone into their tightly defended paradigms.

This article is a personal insight into unlocking important knowledge. Despite the noise surrounding the pandemic, we can isolate the root cause of job losses and why they have, and will continue to be, so acute. We can also assess how these job losses may hinder organisational viability as the COVID-19 economic shutdown ends.

We will never return to the pre-pandemic world of work. All the talk of a post-COVID recovery is semantically accurate but it lacks the critical reflection and honest appraisal of the current systemic failures. Nor does all the talk appreciate the factors we know enhance organisational success and the employment prospects of Australians seeking work and viable careers.

So what are the most obvious lessons we must learn and what should we leave behind?

## The future is here

Why aim for a return to normal? We have more to gain from looking to a future we already knew was coming.

Leading companies are doing this and using the business hiatus to advance plans to meet global realities; plans that had previously been too costly to execute while trying to deliver existing services.

We must all pull in the same economic direction post-pandemic, just as we were “In it together” during the lockdown.

The education sector is of particular concern because we will have a national skilling requirement to secure the capabilities required to underpin the post-pandemic economy.

Unfortunately, scepticism has increased dramatically in recent years over the efficacy of higher education efforts in supporting future skill requirements.

My company, The Institute for Working Futures (Working Futures™), made significant predictions about the future of work and the capabilities required in the workforce. As recently as late 2019, collaborative research with leading global partners resulted in predictions that by 2025 in Australia, of the workforce:

- a. 15% of the workforce (1.9m workers) would be displaced by automation and computerisation.
- b. 16% of the workforce (2m) would have to undertake significant reskilling as technology augmented and amended their day-to-day work.
- c. 20% of the workforce (2.4m) would be in new jobs created due to technology and business model innovations.
- d. 52% would work part time in multiple jobs (portfolio work).
- e. 45% would work contractors or freelancers working from home 18% or using social and digital platforms to work in the gig economy.<sup>1</sup>

This data—and a mosaic of other insights—confirms that the speed of workforce transformation requires an unprecedented reskilling effort. This effort has to move beyond

traditional and fast disappearing job classifications to focus instead on common role cluster capabilities that would underpin any future workforce. In particular, it requires universities to play a more active role in skills development rather than transfer knowledge tied to narrow industrial-age discipline boundaries.

Future workforce forecasting has always been slippery so perhaps we should remove the concept of 'future'. After all, we know the future is continually 'emerging'. Some suggest we anchor discussion in terms such as a 'second renaissance', or 'workforce 4.0' to show the change has known precedents.

This is all moot, however, because what we predicted to arrive in 2025 is substantially here in 2020. While the estimated five million people working from home in the lockdown will not stay in this mode, we do know we have had no time to create the new jobs that were supposed to soak up the workers displaced in our restructured economy.

Yes, the future arrived early but many companies were prepared because they had already fundamentally altered how they planned and how they developed and managed people. Future predications allowed them to run scenarios, make informed decisions, and radically pivot their people-plans to meet what is to come. None of this work indicates an intention to return to the previous state. The new normal will not be a cookie cutter replication of what existed in December 2019. It will be a positive, albeit more painful, transition to meet foreseen future realities.

### **Situational report: The calm before the storm**

Many think the worst of the pandemic and its economic fallout is over. But as of mid-May 2020, many large corporations have hit pause and, unfortunately, the job loss story will continue.

While economic recovery might re-engage unemployed and underemployed workers in work by the third quarter, the more permanent job losses look likely given Australian companies are already restructuring for the post-pandemic economy. This is when fast-tracked automation projects, new business models, streamlined structures and new role profiles will roll out in pilots from September 2020 in preparation for 'rubber hits the road' in January 2021. This is the common target date to restructured workforces where we will see removal of poor job design and

engagement practices, movement of people from employees to contractors, abandonment of outdated job and occupation classification systems, and outplacement of workers who lack the essential deep capabilities required in the future workforce.

