

A FoW REPORT ON THE HUNDRED YEAR LIFE

A report prepared by the Future of Work Research Consortium, November 2014
For more information, visit our website: www.hotspotsmovement.com

FUTURE ofWORK

THE HUNDRED YEAR LIFE ABOUT THE FUTURE OF WORK RESEARCH CONSORTIUM

“ We are experiencing a profound rebalancing of the global economy characterised by extraordinary technological developments and connectivity, deep demographic transformation, and fundamental changes in the attitudes and expectations of workers. My vision for the Future of Work Research Consortium is to bridge cutting-edge thinking and organisational wisdom to ensure that executives in organisations around the world benefit from these extraordinary times.



- Lynda Gratton, Professor at London Business School and founder of the Hot Spots Movement

The Future of Work Research Consortium (FoW) is widely acknowledged as one of the most innovative and collaborative forums for exchanging insights, models and concerns about the future of work. Led by Professor Lynda Gratton, FoW unites academic research and organisational practice to deliver a unique, multidisciplinary experience.

FoW was established on the understanding that the challenges facing organisations today are far too complex to address in isolation. Instead, they require the combined efforts of leaders across multiple industries and disciplines. FoW has brought together executives from more than 80 multinationals to collaborate on the issues they are facing and to share examples of the most effective solutions.

FoW explores core themes selected in association with members. These themes provide the context for a collaborative research process beginning with an extensive literature review conducted by the FoW team. The insights from the literature review provide the basis for an active phase of co-creative research with member organisations. This report presents the insights from the Hundred Year Life theme.



1. INTRODUCTION

1.1 THE RESEARCH

Researching the Hundred Year Life theme has been a year-long process for the FoW team. The initial literature review quickly revealed that the wealth of research centred on ageing workforces and the implications for individuals in terms of retirement planning. It was FoW's ambition therefore, to take this a step further and draw out the implications for members of every age group on the understanding that longer life expectancy will, or at least should, change behaviours at every age and stage. Only by changing how people manage their finances, wellbeing and skill development in their 20s, 30s and 40s can they hope to have long productive lives into their 80s and 90s. Likewise, organisations will be faced with new challenges regarding every age group in their workforce, and not just older workers, adjusting their practices and processes to meet the needs of a workforce with more diverse career choices, working styles and ambitions. The multi-dimensional nature of the Hundred Year Life meant reaching out to experts in a range of fields: from academia, to business and government. This report reflects the insights of FoW's network of expert contributors, as well as the practical insights shared by Consortium members during interviews and activities at the Hundred Year Life Masterclass.

THE EXPERTS

Our research agenda was crafted with the expert advice of two leading professors in the field: Lynda Gratton, founder of the Hot Spots Movement and Professor of Management Practice at London Business School, and her colleague Andrew Scott, Professor of Economics. This combination of expertise provided deep insights into both the financial and psychological implications of the Hundred Year Life for individuals and organisations.



A GOVERNMENTAL PERSPECTIVE

How individuals plan and sequence the various stages of their lives is greatly influenced by government policies around employment and retirement. On this understanding, the FoW research team collaborated with the UK Government's Department for Work and Pensions on a project anticipating what labour markets will look like in 2030. We joined a multi-stakeholder roundtable and workshop session in which experts from NGOs, government departments and professional bodies shared their expertise.

PRACTICAL INSIGHTS

The insights provided by Lynda and Andrew were also augmented by the practical experiences of Consortium members who were invited to participate in interviews about the implications of the Hundred Year Life on their business and industry. This initiative uncovered some great examples of individual actions to adapt to the reality of the Hundred Year Life, but many members admitted that it was proving difficult to alert leaders to the challenges on the horizon, and implement the new ways of working required to future-proof people practices.

Interviewees told the FoW research team that the first challenge they face is presenting the business case for getting the Hundred Year Life on the leadership agenda. This report therefore begins by setting out the case for the Hundred Year Life.

1.2 THE CASE FOR THE HUNDRED YEAR LIFE

Fast Increasing Life Expectancy

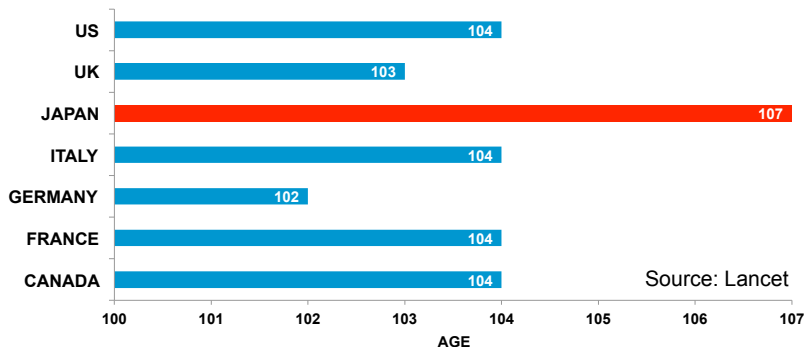
There have been more years added to life expectancy in the last century than in all previous millennia of mankind. According to the Max Planck Institute for Demographic Research, life expectancy has been increasing by 2.5 years every decade in developed countries, equating to 3 months a year, or around 6 hours a day. As a result, the life expectancy for 50% of babies born in many advanced economies is now over a hundred years, as illustrated in the Lancet data (right). Improvements in life expectancy do not only benefit those being born

today. Indeed, in advanced economies, life expectancy is increasing across all age groups, with those currently in their 50s likely to reach 90, and those currently in their 30s predicted to reach 100. This trend is resulting in substantial shifts in the demographic make-up of every country as better nutrition, sanitation, education and medical care substantially increase the likelihood of reaching late adulthood and old age. While the impacts of an ageing population are being felt most acutely in the developed regions of the world, the rate of change is actually sharpest in developing nations:

“Population ageing is happening in all regions and in countries at various levels of development. It is progressing fastest in developing countries, including in countries with large populations of young people. No country is exempt: Seven of the 15 countries with more than 10 million older people are in the developing world. By 2050, another 15 countries currently classified as ‘developing’ are expected to have 10 million or more older people. This generation is growing at a faster rate than the total population in almost all regions of the world.”

- United Nations Population Fund, 2014¹

AT LEAST 50% OF BABIES BORN IN 2007 ARE EXPECTED TO LIVE TO THE FOLLOWING AGES



THE DEBATE ON LIFE EXPECTANCY

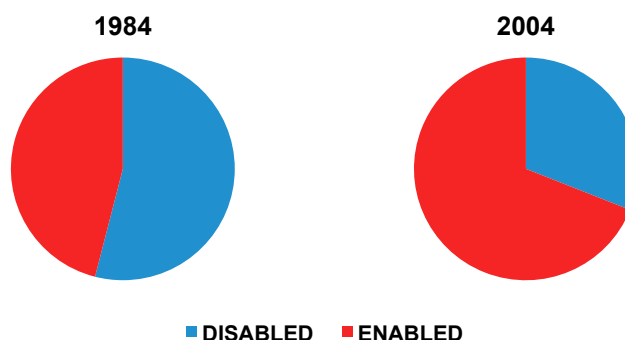
How long will life expectancy continue to increase? The data illustrated above comes from the Lancet Report, which supports the view that life expectancy will continue to increase in response to further improvements in technology and public health. Those who challenge this perspective argue that life expectancy will soon peak as the benefits of better public health begin to plateau. It is also argued that diseases of prosperity will reduce life expectancy in some advanced countries.

THE COMPRESSION OF MORBIDITY

A person's ability to work into older age depends on good health, and a common assumption among employees and employers alike is that most people will be physically or cognitively unable to work past the traditional retirement age. Our research indicates two key flaws in this perspective. First, increases in life expectancy are occurring alongside dramatic increases in healthy life expectancy in the most developed nations.² Advances in preventative medicine and the widespread adoption of healthier lifestyles have triggered a dramatic fall in the proportion of people considered disabled in every age group, and particularly in the older sections of the population.

Second, the correlation between physical age and mental and physical ability becomes weaker the older you are. This indicates that, while a group of 2-year-olds are likely to have similar abilities, a group of 80-year-olds will not. This immediately raises the question of how useful broad policies are in terms of retirement ages and the expected length of a career. Indeed, many people will be fit and able to continue working even though others of similar age are not.

PEOPLE OLDER THAN 95 CONSIDERED DISABLED



Source: National Long-Term Care Survey

1.3 A FRAMEWORK FOR ANALYSING THE HUNDRED YEAR LIFE

Planning for the Hundred Year Life requires careful consideration of how employees will manage their assets so that they can maintain a high standard of living and stay in the workforce for as long as they choose. Many are aware of, and devote much attention to, the management of their tangible assets - their savings, property and pension - in the knowledge that financial stability is a core component of an enjoyable life. However, traditional approaches to savings and investments are likely to prove insufficient in the context of a significantly longer life. In addition to tangible assets, employees must begin to consider the management of their intangible assets - that is their ability to stay productive, maintain vitality, and remain adaptable and able to transform. Research on the Hundred Year Life has brought into contrast the need to start planning for, and investing in intangible assets with the same rigour applied to those that are tangible.

