Critical Trends for Leadership in the Future

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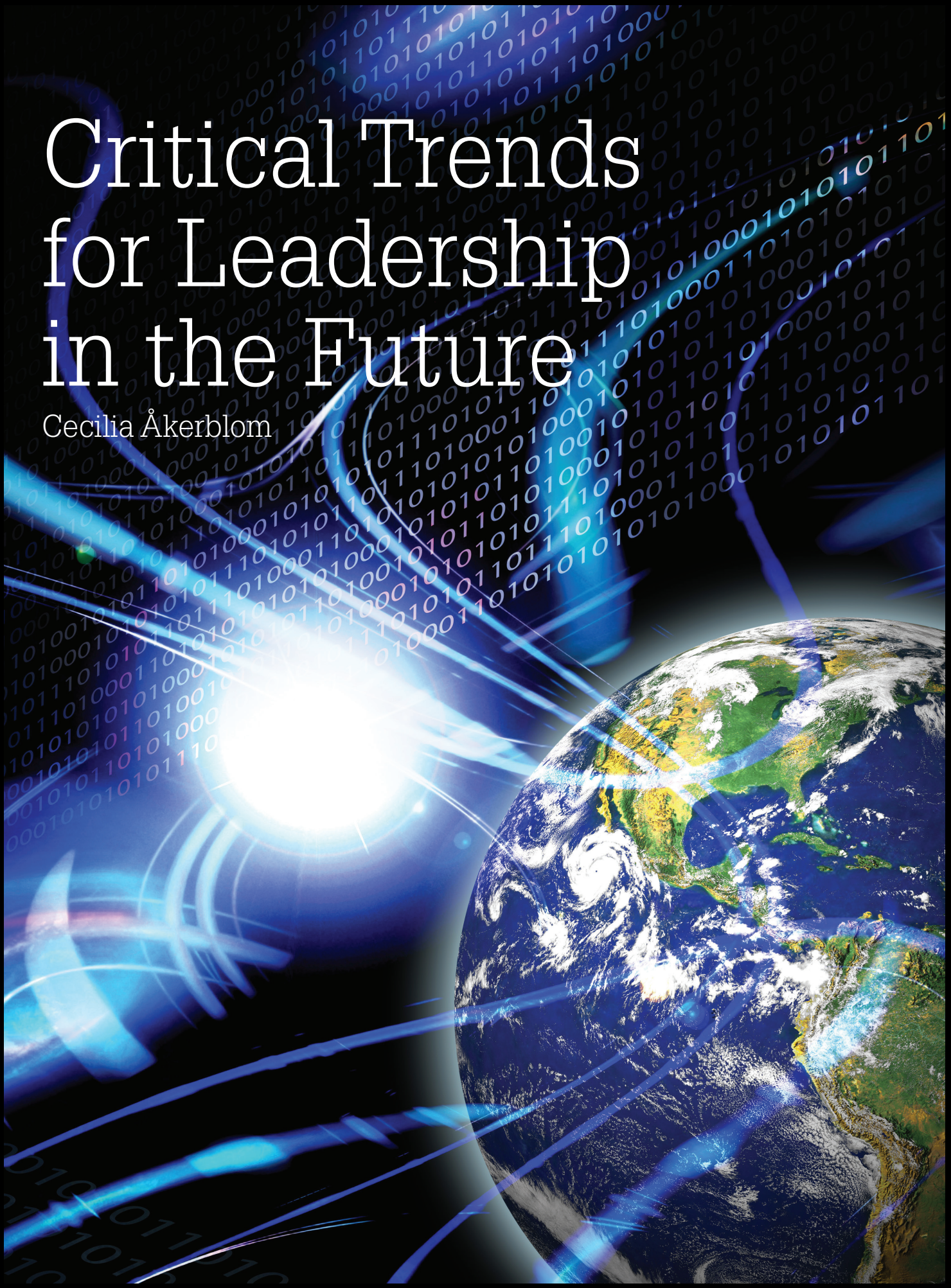

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SWEDEN'S ORGANIZATION FOR MANAGERS

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INTRODUCTION

Today's businesses and organisations have to operate within an increasingly complex reality. The rate of globalisation and the development of new technology show no signs of slackening. Working life and the labour market are undergoing fundamental changes as information and communication technology paves the way for completely new ways to organise work and deliver products and services. Consequently, the demands on organisations and managers in handling and leading operations in this complex and rapidly changing world are also increasing.

There are many signs that the times in which we are living involve great and accelerating changes that will reshape the world much sooner than we may have anticipated. The scope and consequences of these changes will only emerge as a clear pattern once we are able to look back on events.

What's On 2015, 2014

"There are periods in history when societies experience extraordinary and disruptive change of a magnitude and quality that will forever reshape the foundations of society. Such periods in history are revolutionary in the very profound meaning of the word. Looking back from 2030 or 2040, this will probably be recognized as such a period, for many reasons, but mainly for the unprecedented pace of disruptive technological change."

Imagine that we have travelled 15 years forward in time, to 2030. At this point, we will probably be looking back at the past 15 years as one of the most revolutionary the world has ever experienced.

Technological progress is the prime driving force behind the increasing rate of change and its revolutionising effects on society, organisations and the everyday lives of ordinary people.