The mission has centred on building workforce capabilities that allow the organisation to deliver its core technical purpose and to be more collaborative, responsive to change, and customer focussed. The mission emphasises judicious investment in the workforce capability in order to secure a systems-level, organisational-wide capacity uplift. It is also about placing a balanced emphasis on correctly assessing what each individual contractor or employee provides to do a job and ensuring they fit the organisational culture.

For my clients, the debate between planning and building a workforce based on capability or job competency is over. They are raising the tide, not filling buckets.

Moreover, they are raising the tide for everyone in the workforce by improving the dozen or so capabilities essential to the whole workforce that shape 60 to 70% of all role profiles. They are not diluting focus by trying to drive organisational improvement by solely focussing on the many competencies and skills tied to specific job 'buckets'.

As an advocate for capability<sup>2</sup>, over job competency and skills tied to industrial-age vocational boundaries, I am definitely biased. But by looking at the good and the bad from my corporate clients, and the absolutely ugly from educational institutions, I can provide some evidence of responses to COVID-19 that may inform your view on what will and will not work.

## **The corporate experience**

### **The good**

The benefits and drawbacks of moving from a physical workplace to a virtual workplace are well documented. Perhaps this is a massive "work-from-home experiment". It is possible, however, to accommodate short-term COVID-19 contingencies with good practices that benefit long-term choices.

While work has had to be reshaped and relocated, it is also being reinvented. For instance, public service treasury officers and managers moving from desk-based compliance and information exchange jobs to call centre

operators dealing with small business claims; or shifting long-haul truck drivers to roles as urban couriers making door-to-door deliveries.

In my opinion, the following represent features of the most enduring beneficial workforce solutions:

1. **Purpose is essential**  
In a COVID-19 world, virtual-based workers who feel a clear shared sense of purpose are less likely to feel disconnected from their colleagues and organisation. They understand that although the processes and practices may change (for example, virtual rather than physical staff meetings) the reason for their work endures. Virtual meetings are just as much about purposeful action as are physical meetings.
2. **Value resides in the employee as a human**  
Working in a COVID-19 world is as much about social capital as it is human capital. It is about the workforce culture, values and beliefs. It is about the collaborating with others—inside and outside the organisation—to deliver the shared vision or purpose.

For many years, agile and responsive organisations have sought competitive advantage by moving away from traditional views of humans as resources to fill jobs. The emphasis shifted to individuals as assets that had capability beyond their explicit job skills. This led to a valuing of tacit attributes such as cognitive attributes, mindsets, and personal preferences. It is as much about cultural fit as it is about performance.<sup>3</sup> To this end, Working Futures™ spent 20 years on research updating the human capability and leadership standards that we deem essential to all future workforce roles.

3. **Skills must match business models**  
We know that business models always change, but they are changing faster than ever now. The move from physical to online channels is accelerating especially fast. To survive, many businesses had to map out the skills, characteristics, and type of people they need to support these digital transformation projects quickly. As consumer behaviours change, these business models will not be variants to the normal; they will *be* the normal. This change accelerates the need for human-centred problem solvers who have empathy and a passion for building a positive customer experience. It is the social and emotional skills, alongside collaboration and communication expertise, that will be crucial for organisations seeking to build workforces able to drive digital transformation.

4. **Often skill shortages are actually skill mismatches**  
Often companies have no idea they can fill perceived skill gaps using people already in their workforce. This problem is called a skills mismatch. This mismatch occurs for two primary reasons: (a) The capabilities possessed by a person are inadequately recorded; and (b) the profile of their people is against explicit skills tied to the job or profession. The profile should be of the person, not job competence. This shift in emphasis places value on all capabilities: non-technical (soft skills or human skills) and the technical skills. We know some two-thirds of all future job profiles are formed from the non-technical skills and knowledge.<sup>5</sup> Non-technical are essential, but typically constitute less than 25% of a job profile. Yet we perpetuate the desire to recruit, select and manage talent based on qualifications and profiles tied to technical job performance or behaviours, not the capabilities the organisation requires. The biggest change right now is that large companies and professional bodies are refining their understanding of the exact capabilities required in their workforce today and tomorrow. This then triggers them to improve their people profiling with the use of innovative technologies and web assessment platforms. The result is a more accurate value of the organisation's capacity. This leads to a higher reportable value and a currency able to enhance

Figure 1 Human Capability Standards<sup>4</sup>



decision making on workforce retention, recruitment, training and development, redeployment or people and talent management.