DEFINING THE ASSET TYPES:



TANGIBLE

SAVINGS

PROPERTY

PENSION

TANGIBLE ASSETS

Over the course of their working lives, employees will build and manage tangible assets such as savings, equities, home ownership and an occupational pension. These tangible assets can often be bought and sold as a person moves through the various stages of their lives. For example, many people will sell their homes and downsize when they reach retirement age, or may draw down their savings in order to fund a child through university.

This process of tangible asset management is essential for the stability and wellbeing of employees. However, as we will see later in this report, many will need to dramatically change their approaches to reflect longer lives. This has implications for employees who may find themselves working for more years than they had envisaged, and for employers who will want to avoid a situation of people remaining in their role because of financial constraints rather than intrinsic motivation.



INTANGIBLE

PRODUCTIVITY

VITALITY

TRANSFORMATION

INTANGIBLE ASSETS

Employees must also manage intangible assets over their lives. That is, the range of resources that enable them to be productive members of the workforce. While the notion of managing intangible assets may be new to many employees, the reality of upgrading skill sets, taking time for rest and recuperation and building networks to generate new ideas may be more familiar.

The emphasis on managing intangible assets is inextricably linked to longer lives. For past cohorts of employees, their skill set, energy levels and networks had to serve them for comparatively short 30 to 40 year careers. Those in the workforce today need to manage their intangible assets in a way that ensures they remain productive members of the workforce for 50 or even 60 year careers. Furthermore, they must do this in the context of rapid technological advances and economic shocks that may quickly render some skill sets obsolete.

Individuals must therefore apply the same rigorous planning and management to their intangible assets as they do their tangible assets. This marks a shift in terms of the responsibility for keeping an employee's skill set up to date. Whereas today employers and employees share this responsibility, in future employees will need to take full charge. This does not, however, mean organisations have no role. Instead, they will be called upon to adapt to a new reality in which supporting employees through this process is critical to maintaining the productivity of their best people.

Our research on the Hundred Year Life has revealed the importance of long-term planning for both asset types. This challenge is compounded by the fact that for many of the younger age groups in the workforce, there will be no role models to follow in terms of the successful management of tangible and intangible assets over long lives. Indeed, the three-stage model of education, employment and retirement that served their parents' and grandparents' generations is unlikely to work for them due to the financial and psychological strain it would entail.

2. THE END OF THE THREE STAGE MODEL

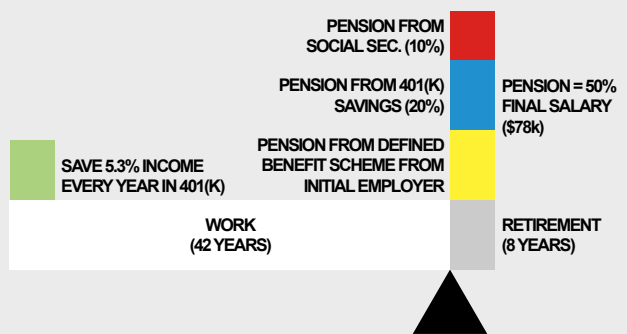
Both individuals and organisations have designed processes and practices to fit the traditional three-stage model of education, followed by employment and then retirement. These three discrete stages have shaped careers for many decades. However, the reality of the Hundred Year Life is set to disrupt this long-standing structure. Professors Gratton and Scott combined their expertise in economics and psychology to map out how the three stage model would work for three age groups currently in the workforce. They found that this model comes under increasing pressure when it is applied to younger employees, until it becomes almost entirely unworkable.

To test the model, Gratton and Scott envisaged three characters from different age groups:

2.1 JACK

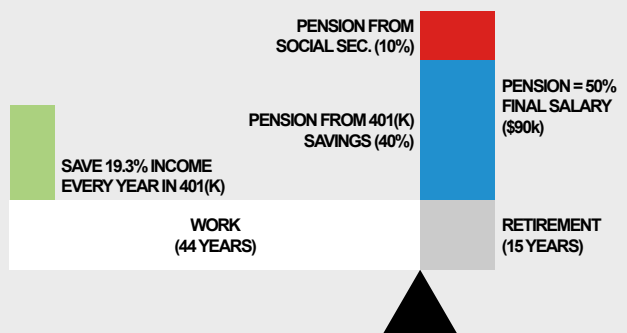
Those currently in their late 50s and 60s are likely to have followed the three stage model of employment, education and retirement, as depicted to the right for the fictional character Jack.

To make this three-stage life work, Jack had to save 5.3% of his income for each of the 42 years he worked in order to retire aged 63 with a pension worth 50% of his salary. Using this approach, he was able to save enough during his working life to afford a brief, but comfortable eight years of retirement.



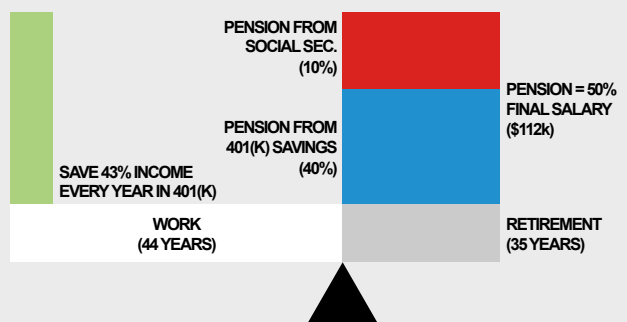
2.2 JIMMY

Jack's son Jimmy was born in 1977. If he follows the traditional three-stage life he will retire at age 65, with a life expectancy of 80. This means he will have 15 years of retirement ahead of him - almost double the number of retirement years as his father Jack. To retire with 50% of his income for the 15 years he spends in retirement Jimmy must save 19.3% of his income for each of the 44 years he works, approximately four times the savings rate of his father Jack. This is a significant challenge given the other demands on his income as he buys a house and starts a family, combined with the emerging reality of less generous company pension schemes.



2.3 JANE

Applying the three stage model to Jimmy illustrates a number of tension points that are exacerbated further when we apply the model to Jimmy's daughter Jane. Jane is born in 1998 and lives to a hundred years of age. Like her father Jimmy, she is in education throughout her early adulthood and joins the workforce age 21. If we follow the path of the three stage model, she works until 65 and spends 35 years in retirement. This means Jane is retired for almost as many years as she spent working. To make the three-stage life work, Jane must save almost half of her income for each of the 44 years she spends working.



Saving 43% of her income will be near impossible given the other demands on Jane's finances. She is likely to be paying off student loans as well as establishing her career, buying a house and starting a family. At this point we can see that the three stage model is not only strained, but failing altogether. It is highly likely that Jane will need to work into older age and increase the number of working years in which she is able to save. This longer career may span over 50 or even 60 years, during which Jane may need to radically re-skill in order to remain a valuable and productive member of the workforce. Indeed, over a 60 year period it is likely that technological disruption and economic shocks will dramatically alter Jane's world of work, meaning that the expertise that served her in the early years of her career may not be as useful in the later stages.

By stress-testing the traditional three-stage model against three age groups in the workforce, Professors Gratton and Scott clearly demonstrate the need for a radical rethink of how people live out their productive lives. For organisations, it will be imperative to understand the set of challenges facing various age groups in the workforce, and adapt policies and practices to meet their needs. Failing to do so may limit an organisation's ability to attract and engage the people it needs to drive the business forward. In the following sections of this report, we consider the implications for three age groups currently in the workforce.