So, looking forward to 2030, what realities will managers have to deal with? This is the decisive and complex issue that Ledarna must analyse and find answers to today. How can we ensure that our organisation is correctly positioned to meet the needs of managers in 2030?

It is important to start by making a situational analysis using the current available knowledge on which global trends are likely to have the greatest impact on society, organisations and individuals, and consequently revolutionise society within the next 15 years.

The trends we will focus on in this report are: globalisation and the shift of economic power to Asia; technological advances and the changes they generate; polarisation of the labour market; working life diversity; and managing the managers of the future. Together, these will provide a picture of the reality that future leaders may have to deal with, and provide us with a knowledge-based foundation on which to base important strategic decisions about the future course of Ledarna.

GLOBALISATION AND A SHIFT IN POWER

The Office for Strategic Analysis works with long-term analysis based on international research. It has identified seven aspects of globalisation that together describe the current processes in the world around us. These can be summarised as macroeconomic shifts, technological progress, shrinking gaps between research and development in the world, an increase in economic interdependence, changes in the global energy landscape, changes in assumptions relating to climate, water and food, and urbanisation. These trends affect different parts of the world in different ways. They can reinforce each other in some respects, and counteract each other in other areas. Overall, they suggest a world which, only 10 years from now, may already have undergone fundamental changes.

Increased globalisation is a strong trend that will radically change the world in which we live. Right now, one of the most significant changes is the shift of economic power to Asia and the emergence of a global middle class.

In all likelihood, the West will lose more and more of its leading role in the global arena.

The changes in Asia and, to some extent, in Africa are having a major impact on global trends. Both China and India are enjoying increasing global influence. Asian leadership values and models will also become more and more influential. China's economy will, in nominal terms, be equal to that of the USA.

According to some IMF forecasts, India's economy will be almost three times larger than that of Japan by 2025. At this point, India will very likely also have the world's largest population. Different markets will become interwoven and have a much clearer impact on each other. Former developing countries will trade more intensively with each other. The global market will become increasingly interlinked and, consequently, more volatile and exposed to higher risks. As we have already seen, a financial crisis will have rapid global consequences.