#### 5. **Promoting workplace development and organisational learning**

How well people learn is an essential capability that underpins an organisation's responsiveness to change. Paradoxically, learning ability, and other essential capabilities for the future, promote the importance of context-based learning: that is, learning where tasks will be performed.

The capability uplift for any organisation can use the 10/20/70 reference model: 10 percent off-the-job formal education, 20% from peer mentoring or coaching, and 70% through experiential programs tied to work tasks, challenges, rotations, or experiences. No matter how bored people are, or if they have extra time to learn, sending people off to do formal, structured online courses linked to qualifications is all too often an expensive activity with little business value. Instead, the use of online platforms to support other interventions is far more engaging. They can also deliver measurable capability uplift; capability tied to micro-credentials issued by the firm or a third party that carry global professional or vendor status and credits towards formal qualifications. These short, stackable credentialed programs based around informal, non-formal or experiential learning tied to required capabilities is a rapid way to build in the capabilities and resilience required to close priority skill gaps.

#### **The bad**

These are what I call my forehead slapping moments. That is, the response I have to the questions I'm asked (or the actions I see) that perplex me. Firstly, questions from the C-suite leaders:

- How do I know which people to keep?
- How do I get my people to change rapidly?
- How do I know people working from home are doing their work?
- Is there a technology or software that would allow me to monitor people working from home?
- How do I convince the bean counters that I need these people to deliver existing contracts?

Reference the list of 'Good' practices previously presented. The questions are a stark confirmation of short term thinking around issues that should already be under control. They indicate the ensuing chaos when managers have to manage people outside the 'normal' job boundaries and work modes. Where it moves from the problematic to the downright bad is when we see decisions such as:

#### 1. **Cutting the training and development budget.**

At a time when we need learning to scaffold staff in volatile work roles, the skills budget is cut. Good organisations invest heavily in continuous learning, formal and informal or non-formal, to underpin responsiveness and agility. Why would you remove this tool from the managers toolbox exactly when it is most required?

#### 2. **Reskilling people who fill an existing job to do new tasks or responsibilities allocated to the reshaped job.**

Many of the new roles are being augmented with technology to expedite online channels or where human tasks are being automated (e.g., reskilling teachers or retail service personnel to conduct their roles using online platforms).

#### 3. **People seconded or moved to customer-facing roles without regard for their personal ability or preferences with regards interacting with people.**

Not everyone has the ability to work with customer face-to-face. Trying to force people into service roles because you don't know their personal capabilities can result in not only poor performance, it can set back the existing customer experience and undermine the relationship.

#### 4. **Moving technical experts into leadership roles based on seniority.**

By simply examining the hierarchy and positions listed on their human resource system, many larger entities have randomly chosen people to lead others based on their seniority. Leadership or project specific expertise is apparently optional. The typical example in COVID-19 is the newly appointed change project leaders who lack change management expertise and have even less desire to lead people.

5. **Investing in online training to rapidly upskill people to assume new responsibilities or duties.**

Paradoxically, having culled learning and development budgets some executives are prepared to fund delivery of training to fill skill gaps in leadership or change project management. Apparently, these courses are part of the COVID-19 response because they rapidly upskill staff in roles or duties they have assumed during the crisis. Most of this training occurs online in 3 to 4 hour sessions over 1 to 3 days. The stories about these sessions will be legendary, filling adult education and management books with comic relief for many years to come.