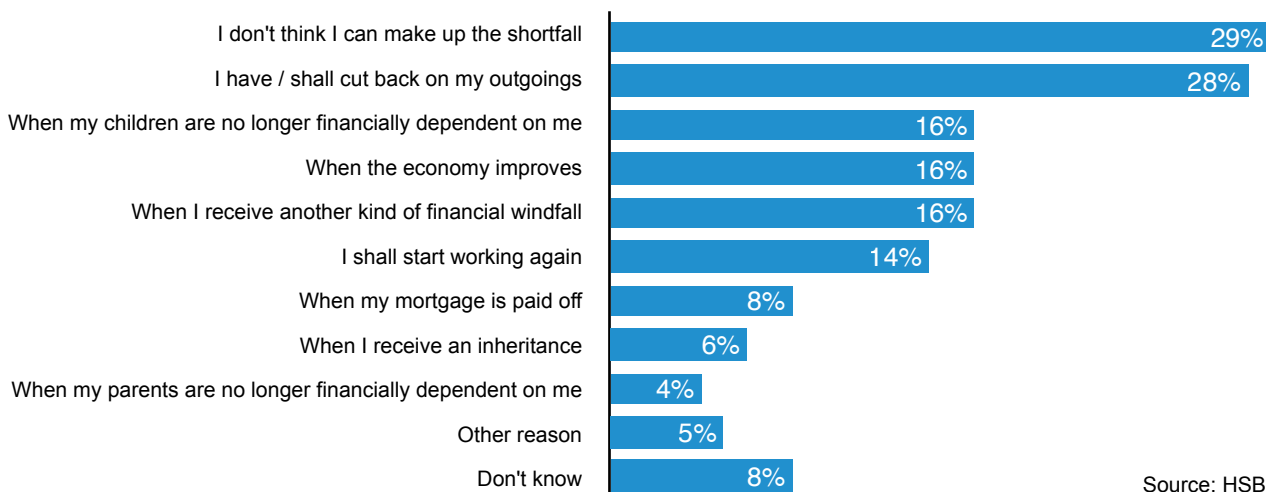
3. THOSE CURRENTLY AGED 51+

The three stage model appears to work relatively well for those currently in the workforce aged 51 and over, like Jack, if we assume a life expectancy of around 70. However, our research reveals that life expectancy improvements are not only relevant for those born today, but for every age group. Indeed, those currently in their 50s and 60s without serious health issues can expect to live to age 90. This raises a new set of considerations, both for individuals and their employers, as they evaluate whether they need to work, want to work and are able to work beyond the traditional retirement age:

3.1 NEED TO WORK

Inadequate Pension Provisions: In the three-stage lives modelled in section two of this report, each of the characters would retire with an income of 50% of their salary. This is, however, a prudent estimation and may be insufficient for the lifestyle expectations of many retirees. Indeed, an HSBC survey of recent retirees found that people tend to underestimate how much they will spend when retired. All those surveyed said that they expected their retirement savings to run out, partly as a result of insufficient saving and partly due to longer life expectancy. On average, those currently in retirement expect to be in this life stage for 18 years, but anticipate their savings to last just 12 years, leaving a six year shortfall in provisions.³ This situation has been exacerbated by the erosion of the value of many pension funds due to the financial crisis in 2008.

**How, if at all, will you make up this shortfall in how you prepared for retirement?
(Base: Fully retired, those who did not prepare adequately or at all for a comfortable retirement)**



Many of those who have recently retired or are about to retire, will be faced with shortfalls in their pension provisions. For most, the reality of the situation has hit too late for them to take control. As the graph above shows, around a third of current retirees do not think they will be able to make up their savings shortfall, with just 14% seeing returning to the workforce as an option.

This low percentage reflects the fact that neither individuals nor organisations are prepared for the reality of longer working lives. On the individual level, insufficient investment in keeping skills and networks up to date will be a considerable barrier to returning to the workforce after retirement. From the organisational perspective, older employees tend to be on the highest salaries so, without a radical redesign of roles for older workers, organisations face high costs when retaining experienced staff.

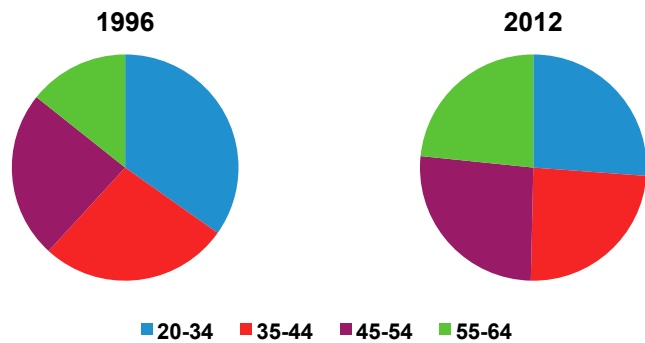
Still Supporting Dependents: While insufficient planning is the most cited reason for inadequate pension provisions, another interesting trend is emerging: of those surveyed, 16% reported that the main reason for the shortfall in pension provisions was that they are still financially supporting their children. To make this work, many will have to manage their expectations in terms of what retirement will look like - perhaps taking fewer holidays and making difficult decisions in terms of how they spend their money.

Negotiating New Work Arrangements: For those who need to stay in work to top up pension provisions, the options are narrow. Returning to work may be difficult after a several years out, particularly when faced with intense competition from younger members of the workforce. In addition, few employers have adapted



their practices to accommodate older workers who may want to downgrade their hours and responsibility. One of the results of these phenomena are an increase in the variety of work arrangements taken on by older workers, notably, semi-retirement and a surge in entrepreneurial activity.⁴ As detailed in the charts to the left, a quarter of all entrepreneurs are aged 55 - 64, up from around 7% in 1996. This raises the question of why this trend has occurred. Our research suggests that this is partly the result of falling costs (and therefore risks) of starting one's own business, combined with the lack of opportunities for older workers in existing organisations.

OLDER WORKERS CHOOSING TO START THEIR OWN BUSINESSES



Source: Kauffman Index of Entrepreneurial Activity, 2013

3.2 WANT TO WORK

The individual response to increasing life expectancy has been to continually extend the number of years in retirement. But how many years do employees really want to spend retired?

Recent research suggests that continually extending the number of years in retirement is not only financially difficult, but socially and intellectually undesirable. Instead, a more viable model may be to reallocate these additional years throughout a person's life so that they spend more years in work, interspersed with leisure and continual learning.

Blurring the lines between work and leisure: One of the most interesting insights from both the literature review and interviews is that the distinction between work and leisure has become blurred. As advanced economies have moved further into knowledge intensive industries, many people have found themselves in occupations that are fulfilling on an intellectual and social level as well as financially rewarding. Indeed, organisations are increasingly aware of the importance of creating meaningful work that employees enjoy and find engaging. The popularity of employee engagement surveys and initiatives is further testament to this. As a result, some interesting trends are emerging in how different social groups choose to spend their time. Notably, the affluent and highly skilled are now working longer hours and spending less time in leisure than their less well-off peers. Research from an American Time Use Survey in 2013 revealed that Americans with a bachelor's degree or above worked two hours more each day than those with a high school diploma.⁵ For the first time, the most educated and affluent are working more hours than the less educated.

RESEARCH: JOHN MAYNARD KEYNES, ECONOMIC POSSIBILITIES FOR OUR GRANDCHILDREN

During the Hundred Year Life literature review, we came across an article written by economist John Maynard Keynes nearly a hundred years ago. In this article titled "Economic Possibilities for our Grandchildren", Keynes predicted a world in which humans would have fulfilled all basic needs and would reorganise work, not because everyone needed to work, but because we are predisposed to want to contribute in some meaningful way to society.

Longer working lives may spell a dramatic reevaluation of what work is and the role it plays in our lives. In this new reality, the aim may not be to work less or for fewer years, but instead to express one's interests and identity through productive endeavours.

Work and Identity: For many of the most skilled workers, their occupation is increasingly tied to their identity. As a result, the most highly educated employees in an organisation tend to retire later despite higher salaries providing them with the financial means to leave the workforce earlier than less affluent peers. This tendency is most pronounced in professions such as engineering and law. As a result, some forward-thinking global companies such as tyre manufacturer Michelin, are re-hiring expert retirees to help oversee projects, foster community relations, and facilitate intergenerational mentoring. In doing so, they are benefiting from a group of experts who want to stay in the workforce and use their skills, but on different terms. This trend is beginning to spark the creation of a whole new industry, as recruitment agencies such as Forties People begin specialising in matching older workers with temporary consulting roles.⁶

Losing the Fear: Contrary to expectations, older members of the workforce are on average more engaged than some of their younger colleagues, suggesting that many enjoy the experience of work. The relationship between employee engagement and age is U-shaped, with new starters and long-timers the most engaged, and those in the middle, the least. This seems to allay many of the concerns expressed during our hundred year life interviews in which many member organisations felt that engaging and motivating older employees would be a struggle as they near the end of their careers. Although engagement levels may not be as big a challenge as first thought, there are other elements employers may need to consider. In a recent article by Lucy Kellaway in the Financial Times, she explored how older employees experience less fear around work. Reflecting on her own career and that of the people she interviewed, Kellaway reported that fear and anxiety levels tend to increase over our working lives before falling off a cliff at towards the end of our careers. This means that work is less stressful and more enjoyable for senior employees who feel liberated in trying new approaches and are less concerned about failure. While this is a positive for many organisations that can benefit from a willingness to experiment, others will need to consider whether a lack of fear could breed complacency.