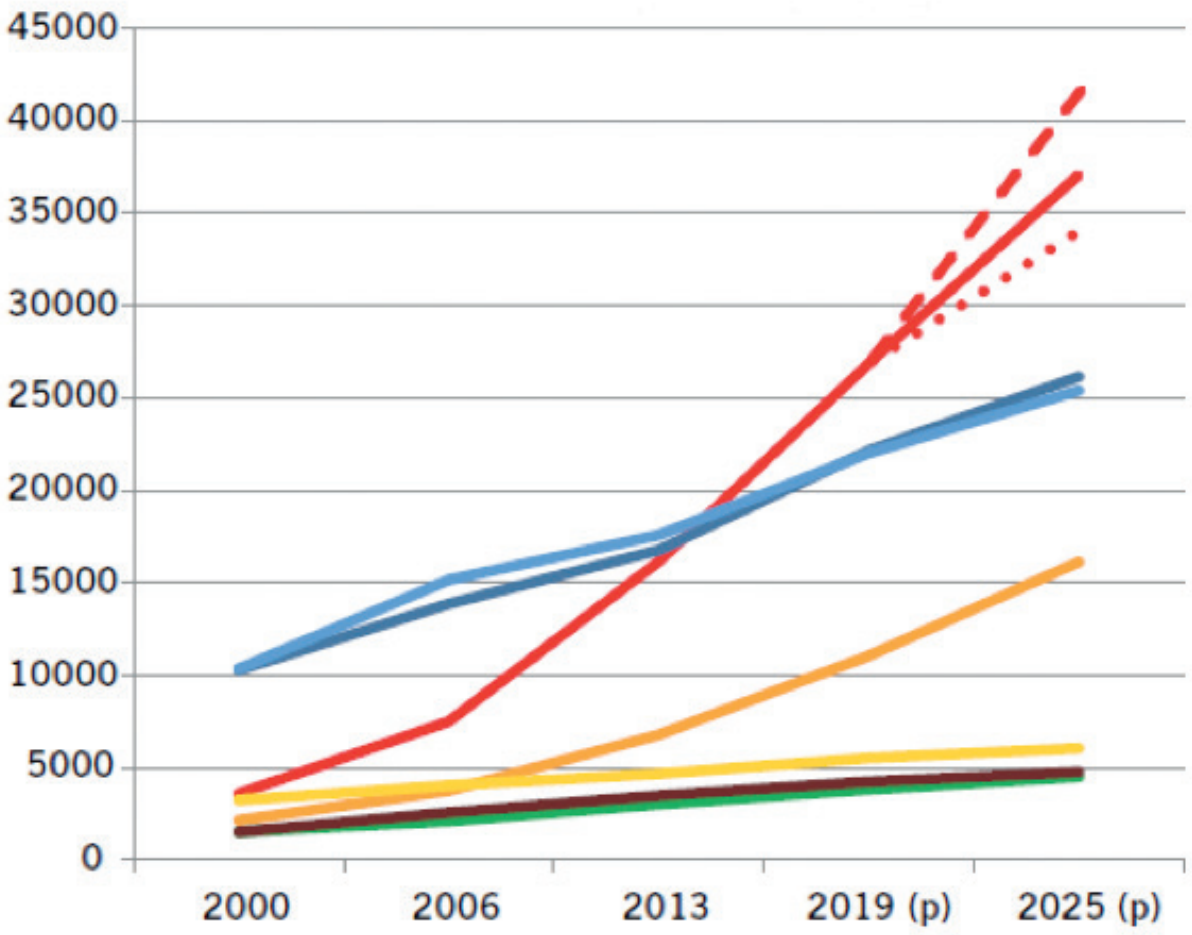
Trends in China

China will be a dominant trading partner for an increasing number of countries. China is already a world leader in areas such as the automotive industry, solar panels and electronics. This trend is expected to continue and 10 years from now, China will very likely be a world leader in many other industries, will apply for more patents and train a growing number of university students. Many economists believe that the economic trend in China with, for example, GDP per capita quadrupling between 2000 and 2013, will be a challenge, since it places the country in the "middle income trap". This means that it will be difficult to continue to use low-wage production as a competitive tool, so a transformation of the economy to more advanced production will be necessary, requiring an increased level of research, development, financing and consumption. China is already undergoing this transformation. The production of services is already responsible for a greater share of GDP than industrial production. The course that this transformation takes will be decisive to developments in Asia and the rest of the world. Wealth inequalities in China remain high, even though income differentials have fallen somewhat since 2008. Consequently, social class differences are being cemented.

How well these differences will be tolerated in the long term will be of huge significance to social stability.

GROSS DOMESTIC PRODUCT GDP (PPP)

Gross domestic product GDP (PPP) for global players in $USbn current prices



China (high)
China (base)
China (low)
USA
EU
India
Japan
Brazil
Russia

Source: IMF for the period 2000–2013, and forecasts for the period until 2019. SA's forecast from 2019 to 2025 based on material from, among others, the IMF, the EIU and the World Bank.
Note: China's annual growth 2019–2025 (base) = 5.5%, China (high) = 7.5%

The global middle class

Global economic development is characterised by three dominant trends: a fall in world poverty, a growing middle class and the probability of lasting or increasing economic differences in respect of prosperity. The growth of the global middle class is regarded as one of the greatest changes of our time. It includes households that spend between $10 and $100 a day. According to the UN, the global middle class is expected to continue to grow and by 2022 is expected to outnumber the poor. Consultancy company KPMG predicts that the global middle class will increase from 1.8 billion people in 2009 to 4.9 billion by 2030. Of the expected growth of around 3.2 billion, the greatest share, a full 2.7 billion, will be in Asia. Urbanisation is continuing; there will soon be 36 megacities worldwide, most of them in Asia. While we see a convergence in the consumer patterns of the global middle class, the values held by this demographic group in Asia may differ significantly from those that are predominant in the West. Urbanisation and digitalisation are contributing to economic redistribution, climate-related challenges and new opportunities for political decisions and the exercise of power.

Global and volatile markets

A highlighted risk associated with this global market is that crises involving the economy, climate or security policies may affect Sweden's domestic economic growth, labour market and security, even if they occur at geographically great distances. The great challenges we see in China today, involving domestic politics, socioeconomic factors and the environment, will become serious obstacles in the future. The country's relations with its neighbours, the USA and also with Europe will continue to be restricted by a lack of mutual confidence.

The most significant strategic relationship is between the USA and China, and this will affect most areas. How this relationship develops will govern many consequential trends in Europe and Sweden. Growing global interdependence and specialisation promote efficiency, trade and international investment, which act as stabilisers. At the same time, the potential conflict between China and Japan, or with the USA, may have great and unexpected consequences. This risk is classed as "not insignificant" until 2025.

Many economies in Africa will grow dramatically. Many countries throughout the world producing raw materials will also experience rapid economic growth. This growth and the increase in trade will, however, only benefit certain groups of society. Income differentials will persist or increase in many of these countries. The troubles in the Middle East and North Africa will continue, having a significant impact on migration and integration.

The demographic trend in Europe represents a challenge; some EU Member States will continue to suffer from low productivity, although the continent's strength will be technology and innovation. Europe will lose its competitive edge over China when Chinese-owned companies become more global, but will probably continue to be a world leader in innovation and entrepreneurship. Overall, this trend means that the West will not be setting the agenda at global level. Today's institutions will probably not be optimised to handle the new emerging world. Challenges associated with urbanisation, digitalisation and the climate will join forces to create new opportunities for political decision-making and the exercise of power. As a result, today's institutions will be subject to new requirements and this may make it difficult for them to handle the new reality.

More cross-border competition

Competition will increasingly ignore borders. Even the borders between organisations will become more fluid as many projects and deals involve partnerships and alliances among multiple players.

The corporate ecosystem will also change, as current sector definitions may become outdated very quickly. As the barriers to entry in many sectors are lowered, there is also a growing opportunity for smaller companies to compete on markets previously dominated by large companies and organisations. For example, the managers at Volvo Group's Telematics-Wireless cars unit are discussing Google as a potential development and innovation partner. When looked at from a longer time perspective, Google was a company in its infancy 15 years ago (it was founded on 4 September 1998), but has since become the world's largest search engine. Today, Google is involved in and redefines many sectors. One such sector is the motor industry; Google is already producing driverless cars. What Volvo manager, 15 years ago, would have regarded a new start-up company in Silicon Valley as a future partner of strategic importance?