The above actions represent short-sighted operational responses that ignore the strategic consequences. Good leaders would never support these decisions in normal operational times, so why would they consider doing them during a crisis?

## **The educational ugly**

Australia and New Zealand have long possessed some of the most innovative, passionate, and knowledgeable educators in the world.

Unfortunately, the COVID-19 pandemic shines a bright light on the leadership deficiencies of universities as well as the worrying extent to which they have become out of touch with demand. Consider the following forehead slapping questions university leaders ask me:

- How do I design online learning that is engaging?
- How do I get learners to turn up?
- Which short courses are in highest demand?
- Which units in a qualification should I unpack into short courses with digital credentials?
- What is the best way to deliver a lecture and tutorial online?
- What is the best tool all lecturers could use to convert face to face content into online learning?
- How do I run work integrated learning units when there are no work placements available?

These questions reflect both the absence of good practices and symptoms linked to deeper problems. Firstly, I think we can finally call time on the belief that universities should be dedicated to the independent pursuit of knowledge isolated

from the demands of the labour market. It is a noble but self-defeating ethos. Neither government, employers, nor students investing in their education can afford universities who graduate students who may be ready for work but lack the flexibility and cognitive capacity to survive in a disrupted workforce. Secondly, and more importantly, in a world where customer experience should be the primary focus for any organisation, universities have to ask if they are delivering student value. Increasingly our students will have access to leading educational brands selling courses where their graduates enjoy global recognition, improved employability, and higher wages.

The most profoundly worrying issue I have tracked during COVID-19 is the leadership response from so many universities and school leaders. Here are the top five bad practices:

1. **Good leadership communication doesn't shrivel under pressure**

Some of the worst communication I have ever seen has come from university and school leaders during the COVID-19 crisis. As an example, the eight-page email announcing the COVID-19 changes sent by the principal of a university college. The missive echoed ancient Roman galley rowers as he told his staff to improve the battle rhythm needed to deliver required transformation. Another was the message from a vice chancellor confirming classroom delivery was obsolete and 'flipped classrooms' and online courses were underway immediately. No details, no logic; merely a simple announcement with profound effects on traditional academics experienced only in classroom delivery. Or the primary school where the last face-to-face staff meeting saw the senior principal and head of K-to-12 announce all staff will move all content online within seven days, while still teaching! Four hours of professional development was offered on the new platform and assistance provided by two nominated 'experts' for the 162 staff. How would you judge these leaders by their actions when taking into consideration *every* action is a form of communication? The leaders are directing and asking for aspirational outcomes without any resourcing or investing in the capability of the people to deliver these outcomes. All responsibility is moved to the staff.

Fortunately, in these examples the educators' dedication to their students largely carried the day.

2. **Poor visions leading to means-end inversion**

Nothing shows the absence of strategy and the absence of a shared vision more than a crisis. This is where the means (what) and the ends (why), often get confused. Change and the bottom line are not a purpose; they are a means to an end. A viable basis for an end vision is to consider why we work together and what benefits to the students, teachers, and staff ensue. Visible commitment and support of management to improving the bottom line can confuse the importance of people and their role delivering the vision, values or goals. In one example, a three-hour meeting left educators uninspired by a board-approved change plan being sold by the Principal and CFO that displayed endless financial graphs and projections. Equally, entering into change without a reason why is profoundly damaging to the institution's success, and the commitment of the staff to a shared purpose. No doubt these operational issues are important, but where is the vision? What is the strategic destination on their shared journey?