REHIRING RETIREES AT MICHELIN

Michelin already has a strong reputation in working with senior employees who clearly demonstrate that they want to continue working. Around 40% of Michelin’s workers are 50 or older and their average tenure of service is 23.5 years. To ensure they continually tap into the best and most diverse talent, Michelin rehire retirees to take on consulting and coaching roles in which they are able to use pass down their skills and expertise to younger members of staff.

FORTIES PEOPLE

Forties People was founded to help older workers overcome some of the age discrimination entrenched in recruitment and retention policies. Since the advent of more comprehensive anti-age discrimination law it has expanded its mission to promote meritocracy at all ages, with an emphasis on the skills a person brings to a role.

INTERVIEW INSIGHTS



CULTURAL VARIATIONS, NUPUR SINGH MALLICK, TCS

During our Hundred Year Life interview with Nupur Singh Mallick, UK and Ireland HR Director at TCS, we talked about some of the cultural norms that may make longer working lives challenging. While many people raised age discrimination as a concern, Nupur shared her view that in India, older people are given a great deal of respect, which means that younger employees may be reluctant to challenge them for fear of causing offence. This could be a concern if an older worker is being managed by a younger employee.

To help resolve some of these challenges, TCS puts generational cohesion at the heart of many of its training programmes.



NEW CAREER PATHS, PHOEBE INNES-WILSON, KPMG

We spoke to Phoebe Innes-Wilson, Leadership Development Consultant at KPMG Australia, about new career paths that enable older employees to stay in the company in new roles. Phoebe highlighted that more flexible career paths would benefit everyone in the organisation:

“Not everyone wants to constantly climb the ladder, and people’s career aspirations can change (dial up or dial down). It is important to have a system in place that efficiently monitors the workforce to ensure that the right people are in the right place at the right time, and that people are appropriately recognised for the contribution they provide and given meaningful career opportunities regardless of if they want be the next CEO or not.”



3.3 ABLE TO WORK

Age is Not Stage: For employees who need to work or want to work beyond traditional retirement age, the next question is whether they are physically and cognitively able to do so. According to research published in the British Medical Journal, cognitive decline begins around age 45,⁷ while data gathered by the OECD suggests that many cognitive abilities decline from age 20, with this decline accelerating after 50. Whichever of these figures we choose to accept, it is important to remember that they are averages and conceal some important variations. Notably, that the rate of cognitive decline is not a biological certainty and is heavily influenced by lifestyle choices and environmental conditions.

Research from the University of Rome reveals three important factors influencing the rate of cognitive decline.⁸ First is **disuse**. The authors suggest that brain functions respond to a *use it or lose it* rule. This means that if a person limits themselves to carrying out familiar and repetitive activities then they will reduce the new activity in their brain and allow cognitive decline to occur at a faster rate. The second factor that accelerates cognitive decline is **noisy processes**. This refers to the additional work a person's brain must do to make up for declines in physical health. For example, as a person experiences hearing loss, their brain must work harder to interpret the sounds they are receiving. To counter this effect, early detection of hearing loss and the use of a hearing aid would enable the brain to focus on other cognitive tasks rather than devoting energy to deciphering mixed signals. Finally, the authors suggest that **negative learning** is an important factor. By this they mean a person's tendency to take short cuts when they find one of their faculties deteriorating. For example, a person may use subtitles when watching movies if they find their hearing deteriorate rather than focus more on the task. By using substitutes a person inadvertently accelerates the process of decline.

The implication for employees is that their ability to work into older age is something over which they have a degree of control. By living healthier lifestyles and staying physically and mentally active they can hope to extend their productive lives. For organisations it makes clear that policies around older workers must take into consideration the individual variations in ability, and resist making sweeping assumptions about age and productive capability. In addition, creating health-promoting work environments that help employees maintain their physical and cognitive health is increasingly important to long productive lives.

CENTRE FOR RESEARCH IN EPIDEMIOLOGY AND POPULATION HEALTH, UNIVERSITY COLLEGE LONDON

From 1985, researchers observed more than 7,000 British Civil Servants for ten years to understand the deterioration in cognitive function. Participants were tested for memory, vocabulary and aural and visual comprehension skills. The results showed that cognitive scores declined in all categories except vocabulary, and there was a faster decline in older people. The findings also revealed that over the 10-year study period there was a 3.6% decline in mental reasoning in men aged 45 - 49 and a 9.6% decline for those aged 65 -70. The researchers argue that this information demonstrates the importance of promoting healthy lifestyles, as there is evidence emerging that what is good for our physical health is also good for our mental health.

Retirement May Not be Good For Health: During the literature review and interviews, the FoW Research Team found a common concern that working into older age may itself contribute to poorer physical and mental health. Many see retirement as a health-promoting decision as it means stepping away from the stresses and strains of the workplace. Here again, it seems the reality is far more complex.

According to a comprehensive study by the Institute for Economic Affairs, while the short term impact of retirement on health is somewhat uncertain, the longer term effects are consistently negative and large. When comparing workers and retirees of similar ages, they found that health levels among people who are working are 3.38 out of 5, while health levels among people who are retired instead would decline to 2.36. These poorer health outcomes related to both physical and mental health, with the probability of a retiree suffering from clinical depression 41% higher than that of a worker, and 63% higher in terms of reporting a physical condition.⁹ This finding is important for both individuals and employees in assessing the merits of extending working life.

INTERVIEW INSIGHTS



INDIVIDUAL ABILITY TO WORK, HANNA HAMMOND, KNORR-BREMSE RAIL

We interviewed Hanna Hammond, HR Director at Knorr-Bremse Rail Systems, and here's what she had to say about ensuring employees are able to work safely and effectively:

“Since the abolishment of the retirement age, we have taken a more occupational health view to assess people thoroughly to ensure they are fit for work. This reflects the physical challenges of some of the shop floor work in our organisation.”



THE REALITY OF OLDER WORKERS, HANS VAN DER HEIJDEN, RABOBANK

Hans Van der Heijden, Head of Benefits at Rabobank, spoke to us about the data behind the abilities of older workers in his organisation:

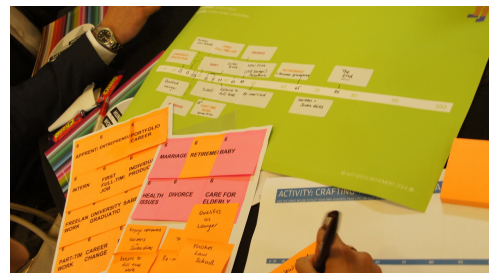
“We periodically monitor all our internal employee statistics. The facts and figures from last December showed that older workers (55 plus) are as engaged as younger employees, their performance ratings are as good, they do not have more sickness-absences. In other words, older workers are just normal workers. With one exception: they tend to stay in their jobs longer.”

For those currently aged 51+ in the workforce, employers must be aware of their potential need and desire to continue working past traditional retirement age. Organisations will need to develop sophisticated means for assessing which members of their workforce are continuing to add value, and which should be helped in transitioning out of the organisation. During the Hundred Year Life interviews, many Consortium members shared their concern that, with the end of mandatory retirement ages, the new challenge will be understanding older workers' individual abilities. Once their ability to add value has been established, the next step will be ensuring they retain expert members of the team, and let go of those no longer able to add value in a fair and supportive manner.

3.4 MAPPING OUT THE 51+ YEAR OLD WORKER'S LIFE

During the Hundred Year Life Masterclass, participants used the insights from Professors Gratton and Scott's keynote to plot the life trajectory of a fictional 50-year old currently in the workforce, named Sunita. This exercise brought together some of the key points we have articulated in this section, and illustrated how they would work in practice. Three key messages emerged from the timelines created:

An Age-Group in Lockstep: Four different groups of participants worked on creating a timeline for Sunita, yet when the FoW research team pulled these timelines together it was apparent that there were clear points at which key events happened. For example, most of the groups had Sunita in full-time employment by her mid-twenties, married by her late twenties, and with children in her early thirties. Three of the groups decided she would retire around age 65, with one group suggesting she would work to 75. This revealed a great deal of consensus around when Sunita would move through key events and life-stages, suggesting that her generation operated in “lockstep”, with most people at the same life stage as others of a similar age. Only as we looked to retirement did we see some variation occurring, perhaps as a result of Sunita's need to work, desire to work, and ability to work.



Caring Responsibilities: Three of the groups believed that Sunita would have caring responsibilities in her 50s and 60s as her elderly parents faced health issues. When combined with the knowledge that all the various versions of Sunita's life had her bearing children in her early thirties, this reveals the emergence of the sandwich generation, simultaneously putting their children through college while supporting older relatives.

Portfolio Work: According to the Masterclass groups, those in their fifties and sixties are likely to undertake portfolio work towards the end of their careers. This supports our finding that older workers are making up a larger proportion of entrepreneurs, starting their own businesses and working on their own terms, as the three-stage model begins to be put under strain as a result of longer life expectancy.