Demand for managers with the ability to both create and lead innovation and development is increasing rapidly. In its report, Globalisation 2.0, the Hay Group predicts that the effects of globalisation will require management in many businesses to work strategically, involving greater collaboration and more individuals than before.

Globalization 2.0: 2

"What globalization 2.0 makes abundantly clear is that the days when one or two heroes sat at the top of the organizations dictating strategy are well and truly over."

Managers at Tetra Pak to whom I have spoken agree. The general consensus is that strategic work carried out at the top of a hierarchy, with decisions communicated downwards in the organisation before being implemented, is an outdated concept. Their view is that traditional approaches to management and leadership are too inefficient and slow.

Progress is so rapid today that strategic decisions must be taken by a network of staff and managers who work closely with the market and clients in different parts of the world and who are, therefore, able to grow the business on the basis of events in these markets. For this reason, they have created training programmes that bring together the company's young management talent from different parts of the world. By doing so, they create new global collaboration networks for innovative and strategic development, as well as more direct communications channels within the Group. This is one of the changes they regard as essential to allow the Group to meet the increasing competition from companies, primarily domiciled in Asia, that are rapidly taking customers from Tetra Pak and shaking that company's previously dominant position on the world market.

A potential consequence of this increased rate of change is that more people may move between management positions, specialist roles or self-employment. Consequently, the traditional management career may be changing in the long term. The individualisation that provides a growing number of people in different societies with greater choice means that careers are playing an increasing role in personal self-fulfilment. It also makes it more important to integrate personal and professional goals, which probably will make careers more individualised and less likely to follow a standard format defined by society. Overall, this creates a greater need for specific, profession-based networks and a larger contact network than in the past, where new partnerships are formed and opportunities arise on a regular basis.

Increasing foreign ownership

In 2013, there were 13,573 foreign-owned companies in Sweden, which employed 630,626 people. In terms of employee numbers, the USA was in the lead with 72,952 employees, followed by Germany and Finland with 68,873 and 58,010 respectively. Of the foreign-owned companies, 87% were small businesses with fewer than 50 employees in Sweden.

Three percent of the companies had more than 250 employees, but they were responsible for 67% of the total number of people employed by foreign companies. The smaller companies primarily provided jobs in the service sector. Employees of larger companies were more evenly distributed between the manufacturing sector and the service sector.

It is highly likely that foreign ownership will increase in Sweden, and Swedish ownership may increase abroad. We will probably see an increased concentration of power as more and more companies are acquired or consolidated. An ongoing shift of ownership to Asia may also, in the long run, create leadership value adjustments in many companies. New forms of ownership may also create a need for new corporate organisations at international and regional level. If this should also lead to a greater concentration of power and internal top-down management of businesses, it may have an impact on many management positions where the level of freedom and scope for action may fall.

TECHNOLOGICAL ADVANCES AND CHANGE

The exponential growth of technology will have consequences that are difficult to predict at present. Increasingly rapid changes are redefining whole sectors and industries, and require new working methods. This creates opportunities for new forms of partnerships and alliances between businesses that, in turn, require greater transparency, faster rates of change and new business models. Managers in rapidly expanding entrepreneurial businesses with rapidly internationalising operations speak of the need for competent leaders as a key factor for success. Even in older, more established industrial operations, there is talk of new conditions as a result of international competition pushing down prices and taking market shares. Decisions must be made more quickly, and an overall understanding of all parts of an organisation is now more important than ever.

Digitalisation and automation

Stiftelsen för strategisk forskning (the Swedish Foundation for Strategic Research) has produced a report analysing the extent to which current jobs in Sweden will become automated within the next 20 years (Vartannat jobb automatiseras om 20 år, 2014 [Every second job automated in 20 years, 2014]). The automation of current jobs is driven by developments in digitalisation, robotics and data analysis, and will probably have a significant social impact, both on our working life and for us as individuals. We are already seeing the arrival of driverless vehicles and automated verbal communication systems that remove the need for the equivalent jobs in a way that was regarded as unrealistic only a few years ago. What will happen when large groups of people on the labour market are replaced by various digital and technical solutions? How will we as individuals and our society ensure that we gain maximum benefit from new technologies?

The Swedish study is based on a study by researchers Carl Benedikt Frey and Michael A. Osborne at Oxford University that has attracted a lot of attention. The study examined 700 classified professions on the US labour market and showed that it will be possible to replace 46% of all jobs with digital and automated technology in 20 years' time. The Swedish analysis uses a translation of the US job classification and, based on that, estimates how Swedish professions and jobs will be affected by computerisation. The result of the Swedish study shows that the impact in Sweden will probably be even greater; 53% of current employees can expect to be replaced by digital technology over the next 20 years. This means that 2.5 million jobs in Sweden will be affected. The difference is that Sweden still has many industrial jobs that can be automated. The professions that researchers currently believe are the least likely to be replaced by technology are jobs that require nimble fingers, originality, artistic talent, social ability, negotiation, persuasiveness and a sense of care for others. The jobs at least risk of being replaced by automation are, according to the researchers, professions such as forest rangers, priests and specialist teachers. Those at greatest risk are check-out staff, sales staff and machine operators.