3. **Planning for continuity not discontinuity**

Some of the most profound changes we have ever seen in Australian higher education will be blamed on COVID-19. Across private higher education providers and accredited universities, current disruption provides the opportunity to make decisions that should have been made in the previous decade. As international student numbers collapse, some institutions will have to finally change financially unviable operating models. Others will simply use the drop in enrolments as an excuse. The heart of the problem resides in public funding and the revenue from international students that has all too often propped up obsolete operating models, poor quality curriculum, and tardy entry into digital channels. As many universities endeavour to return to business as usual (BAU), they will find stripping out operational costs, culling low enrolment courses, and reforming curriculum will not improve the relevance of what remains. Nor will a return to BAU prevent significant loss of academic and professional staff. With some university audits reporting

over one-third of enrolments prior to COVID-19 not completing their degree, or teaching loads where less than 30% of academic staff were responsible for delivering 90% of total enrolments, institutions will not have the funding to buffer these entrenched inefficiencies. Change will not only be forced by limited government funding having to weigh economic benefits, students will use the expanding online channels to access the learning they want, when they want it, and with sensitivity to securing a viable career. Failure to realise this new normal will be evidenced through:

- a. Curricula reform leading to more credentialled non-traditional, short course and executive courses based off the existing courses rather than demand-led offerings.
- b. Tying curriculum reform to 'culling' what exists rather than finding out what the market needs.
- c. Reducing the cost of mass education and qualification offerings rather than seeking to promote a personalised, customisable, career-related student learning journey.
- d. Tying teaching and learning quality to delivery of the course learning outcomes and assessment tasks, not the employability outcomes.

4. **Deliverables are an action not another meeting**

Many have the misfortune to sit on a large number of educational board meetings and institutional change project steering committees. While many topics are labelled as digital, curriculum, operational, or people transformation, the discussions typically centre on policy, process, and budget activities disconnected from an action plan. Actions deliver change. They lead to something we collectively feel good about and want to slap each other on the back for achieving. More importantly, they give us a delivery schedule. Most of the meetings seem to be more about avoiding expansion of each person's 'to do' list. As more meetings lead to setting dates for future meetings, so byzantine bureaucracies emerge and inertia sets in.

5. **Advocacy for what is right can be painful**

Not all actions make us feel good. Some decisions are hard and advocating for those

decisions is difficult. However, navigating the organisational politics in many educational institutions can be fraught. In this environment, making the right decision is more often than not guided by cliques rather than student need. Unfortunately, the parochial, imperious decision-making evidenced when cliques dominate can be measured by the number on stress leave. Right now, many of our best educators have taken leave, often stress leave, rather than engage in senseless fights over empires and who will take 'one for the team'. Without a clear sense of purpose, willingness to pause and reinvent the possible futures, many educational leaders have reverted to a campaign to preserve the pre-existing operational models they understand. Advocacy for what is right and informing staff of the real situation is taking a back seat to short-term decisions that distort later options.

Inherent in many universities is the profound lack of readiness to evolve and to embrace disruption and look for new business models. Culling costs, reforming existing curriculum, and examining credentialled short courses are operation responses to a much deeper strategic misalignment. If it was not evident already, it is clear universities are shifting to be more like content/media organisations. As with any digital transformation, differentiation in an online environment is vital. While vital in other parts of economic activity, contributions to skilling a future workforce will not come from their research profile nor a student's physical location. While Australian universities still adhere to historically shaped mindsets, they will fail to anticipate and meet changing labour market demands the pandemic has accentuated. In addition, the more they rely on physical distribution channels, the sooner many will be obsolete.

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<sup>1</sup> Bowles, M. (May 2019). *Future Work: Beyond fear to realities*. Future Work Summit, Sydney.

<sup>2</sup> Capability is the high-level definition of the attributes (skills, knowledge, cognitive attributes and behaviours) that individuals and workforces need to succeed in the future. Bowles, M. & Lanyon, S. (Sept. 2016). *Demystifying credentials: Growing capabilities for the future*, DeakinDigital, Melbourne.

<sup>3</sup> Deloitte (June 2019). *The path to prosperity: Why the future of work is human*, Building the Lucky Country #7, Deloitte Insight, Melbourne.

<sup>4</sup> Bowles, M. (May 2020). *Human Capability Standards Reference Model*, Working Futures, Melbourne.

<sup>5</sup> Deloitte Access Economics (April 2017). *Soft Skills for business success*, DeakinCo., Melbourne