KEY MESSAGES - THOSE CURRENTLY AGED 51+

FOR INDIVIDUALS

- Find opportunities to upgrade skill sets to extend productive lives
- Renegotiate the deal with employers to stay in the workforce on new terms
- Consider new ways of working that provide the flexibility to ramp up and ramp down commitments
- Carefully consider when to leave the workforce on the understanding that it may be desirable to work longer for financial, emotional and social reasons

FOR ORGANISATIONS

- Develop capabilities in identifying and retaining the best, mature talent
- Craft a new deal to keep the most valuable senior workers on the understanding that many will want to stay in the workforce beyond than traditional retirement age
- Work to change the mindsets within your organisation about retirement ages

FOR GOVERNMENTS

- It will become increasingly important to work with employers to ensure appropriate jobs exist for older members of society who need or want to stay in the workforce
- According to Hundred Year Life interviewees, age discrimination will be a key tension point for many older employees and is likely to rise up the agenda in terms of key issues for governments to address



4. THOSE CURRENTLY AGED 31 - 50

Employees currently aged 31 - 50 are also facing challenges and opportunities as they plot out their hundred year lives. However, they are also early enough in their careers to be able to anticipate these and adapt so that they are better prepared than their older colleagues. Employees that fall into this age bracket are likely to be characterised by three key characteristics. First, they are more likely to be in dual career relationships. That is, both partners pursuing careers with less clarity around who is the primary bread winner or primary care giver. This is both an advantage in the higher household incomes that result, but also a challenge as both parties struggle to balance work and family commitments. Second, longer life expectancy in their parents' generation has led to this age group being termed 'the sandwich generation,' simultaneously caring for older relatives and young children, placing a great strain on resources. Finally, they are in the workforce at a time when pension schemes are moving from more generous defined benefit schemes, to more frugal defined contribution arrangements meaning they have less security in terms of the income they will receive when they enter into retirement.

As a result of these factors, this age group of employees is likely to be waking up to the real implications of living longer, and moving away from the three-stage model. The key for organisations will be to equip people with the information and support they need in order to manage their tangible and intangible assets effectively for long, happy and productive lives.

4.1 TANGIBLE ASSETS - RETIREMENT PROVISIONS

According to HSBC's survey, 12% of people expect that they will never be able to fully retire.¹⁰ This indicates a growing awareness among the working-age population that the lifestyles and stages role-modelled by their parent's generation is unlikely to work for them. Instead, almost half of those surveyed expected to semi-retire before fully retiring. For this group of employees, working into older age will be a necessity in terms of their tangible assets, and the challenge now will be to ensure that they are building the intangible assets that will enable them to remain productive members of the workforce into older age. Research by Professors Gratton and Scott reveal three key intangible assets that this age group will need to manage over their working lives:

4.2 INTANGIBLE ASSETS - PRODUCTIVITY

One of the most important intangible assets employees will need to manage is their productivity. This is defined by Professors Gratton and Scott as "the capacity to remain employable, and to find interesting and valuable work." Those aged 31 - 50 currently in the workforce will need to consider how their skill sets will have to adapt over the remaining years of their long career. Indeed, the skill sets that helped them take their first step on to the career ladder are unlikely to be valuable in the marketplace several decades later. This is compounded further by fast-paced technological advances that are rendering many traditional skill sets obsolete, forcing people to respond by changing careers later in life. This age group will need to ensure they are building skills that meet the following criteria:

Rarity: To remain competitive in the global talent pool, they must hold skills that are both in high demand and scarce.

Intrinsic Value: The skills they hold must be capable of creating value at any point in time, ready to be called upon by an employer or project team.

Low Imitability: A key concern for this age group is anticipating which skills can be replicated by technology. They must ensure they develop high levels of proficiency in areas that are less susceptible to computerisation, such as tasks that involve creativity and networks.

ACADEMIC INSIGHT: 47% OF US JOBS AT RISK OF COMPUTERISATION

Carl Frey and Michael Osborne of the Oxford Martin research centre conducted research into which jobs were most susceptible to computerisation in the US. Their findings revealed that around 47% of total US employment is at risk of computerisation. They also found a strong negative relationship between educational attainment and an occupation's probability of computerisation. This provides a strong incentive for those currently in the workforce to continually educate themselves in order to move into the most sophisticated occupations that are the least likely to be replaced by computers. New learning technologies such as Massive Open Online Courses (MOOCs) have the potential to make lifelong learning an affordable reality for many employees.

From an organisational perspective, job growth is most likely to be in these high skill occupations. The new challenge will be to find and recruit the talented people who can execute these roles effectively in the context of significant skill shortages for the most sophisticated roles.

The FoW Research Team is exploring the topic of computerisation of jobs as part of the upcoming Talent Innovation theme.

Traditionally, large organisations have taken an active role in training and developing employees to ensure they add value in the business and build skills that meet the three criteria above. However, with many people changing jobs several times in their career and staying only 2 - 5 years with any one company, there is now some ambiguity around who should be responsible for training and up-skilling employees. Many organisations such as Consortium member Ricoh, continue to provide learning academies for their technical staff, however others are moving away from corporate training, instead placing responsibility at the hands of individual employees on the understanding that broad corporate training programmes often do not deliver the results intended.



The Posse: For employees seeking long, productive lives, maintaining a group of people with common expertise who can guide them on which skills they should build, and which trends they should be aware of is essential. Professor Gratton refers to this group as “the Posse” and describes them as trusted advisors with whom a person has close communication and deep trust. The emergence of communities of practice is one example of the importance of the Posse in enhancing productivity through networks over long working lives.

INTERVIEW INSIGHT - RESPONSIBILITY FOR LEARNING, GUDRUN BLANKENHAUS, GEA



We interviewed Gudrun Blankenhaus, Head of Management Development at GEA and asked her who should be responsible for equipping an employee with the skills they need in order to stay productive:

“I think it is the responsibility of the company to ensure the individual has the specific requisite skills for the organisation, and to fill any skills gaps. On the other hand through their whole lifespan, individuals must make a development plan that combines on and off job learning and mentoring, and must take time out to develop new skill sets to stay valuable.”

4.3 INTANGIBLE ASSETS - TRANSFORMATIONS


For those currently aged 31 - 50, increased longevity brings with it the opportunity for transformation. According to Professors Gratton and Scott, transformation describes the process of a person radically changing parts of their identity over their life, such as changing careers, relocating, or radically re-skilling. To illustrate just how significant this opportunity is for many employees, consider that those who lived to 60 years of age had around 93,600 productive hours, whereas for those who live to 100, it is 218,400. By more than doubling the number of hours a person spends in the workforce, increased longevity has opened up myriad options for transformation. From the perspective of the individual, taking advantage of this opportunity requires the development of intangible assets that help them remain flexible and adaptable, including:



Diverse Networks and The Big Ideas Crowd: A person’s awareness of the different opportunities available to them rests heavily on the diversity of their network. Indeed, according to John Hopkins Professor Mark Granovetter, one of the most effective methods for individuals seeking new jobs is to call on their diverse network of weak ties,¹¹ meaning the group of former colleagues, clients and stakeholders with whom they have maintained at least infrequent contact. Professor Gratton refers to this group as ‘the Big Ideas Crowd’ and argues that they are essential in providing insight into the many options available over a long working life. For organisations, providing people

with the ability to build diverse networks may become an increasingly important tool for attracting highly skilled employees. As organisations begin to let go of the “attract and retain” mantra, and see the employment relationship as more of an alliance lasting beyond the formal employment period, they may be more open to helping employees find new and transformational ways to be productive.

A Flexible Sense of Self: For the 31 - 59 year olds currently in the workforce and those who follow, their ability to transform rests in part on the flexibility they have in terms of their sense of self. This core capability relates to an individual’s capacity to respond to a changing context, perhaps letting go of some of the roles and activities that have previously defined them. For example, how able are they to change their identity from engineer to data scientist? This shift in identity requires a person to be able to draw on the many aspects of their character. The importance of a flexible sense of self is echoed by INSEAD Professor, Herminia Ibarra, who observes that people act their way into new careers by ‘flirting with themselves’. Ibarra advises people to stop trying to find their one true self and instead focus on which of their many possible selves they want to test and learn more about.¹²



Adaptable Attitudes and Behaviours: A core capability in terms of changing careers, identities, and roles is adaptable attitudes and behaviours. In the first instance, those age 31 - 50 currently in the workforce may need to change their mindset in terms of when they are likely to retire. According to HSBC survey data, this mindset change happens gradually. On average, those age 25 - 34 think they will stop working at 58, while those aged 45 - 54 see themselves retiring at 63.¹³ The ability to change attitudes and behaviours is key moving in to new industries and ways of working over long careers.