To draw an overall picture of the effects on the labour market, it is also important to look at the many white-collar professions in which large groups of people work. The estimate is that, in the professions of corporate economists, marketing and HR, 46% of jobs can be computerised, which is equivalent to around 50,000 jobs. As certain professions are taken over by technology, others will become more attractive. There will probably be greater demand for corporate economists who develop automatic auction pricing, which is used by an increasing number of sectors. This illustrates how the shift in technology changes the demand for skills, even within a profession.

A key issue is what new professions will emerge and how new jobs will be created. There are clear research results indicating that the technological progress of recent years in many countries has resulted in a drop in competitiveness, particularly among less-educated people. This is evident in increased wage differentials, a reduction in the percentage of GDP made up of labour costs and greater unemployment among certain groups. Interestingly, this trend has been slightly different in Sweden and some other countries. It also provides an indication of potential future action strategies. In Sweden, employment fell during the crisis of the 1990s and wage differentials widened slightly. Since then, wage differentials have stabilised and the employment rate has recovered to some extent. The share of GDP relating to labour costs has also remained unchanged since the 1980s. The recovery in Sweden is associated with substantial growth and employment reforms. Countries such as Germany and Switzerland have also grown well after carrying out reforms. On the other hand, France and Italy, which failed to carry out reforms, have experienced substantial problems. Consequently, a cautious forecast for the future suggests that technological advances will probably result in significant pressure on salaries and employment in professions that undergo automation.

A deciding factor is how easily individuals in various professions that are shedding a large number of jobs can switch to new tasks and the new jobs created. Looking at it from a historical perspective, there is some support for the hypothesis that technological advances often happen in a form that increases the productivity of capital invested, at the same time as they replace labour.

In many countries, wage differentials between the well-educated and the less well-educated have been increasing. If technological advances primarily increase the productivity of capital investment and, at the same time, create an advantage for those with higher education, this may have a significant impact on the labour market. This impact on an increasingly polarised labour market is discussed further in the next section, polarisation of the labour market.

New technology revolutionises markets

Current technological trends will probably have dramatic consequences on individuals' and states' interconnections, productivity, efficiency, growth and employment over the next 15 years. The growing digitalisation and connection levels around the world will enable billions of people to communicate with each other, do business and share knowledge in an unprecedented way. Ten years ago, there were 500 million internet-enabled devices (Strategiska trender i globalt perspektiv, 2014 [Strategic trends from a global perspective]). By 2014, this figure had risen to 8 billion and by 2025 more than 50 billion devices are expected to be connected. Today, two-thirds of the world's population has one or more mobile phones; almost 2 billion own a smartphone.

Products such as music, which, in the past, were physical goods, are now digital services. These new digital platforms are making services more international and efficient by cutting out the middleman (e.g. shops that previously sold CDs). Supply and demand can be matched more efficiently in these digital markets, and traditional production is also being made more efficient through digitalisation. As a result, the world economy will become more digitally powered, where greater efficiency in the production of goods and services can be achieved with less input.

For consumers, new technologies may make more customised goods and services available at lower prices. From the perspective of global trends, new technologies may enable us to produce and consume goods with less impact on the environment and more efficient use of natural resources.

The result for the global economy is increased benefits for countries with excellent education systems and communications infrastructures (IT, transport and commerce). There is a risk that a decline in the need for cheap labour will make it more difficult for poor countries to industrialise and break out of poverty. For such countries, transition into a digital society will require improvements to education systems and infrastructure.

It is primarily the already wealthy countries (OECD) and those in the middle of industrialisation (such as the BRICS countries of Brazil, Russia, India, China and South Africa) that will be able to implement new technologies on a large scale. We are currently at the start of an accelerating structural change, and will see radical transformations before 2030. It is not unfeasible that access to technology such as computers and digital connections will become a global equalisation factor.

In combination with automatic and exact linguistic translation of data, thanks to artificial intelligence, there may be even greater democratisation of technology. This can benefit more entrepreneurs, researchers and organisations, irrespective of where they are located. This will benefit not least the poorer countries.

New technology results in four important changes

1. Digital services are responsible for a greater share of the economy, at the expense of physical goods. This will require a smaller labour force and less capital than traditional industry.

2. The need for labour in the retail sector will fall since digital platforms, marketplaces and user-generated data will make the sale and distribution of goods and services more efficient.

3. Automation, additive production (often called 3D printing) and other technologies will make the traditional production of goods more efficient, and the need for low-wage, low-education labour will fall.

4. Demand for highly educated workers will fall in certain areas where more advanced services will become automated. At the same time, demand will increase for digital processes that support artificial intelligence and robotics.

Robotics and the growth of computational power (Big Data)

The technological advances that lead to increasing automation rely on two factors: physical robots and the algorithms that control them. These algorithms are becoming more and more advanced at an ever-increasing rate. The industrial sector is looking for more advanced robotics and robots may become a regular occurrence in the service sector as well as in private homes (Strategiska trender i globalt perspektiv, 2014 [Strategic trends from a global perspective] They can already write news articles for magazines and newspapers, make weather forecasts and analyse share prices (What's On 2015, 2014). Emily Howell, which is an algorithm, has released two records that are available from Amazon.com. This shows that the limits we currently place on what can be automated with respect to occupations and expertise will probably be smashed by progress in the near future.