For organisations, helping employees develop their transformational capabilities could be crucial to their success. As jobs are destroyed and created in response to disruptive technological innovation, having a talent pool that can stay productive, draw on diverse networks, and transform themselves in the face of change will ensure a more resilient organisation. In addition, with many people choosing to switch companies several times in their career, organisations will need to be increasingly adept at identifying and recruiting mid-career hires. According to hundred year life interviewees, mid career hires are a tension point and often have difficulty assimilating to the new values and ways of working of the organisation. This will become a focus point as longer working lives mean employees regularly transition from company to company.

INTERVIEW INSIGHT - CHANGING MINDSETS, EMMANUELLE LACROIX, PEOPLE IN AID



According to Emmanuelle Lacroix, HR Services Manager at People in Aid, one of the biggest challenges facing individuals and their employers is changing mindsets.

“Those currently in the workforce need a dramatic mindset shift as they will be retiring later than many had expected at the start of their working life. They will need to expand their thinking around career paths, and be more strategic. More career shifts are likely to happen so individuals need to plan and manage it especially as such changes can come with salary decreases.”

4.4 INTANGIBLE ASSETS - VITALITY

The third core set of intangible assets relate to vitality. That is, a person's day-to-day energy and vigour that are crucial to a long working life. In both the Hundred Year Life and the Resilience and Purpose theme, FoW has explored the most important factors in the development and depletion of vitality, including:



The Regenerative Community: Just as the Posse was critical to maintaining productivity, and the Big Ideas Crowd was essential for transformation, so too is the Regenerative Community for maintaining vitality over long working lives. Professor Gratton describes the Regenerative Community as those with whom a person has strong ties and close physical proximity. The importance of this group is supported by a Harvard study of the life trajectory of students from early education to old age. Researchers discovered that the predictor of a good productive life was not money (although having little money, or at least less than one's peer group, can be a source of dissatisfaction), but rather the depth and quality of the friendships a person develops and sustains. As those currently 31 - 50 in the workforce look ahead to long careers, they will need to ensure they have their Regenerative Community supporting them along the way.

The Work-Home Spillover: For organisations, it will be increasingly important to support employees in developing and maintaining their regenerative communities. Perhaps the most influential step organisations can take is to help employees build positive cycles between work and home on the understanding that over-worked, stressed employees are likely to take those emotions home with them, potentially straining their personal relationships. Providing employees with some autonomy over when and where they work, encouraging regular breaks for recuperation, and offering sabbaticals in a way that does not limit a person's career progression are all practical steps that emerged from the Hundred Year Life Interviews in response to this challenge. Many Consortium companies reported that they offered sabbaticals, however these breaks were not encouraged, often damaging to career prospects, and usually only available on a person-by-person basis or to high performers. The message that emerged from the conversations was that opportunities for recuperation need to be more regular, more encouraged, and less limiting.

Work and Health: A third of respondents to a Towers Watson global survey reported that they are often bothered by excessive pressure in their job. Moreover, those reporting high stress levels were also more likely to consider themselves unengaged at work.¹⁴ Stress and work-related illness become increasingly important over long careers and the challenge for individuals and employers alike will be to ensure high



quality work that is health-enhancing, rather than health-depleting. Similarly, an employee's ability to pursue continual learning and provide creative input into the organisation is limited by high stress levels that make them reluctant to experiment with the new initiatives required to drive the business forward.

4.5 MAPPING OUT THE 31 - 50 YEAR OLD WORKER'S LIFE

During the Hundred Year Life Masterclass, participants used the insights from Professors Gratton and Scott's keynote to plot the life trajectory of a fictional 40-year old currently in the workforce, named Li-Jo. Three key messages emerged from the timelines created:



Increasing Variety: The four groups of participants plotted fairly similar events for the first decades of Li-Jo's adult life, with marriage and babies the key life events taking place in his thirties. However, as the timeline progressed, participants deviated on how Li-Jo's life story would unfold, with some anticipating a portfolio career, while others envisaged him in more stable work, taking care of elderly parents.

Anticipating Longer Working Life: A striking feature of Li-Jo's timeline was the variety of retirement ages put forward by the different groups. It is clear that this age group will have very different points of departure from the workforce based on the amount of savings they have managed to accrue and how aware and well prepared they were for the Hundred Year Life.

More Transformations: A third observation was that, for each of the life trajectories plotted by participants, Li-Jo experienced more transformations than the older character of Sunita. He changed careers more frequently and moved into new skill sets more readily.

KEY MESSAGES - THOSE CURRENTLY AGED 31 - 50

FOR INDIVIDUALS

- Proactively build knowledge, skills and networks to take advantage of the many opportunities of longer working lives
- Find role models in diverse fields who can help manage transitions
- Build rest and recuperation into every life stage to maintain vitality

FOR ORGANISATIONS

- Build capabilities in on and off ramping employees as they increase and decrease their work responsibilities to fit with out-of-work commitments and lifelong learning
- Redesign career paths that are more flexible and provide people with the opportunity to build rest and variety into their work patterns
- Develop an alliance with employees, and build capabilities in recruiting mid-career hires

FOR GOVERNMENTS

- Educating successive generations about the hundred year life and managing their retirement expectations will be crucial to having an engaged and productive older workforce
- State pension entitlements continue to be highly influential in determining when the majority of the population will leave the workforce

5. THOSE CURRENTLY AGED 16 - 30

Those currently aged 16 - 30 in the workforce are likely to be the first group with a life expectancy of over a hundred years. For this group of employees, the reality of longer lives is playing out right now in terms of seeing their parents care for their older relatives, and in recent press about the pensions crisis and high levels of personal debt.

This group of employees will be shaped by very different experiences to those of older groups in the workforce:

Digital Natives: The younger members of this age bracket have never known a time without advanced information technology. Having grown up with iPads, social media and instant messaging, their experience of the world has been more global and connected than their parents, and their communication styles have been tailored by this experience. As they join organisations and progress into more senior roles, the challenge will be to ensure that these diverse communication and work styles are seamlessly integrated, and that all generations in the company are able to collaborate effectively together.

Job Destruction and Tipping Points: As this age group progresses their careers, they will experience profoundly more shocks and tipping points as a result of destructive innovation, climate change and global economic booms and busts. Over their long careers, they will need to build in the adaptability and resilience that will help them transition successfully through these phases, regularly reinventing themselves.

New Ways of Productive Living: This age group is also the most reflexive the world has ever seen, meaning they have an acute awareness of global events, trends and challenges and are already beginning to respond to this reality by breaking out of the traditional life patterns of their parents and grandparents. This has great implications for employers who will need mirror this by thinking beyond traditional talent attraction, development and retention practices to cater to the new ways of productive living of this group.

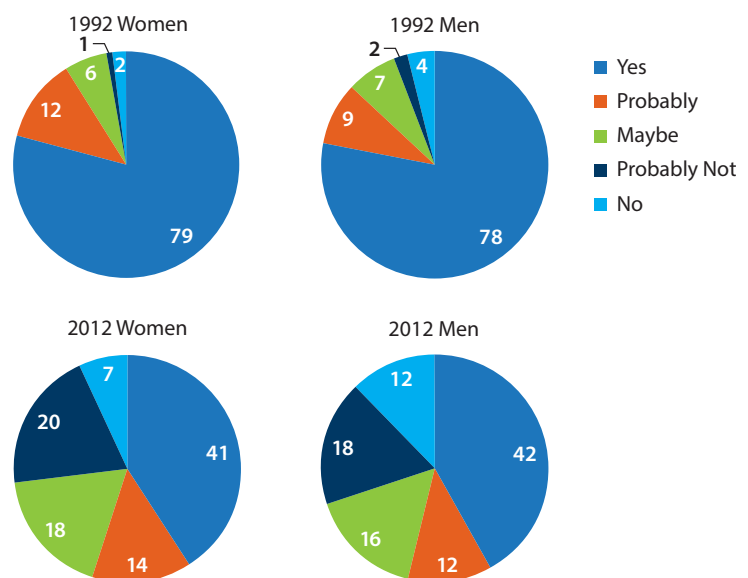
There are three key considerations for both individuals and employers in terms of the changing nature of work:

5.1 CHANGING NATURE OF FAMILIES

One of the defining features of this age group is their non-traditional family aspirations and arrangements. They are highly likely to go be in dual careers, with both parties in the relationship pursuing professional ambitions. Indeed, educated professionals are most likely to marry other educated professionals meaning that they are even less likely than their 31 - 50 year-old colleagues to have an obvious breadwinner/care-giver division of labour in the household.¹⁵

Furthermore, many are delaying or deciding against having children as detailed in the graphs to the right. Around 78% of male and female Wharton students in 1992 reported that they were planning to have or adopt children, with this figure falling to around 41% in 2012. Of those that are planning to have or adopt children, the majority expect equal parenting responsibilities in the relationship.

Do you plan to have or adopt children?



Source: Baby Bust, Stewart D. Friedman, 2013

Both trends have great implications for organisations that must sense-check their policies and practices to ensure that they meet the diverse needs of this changing workforce. This will require going beyond flexible working policies and generous maternity leave packages. Instead, wholesale change to the deal between the employer and employee will be necessary, enabling employees to craft their own work patterns, take extended breaks and share leave entitlements.



5.2 THE EXPLORER PHASE

This, the most reflexive generation, are increasingly aware of the long lives they have ahead of them and are already changing their approach to work and careers to reflect this. One of the most interesting trends to emerge from the research by Professors Gratton and Scott is the emergence of the Explorer Phase. This phase refers to years 16 - 30 when people are putting off big commitments such as full-time jobs and starting a family, in favour of keeping their options open. This approach to their intangible assets reflects a common sense approach many people take in terms of their tangible assets such as savings and investments. In recent years the popularity of financial products such as futures and options (agreements to buy a stock at a given price at some point in the future) have aptly demonstrated people's preferences for delaying big commitments.

In the same way, organisations are beginning to see young talented people try out a few different work styles - such as starting their own pop-up businesses, taking more casual internships, and trialling portfolio work - rather than going straight into full-time, permanent employment. Professors Gratton and Scott anticipate the Explorer Phase entering into common parlance in much the same way as "Teenager" did for those born in the post-war years. This Explorer Phase will be characterised by young people staying asset-light in terms of their financial commitments and instead focusing on building their intangible assets through a process of experimentation.

INTERVIEW INSIGHT - BRING THE EXPLORER PHASE IN-HOUSE, ANDREW JAMES, ACCENTURE



During the Hundred Year Life Interviews, the FoW Research Team asked Andrew James, Human Capital Strategy Director at Accenture, how his organisation was responding to the challenge of engaging with talented young people during the Explorer Phase.

Andrew highlighted that many organisations can provide this Explorer Phase in-house. Accenture already offers graduates the opportunity to experiment with multiple roles and functions as well as the chance to move to an office somewhere else in the world very early in their career. Andrew was also keen to point out that those who go on Explorer Phases before joining large organisations could be an exciting new talent pool, with a more sophisticated world view and a range of unique experiences that they can draw upon for the benefit of the organisation.



5.3 OUT OF LOCK-STEP

When plotting the lives of the two older age groups in sections two and three of this report, it was apparent that at least in the early years of their careers, they had followed the three-stage model. In doing so, they acted in lock-step with their peers of similar ages, with everyone moving through key life stages and events together.

This meant that organisations were able to craft broad policies and practices based on fairly accurate assumptions around the needs of workers of different ages. For example, most workers in their late twenties would be thinking about starting families, and most in their sixties would be approaching retirement. However, those currently aged 16 - 30 in the workforce are showing signs of much greater social experimentation and breaking away from the three-stage model on the understanding that they will be working for many more years than their predecessors.

For organisations, this spells a significant challenge. The long-standing policies and processes built around the notion of cohorts of people moving through life stages at approximately the same age, are no longer fit for purpose. These traditional models are likely to miss the many 30-year-olds who have not begun starting their own family, and further down the line, the 65-year-olds who fully intend to carry on working for 15 more years. This means an altogether more flexible and individually-tailored approach to finding and engaging talent is required in order to tap into some of the most interesting and creative people.

This age group are therefore pioneers in terms of how they plan and sequence their lives. Their departure from the three-stage model of education, employment and retirement makes it challenging for both individuals and organisations to anticipate how a person's life will pan out. One possible example is provided below, illustrating how an individual may plot the various stages of their life, and providing some indication to organisations of the many points at which they will need to connect with this person. One possible example is provided (below), illustrating how an individual may plot the various stages of their life, and providing some indication to organisations of the many points at which they will need to engage and connect with a potential employee.

| | | |
|---------------------|-----------------|---|
| EXPLORER | 18 - 30 | SELF DISCOVERY INDEPENDENT PRODUCER |
| MAINSTREAM | 30 - 45 | FINANCIAL ACCUMULATION PROFESSIONAL IDENTITY RELATIONSHIP BUILDING |
| TRANSITION | 45 - 48 | RESKILLING |
| ACCUMULATION | 48 - 63 | ACCUMULATION IN DIFFERENT INDUSTRY BUILDING BROAD NETWORKS |
| TRANSITION | 63 - 65 | RECUPERATION |
| PORTFOLIO | 65 - 80 | BROAD AND DIVERSE ENGAGEMENT PART SOCIAL CONTRIBUTION |
| RETIREMENT | 80 - 100 | RELAXATION! |

In the example above, the person in question delays accumulation of financial assets in order to spend some time in self-discovery mode. This Explorer Phase enables them to build their intangible assets and begin to understand what work and subject areas interest them most. During this Explorer Phase they work as an independent producer, perhaps experimenting with a pop-up business venture or taking on small projects with multiple employers. Following this phase, they join the mainstream workforce in full-time employment and begin building their professional identity, accumulating assets such as savings and pension contributions, and devoting time to building personal relationships.

By age 45, they have been in the workforce for almost 30 years and have another 50 years ahead of them so they take time out to re-skill, transforming their professional identity and applying their talents in a new

industry from age 48 - 63. By the time they get to 53 (what would have been the retirement age for previous generations of workers) they take some time out to recuperate. This replenishes their vitality, ready for the final stage of their working life as a portfolio worker, devoting their expertise to many different projects, including some social work. Finally, they retire at age 80 and have 20 years of leisure ahead of them.

For organisations, knowing how to engage with this character at the key productive stages of their lives - from Explorer to Mainstream, to Portfolio - will be essential in harnessing the creativity of diverse talent. Relying on graduate schemes will mean missing out on this innovative section of the workforce.

5.4 MAPPING OUT THE 16 - 30 YEAR OLD'S LIFE

During the Hundred Year Life Masterclass, participants used the insights from Professors Gratton and Scott's keynote to plot the life trajectory of a fictional 19-year-old character, named Amy. In the feedback session, three key messages emerged:

The End of Cohorts: The four groups plotting out the life of Amy developed varied plans. For example, in her early years Amy was either working, in education, in a portfolio career, or starting a family. In later years, the variation was amplified further. Aged 40, Amy was seen to be either in a portfolio career, an entrepreneur, or re-skilling.



During her 60s and 70s she was envisaged to be changing careers, taking a sabbatical or joining a community-living programme. This timeline activity illustrates the difficulty organisations will have in predicting a person's life stage from their age. The necessary response will be packages tailored to individual needs and circumstance, rather than assumptions based on cohorts of people of similar age.

Redefining Old Age: One point on which there was no consensus was if or when Amy would retire. Some groups had her working until 80 or 90, while others had her never fully retiring. This hints at a redefinition of old age for this group of employees who will be required to push the boundaries in terms of how long they stay in the workforce.

Community-Living: Many of the groups predicted that Amy would spend considerable periods of her life devoted to community causes and community living. This perception likely reflects the reflexivity of this age group who are more sustainability conscious than their predecessors and, according to a PwC study, heavily invested in social values as well as the material gains from work.¹⁶

KEY MESSAGES - THOSE CURRENTLY AGED 16 -30

FOR INDIVIDUALS

- Plan for the long term
- Keep options open and explore many possibilities in the early career years so that investments are made in the right skills for the future
- Build in resilience, allowing time for rest, recuperation and re-skilling over a long career

FOR ORGANISATIONS

- Build policies and practices that allow the organisation to engage with the best talent at various stages of their career, on the understanding that the next generations of workers will not operate in lock-step
- Consider how to provide diverse experiences in-house that enable Explorers to try a range of roles and skill sets early on

FOR GOVERNMENTS

- New entrants to the workforce will need to be aware of the need for longer term planning to ensure happy and productive working lives
- Partner with employers to ensure working conditions are conducive to rest and recuperation



6. CONCLUSIONS AND RECOMMENDATIONS

The theme of the Hundred Year Life is highly future-focussed and will require radical rethinking of the assumptions on which individuals plan their lives, and organisations craft their people practices. FoW's research in this area has highlighted six key messages that should be on the agenda for organisations seeking to future-proof their success for this emerging reality:

LIVING LONGER

The demographic trends shaping workforces in both advanced and developing economies are clear: life expectancy is increasing at an unprecedented rate and will render many traditional career models obsolete. Leaders of organisations must be actively scanning this important data to identify what this means for the different regions of the world in which they source talent. While advanced economies will be grappling with ageing populations and the reality of the Hundred Year Life, as set out in the report, emerging economies will be facing similarly bold demographic transitions as longevity increases even faster for lower income countries.