One of the world's cognitively most advanced computers is called Amelia. It was created by the American software company, Ipsoft. Using advanced algorithms, Amelia can learn new tasks quickly. It is said that, after two months of listening to how its human colleagues deal with various issues, Amelia is able to solve 60% of a company's customer services cases without any help. We can only guess what the world will look like in 15 years' time, after further great technological advances in this direction. Progress in computing power and connectivity will lead to major changes in society. This applies in particular to the ability to collect, interpret and use large amounts of data. At present, we are seeing a huge increase in the data generated, with sensors, cameras, payments, digital communication and virtually every step we take adding to the amount of data.

Today, the accumulated volume of information stored on the World Wide Web stands at around four zettabytes (trillions of bytes). This means that 90% of all the data produced during the history of humanity has been created in the past two years. This is a spectacular development, and likely to be following an exponential curve.

The exponentially accelerating increase in volume, complexity and variation of data in what we refer to as big data creates opportunities to generate new information that, in the past, went undetected, or simply did not exist. At present, it is difficult to predict how the potential of big data will be used in 10 to 15 years' time, but there are strong indications that it will trigger significant changes in how the connected societies of the future will produce, sell, buy, administer and search for information. Human decision-making will, for example, be supported by a combination of large volumes of data and automated algorithms, which can promote efficiency, creativity and problem-solving. At the same time, it may create new challenges with respect to security risks such as network attacks and crime. It also raises new questions about the vulnerability of individuals in these systems, as well as issues relating to personal privacy and ethics. New rules are needed to control the strategic asset user-generated data represents. States will very likely find it increasingly difficult to monitor, control and regulate the digital sphere.

Both globalisation and technological advances are placing new demands on individual managers who work in these hi-tech environments. Increasing digitalisation puts the focus on integrity in the use of big data, and on the advanced options for control systems and monitoring. As we have seen, global competition in markets with growing price pressure can lead managers to side-line ethics and morality in order to win deals and market shares. Consequently, questions relating to integrity will very likely become more important for society, businesses and individuals. Computers can perform tasks we thought were impossible only a few years ago. There are computers with artificial intelligence able to handle advanced and cognitive tasks, computers that recognise and can use different languages, 3D writers that can build products using different materials, driverless cars operating on our streets and roads – and what we see is only what already exists at the moment. The photographic sector is an ideal example of how business has been changed by the new digital technology becoming part of everyday life. The photo app Instagram had 130 million users a year after it was launched on the market. When the company was acquired by Facebook, the app had more than a billion users. A new user costs the company virtually nothing.

Compare Instagram with the photo company, Kodak. At its peak, Kodak had 145,000 employees; when it grew, productivity, employment and income from the media rose in unison. But digital technology has disconnected the growth in productivity from the growth in jobs and wages. Facebook/Instagram currently has around 4,600 employees. The company's market value is many times greater than Kodak's ever was. Kodak went bankrupt after 132 years in business, overtaken by technical advances and new competitors.

Fifteen years from now, a combination of different technologies will have created changes that will revolutionise society. We are absolutely certain about this. We often have a tendency to think linearly, even when considering how technology changes our world. Experience from technological progress over the past few decades, however, has shown us that the number of outcomes is growing exponentially. A technology often gets off to a slow start. Once it is further developed and combined with other technologies, it has the capacity to trigger unexpected innovations and have a much greater impact than originally expected. The trend towards increased computing power, linking digital units and the global penetration these will achieve in the near future, makes it likely that we will see even more revolutionary technological changes. The technology we have access to today already has the power to fundamentally change our society and the global arena. There is, of course, greater uncertainly about future links and innovations and, in terms of technology, 2030 is an eternity away.

POLARISATION OF THE LABOUR MARKET

We are also seeing a polarisation of the labour market where some people are in demand and have great opportunities to choose jobs and influence their living standards, while others have far fewer opportunities and work in sectors or industries with lower pay levels and poorer working conditions. This also affects the status of management roles and their value in both financial and cultural terms. One possible outcome is that first-line managers and other management levels become separated, which could create a polarisation between different management levels. At the same time, differences in status, working conditions and career opportunities in different sectors in society would continue to increase.

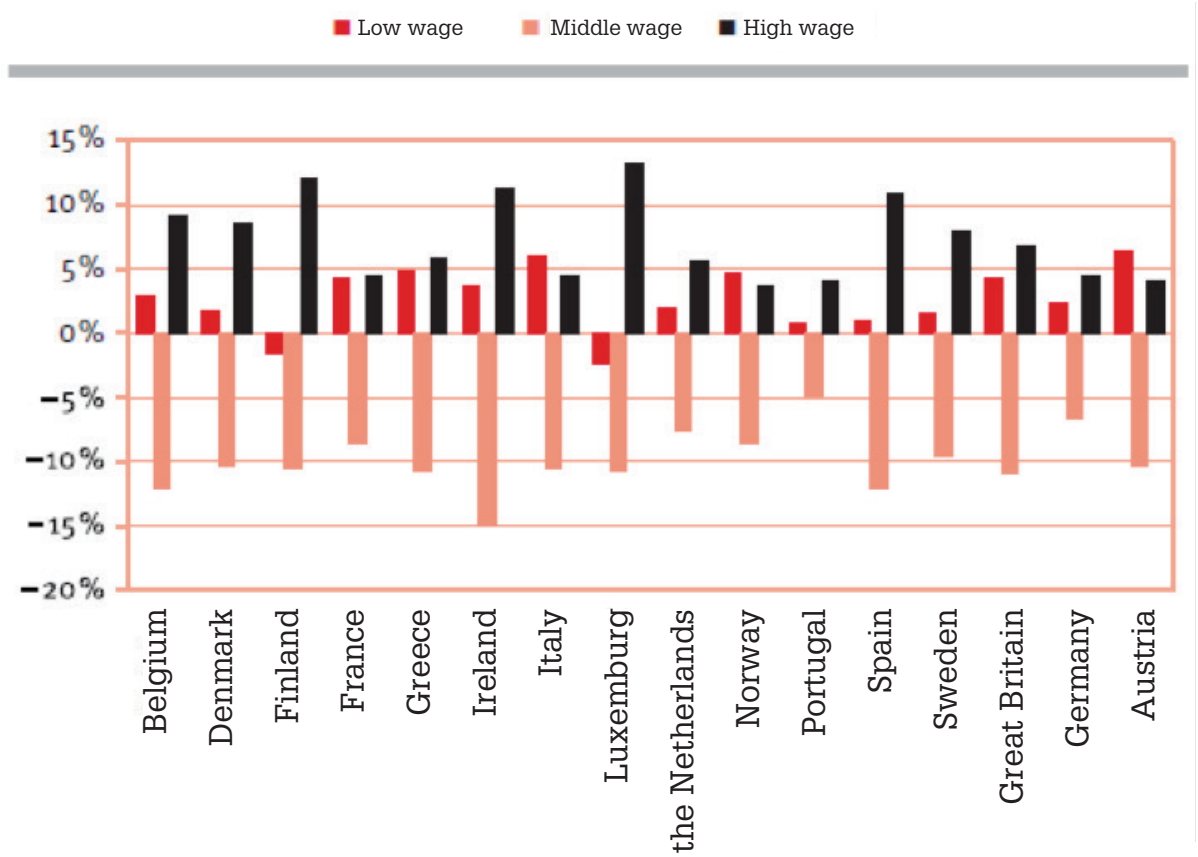
The Swedish labour market

Employment is continuously changing as a result of some jobs being created while others disappear. Previous studies show that emerging jobs involve more skilled tasks to a great extent. Simpler jobs have been lost in the structural changes that are currently happening as a result of technological advances (Den "nya" strukturomvandlingen, 2014 [The "new" structural transformation]). There was, however, a break in this trend during the first part of the 21st century compared with the 1990s, especially during the period 2008–2011. During the 1990s, more highly skilled jobs emerged while lower-skilled jobs disappeared. Since 1999/2000, it is primarily jobs with low qualification requirements – defined as little or no requirements over and above compulsory education, and jobs with comparatively high qualification requirements – defined as requirements for longer post-upper secondary education courses, which have emerged. There has, however, been a fall in the number of jobs with intermediate qualification requirements, i.e. upper secondary school or short post-upper secondary high school education. This makes it clear that the Swedish labour market has undergone job polarisation in the 21st century, and this has been particularly evident from 2008 onwards.

Among the low-waged jobs, it was primarily jobs in care provision, restaurants and cleaning that were responsible for more than half of the increase in employment during the period 2000–2011. The middle-income group saw an increase in jobs in care provision, pre-school teachers, leisure education and treatment assistants, plant and construction, as well as sales and procurement staff.

CHANGES IN EMPLOYMENT PERCENTAGES IN DIFFERENT COUNTRIES

Distribution between low, middle and high-earning groups, average 1993–2010



Conversely, there was a drop in the number of vacancies for office secretaries, bookkeeping and audit assistants, electrical installers, telecoms and electronics repairers, other machine operators and, as of 2008, also for some engineers and technicians. This is a sign that both the economic cycle and changes in technology have resulted in job losses for middle-wage earners.

The greatest rise in the number of skilled, highly-paid jobs happened during the period 2000–2007,when there was an increase in the number of graduate engineers, computer specialists, business economists, public sector administrators, lawyers, psychologists, medical care specialists and upper secondary school teachers and university lecturers. This increase ceased after 2008; since then, the changes for the occupations in this group has been small. The number of university lecturers and upper secondary school teachers did, however, rise to a small extent, as did the number of computer specialists. At the same time, there was a drop in the number of managers at smaller companies and units.

When we compare the changes to the employment structure after the financial crisis of the 1990s and the financial crisis of 2008/2009, it is clear that during the first crisis, it was primarily low-paid jobs in care provision and, to some extent, jobs in the low and middle segment in other occupational areas that disappeared. High-waged jobs continued to grow, although at a slower pace than before. The difference following the 2008/2009 financial crisis is that it resulted in the loss of many middle-income jobs in the industrial sector.

International job polarisation

Internationally, the Swedish trend reflects what is happening in the USA and the rest of Europe. In the USA, the job-polarising trend has, however, been underway longer than in Sweden. In the 1980s, growth in employment in the USA resulted in a higher skills level with increased demand for greater occupational competence. There was an increase in occupations requiring a lower level of education, as well as occupations relying on longer education.

During the 1990s, the trend changed to a polarisation of employment, as jobs requiring higher education grew rapidly, as did jobs with low education requirements, while the middle segment experienced a fall in employment. During the period 1999–2007, the number of low-skilled jobs continued to increase while the number of people employed in the middle segment continued to fall. The percentage of jobs with a high skills requirement also fell slightly during this period.