AGEING HEALTHIER

Ageing populations will dramatically change the composition of workforces in advanced nations. The combination of longer lives and low fertility rates in much of North America and Western Europe means organisations will need to adapt work to the needs of older employees who may need, want and be able to work far longer than traditional retirement ages suggest. For individuals, this means more years in which to build the tangible assets of savings and pension contributions to fund retirement. It takes some of the pressure off the critical years of 31 - 50, in which many employees are in the sprint phase of their careers while starting families and buying their home.

PRODUCTIVITY AND LIFE-LONG LEARNING

The Hundred Year Life will cause a dramatic shift away from the three-stage model of education, employment and retirement. In its place, we are likely to see myriad options for the sequencing of key life events. This sequencing will need to take into account the need to regularly upgrade skill sets in a process of lifelong learning, and to manage energy levels and vitality to avoid burn-out during long careers. For organisations, it will be increasingly important to support employees in building skill sets - partly in response to continuing skill shortages in the talent pool. The most future-proofed organisations will provide people with time to rest and recuperate within their daily pattern of work, as well as longer periods of time out to explore other opportunities. The relationship between employer and employee will likely be a lifelong alliance, with both parties collaborating in many different contractual arrangements, from freelancer, to client, to employee.

TRANSFORMATIONS

Longer careers bring with them the excitement of more opportunities to transform. Some of the transformations made by an individual will be of their own volition in terms of experimenting with their own business venture or developing a new interest. However, external shocks and disruptions are also more likely over long careers, and these events may challenge people to move into new careers and professions as a result of disruptive innovation in their industry. Whichever way transformation comes about, every individual will need to have the adaptive capacity to respond quickly and confidently. Building a Big Ideas Crowd of people who can introduce them to other worlds of work will prove vital in successful transformation.

THE EXPLORER PHASE

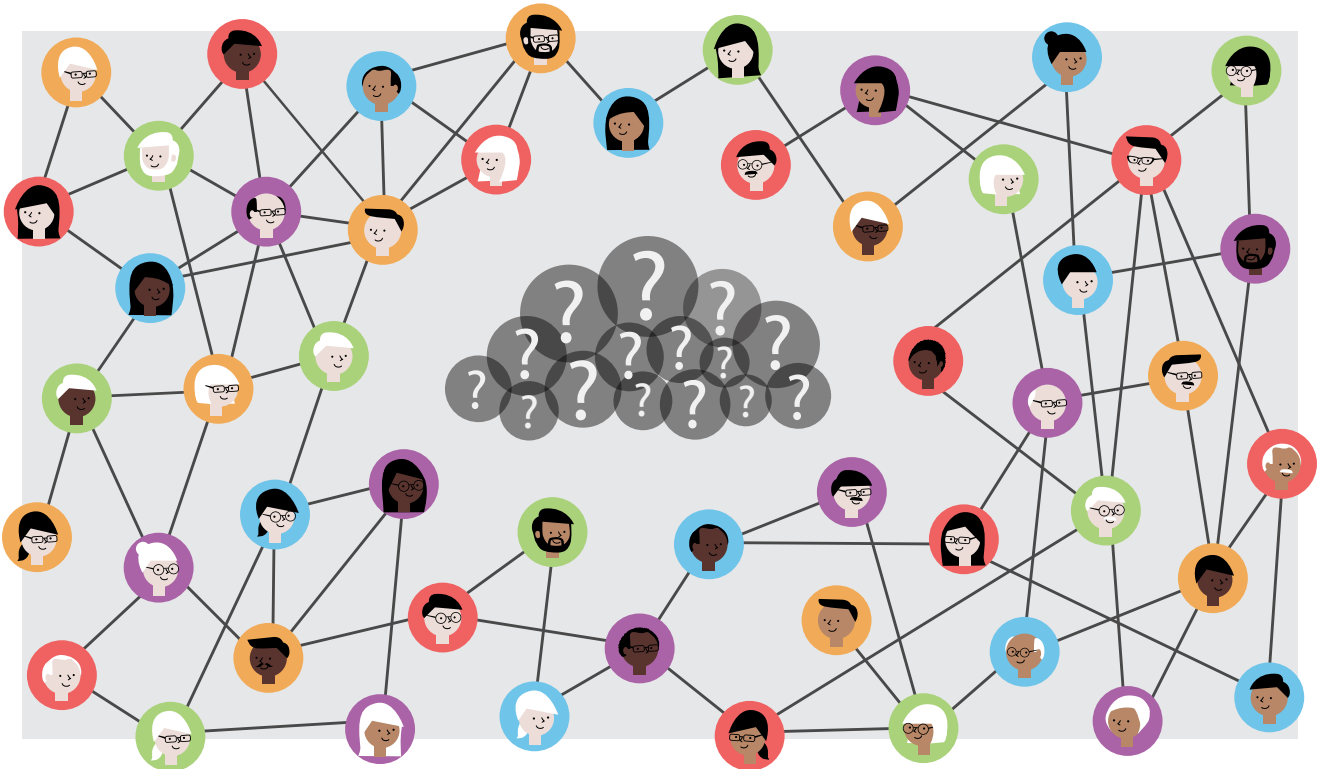
Just as the concept of the teenager added a new life phase to the post-war generation, so too may the Explorer Phase for the youngest members of the workforce. With long careers ahead of them, this age group of 16 - 30 year-olds may see value in deferring decisions such as who to marry, which skills to build expertise in, and which company to join. During this time, they must focus on staying asset-light in terms of financial commitments, while building their intangible assets to ensure they are valuable members of the workforce. For organisations, this will mean stepping out of traditional graduate recruitment processes to top into the Explorer talent pool.

OUT OF LOCK-STEP

The end of the three-stage model means that people will no longer be moving through the phases of their life in tandem with others of their age group. Organisations will no longer be able to target cohorts of people on the assumption that a person's age indicates their life stage. Instead, workers will need to actively craft new ways of productive living that have meaning for them, without the luxury of role models steps ahead of them. Organisations will need to respond to this by developing more individually-tailored people practices that attract and provide value for the varying needs of their workforce.



The opportunities of the Hundred Year Life are abundant, both for organisations and individuals. FoW's ambition with this theme has been to equip both parties with the information required to take advantage of these opportunities, and actively craft a Hundred Year Life that is long, productive and fulfilling as well as organisations that are diverse, successful and future-proofed.



For more information on any of the topics raised in this report, please contact Emma Birchall.



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NEXT IN THE SERIES



Diversity Dividend | Rewarding Collaboration | Collaborative Skills

Organisations require the input and expertise of people with disparate views and backgrounds to spark insight and innovation. To achieve this, many organisations have turned to team structures and project-based work, bringing employees together from around the world to collaborate. These complex, and often virtual, teams have made collaborative capabilities a must-have rather than a nice-to-have for organisations. In this theme, we will explore the new advances in research on collaboration, including how organisations can identify and address points of collaboration overload, the role generosity has to play in building collaborative teams, how best to restructure HR processes to encourage collaboration over competition, and opening up the debate on whether a great individual is better than a good team. Our insights on this theme will include the outcomes of a series of focus groups we are running with FoW member companies to get to the heart of the collaboration challenges and opportunities they face.

New Talent Frontiers | Maturing Gen Y | Emergence of Gen Z | Future Jobs

In this theme, we will examine the jobs of the future, the frontier markets for talent, the progression of Generation Y into managerial roles, and the challenges and opportunities of welcoming Generation Z into the workplace. We will also explore the impact robots and machine learning are having on skilled work, asking the question “How will human-computer interaction change the way we view talent?” We will provide members with the latest insights on how they can attract and develop the best people for their organisation, and how they can help them excel in the new context of work. Our insights on this theme will include the results of our Global Gen Z Survey, which is currently gathering essential data on the aspirations and drivers of the next generation workforce.

Crafting the Future of HR | Balancing Global and Local

The role of Human Resources departments has changed dramatically in recent years. A renewed focus on nurturing and developing employees has created a significant challenge for HR teams, who must now develop policies and practices that cater to the diverse needs of their global workforce while adhering to increasingly complex local legislation. This challenge is intensified for knowledge-based industries, in which a company can only be as good as its people. How will HR functions need to adapt to these changes in the business landscape? Which new roles will they be required to play in the organisation, and are they ready? Those that are not proactive in crafting the future of HR may find themselves marginalised and unable to support their companies through the challenging times ahead.

ADDITIONAL RESOURCES

For more information on the Hundred Year Life and all other key Future of Work themes, visit the library at www.fowlab.com/library. Here you will find a range of Reports, Case Studies and Hard Facts as well as information about other FoW member companies with whom you can connect.

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