Consequently, the labour market in the USA has undergone a clear polarisation over the past 20 years, dividing into highly-skilled, high-paid jobs and low-skilled, low-paid jobs. Employment in traditional and relatively well-paid jobs in the middle segment has fallen substantially over several decades.

The 2008 financial crisis reduced total employment in the USA dramatically, giving a further boost to the polarisation of jobs. The long-term consequences of the financial crisis, even when employment has recovered, may, therefore, be a continued increase in the gap between income groups when demand for people with a high level of education increases and demand for workers in the middle segment continues to fall.

Job polarisation in Europe

The trend towards job polarisation can be seen in all industrialised economies in Europe. During the period 1993–2010, the proportion of middle-wage occupations fell in all 16 European countries included in the survey. The proportion of high-paid occupations increased in all countries and the proportion of low-paid occupations increased in 14 out of the 16 countries. In the under-40 age group, we can see that the trends in USA and Europe mirror each other well. Increases were seen in occupations that require longer education, such as managers, specialists and technicians, as well as those requiring shorter education, e.g. jobs in the service and sales sectors. At the same time, there was a drop in the middle segment occupations, such as clerks, tradesmen and fitters.

What is the reason for this?

The move towards polarisation of the employment structure is happening in the USA, Sweden and many other European countries. What is the cause behind this trend? The extent of polarisation and the point in time when the trend changed from a rise in qualifications to job polarisation differ from country to country, suggesting that no single factor is responsible for the trend and can be used to explain what has happened. The common direction of the trend does, however, indicate that there are common contributory factors.

The most important explanations identified in studies carried out by researchers have been found in the advancement of technology and increased globalisation (the latter is also pushed forward by technological progress). Some studies also highlight economic trends and country-specific factors, such as labour market institutions and political choices of which route to take.

It used to be the common view that new technology would replace many basic tasks and that a modern, hi-tech, knowledge society would require more qualified service-based occupations and a continuing expansion of higher education. This is not, however, the development we have seen. On the contrary, basic jobs have increased. The explanation for this trend, which dominates studies of ongoing job polarisation, is the theory known as skill-biased technological change (SBTC), where the more highly qualified labour force benefits from technology-driven changes to the competence requirements for jobs. Another theory is the routinisation hypothesis, also known as task-biased technological change (TBTC), where the technological advances in computers, software, networks and robots continuously replace jobs involving routine tasks. At the same time, non-routine jobs emerge in areas where people still have an advantage over technology, even though technological advances are happening at an increasing rate in these areas.

Routine jobs are characterised by well-defined and repeated tasks that are included in the middle segment of qualification requirements and are divided into cognitive and manual jobs. Cognitive routine jobs are carried out primarily by junior office staff, e.g. customer service staff, secretaries, sales staff, postal employees, mechanics, fitters and seamstresses. The number of routine jobs fell in all areas in the USA in the period 1982–2012. At the same time, non-routine manual and cognitive jobs increased during all three decades.

In Sweden, the number of routine jobs also fell, while there was an increase in cognitive non-routine jobs during the period 1990–2005, in contrast to the period 1975–1990. This supports the TBTC hypothesis as an explanation for the polarisation of employment. Non-routine manual jobs, which are often low-paid, are not as easy to replace with computers or other new technology. Consequently, more recent studies indicate that the TBTC hypothesis provides a more reasonable and nuanced explanation for how technological advances affect the labour market. The main impact comes from advances in computer and robot technology. The results show a clear pattern of job polarisation in Sweden between 1990 and 2005, linked to technological change (Teknisk utveckling och jobbpolarisering, 2015 [Technological advances and job polarisation]).

JOB PATTERNS 1975–2005

Source: Adermon and Gustavsson (2014)

Consequently, technological advances have a great impact on the demand for different skills. Demand for workers able to carry out cognitive and abstract tasks has increased, while routine jobs requiring mid-level qualifications have been replaced by increasingly better and cheaper computers.

The consequence of increasing demand for both cognitive and manual tasks, and falling demand for intermediate routine jobs, is that the growth in jobs is polarised. One sign of this trend is that demand for workers with longer education has increased faster in sectors that are experiencing a more rapid advance in IT technology than other sectors. Companies with the greatest investment in IT have also undergone the greatest organisational changes. These companies also have greater demand for qualified work compared with unqualified work. New technologies are used to reorganise work and production, based on the opportunities they present.

As much as 47% of current jobs in the USA could become automated over the next 20 years. This suggests that the effects on the jobs market and working life will be dramatic. In Denmark and Finland, the share is estimated at 35%. People who may see their jobs become automated in the future include office workers, cash register staff, sales staff, drivers, construction workers, machine operators and fitters.

One theory is that the primary, although not the only, reason for growing wage differentials in many countries is the exponential advance of digital technology. This trend benefits well-educated people, as well as income from capital rather than income from wages. This conclusion is based on the fact that wage differentials have increased in both the USA and Europe, including the Nordic countries, indicating that it is not only a matter of policy choices in individual countries. This trend is also predicted to continue. When computers and machines can replace labour to an increasing extent, it is likely that the wages associated with these former occupational groups and skills will fall.

Analyses of wage trends and income distribution in the USA since 1979 show increased gaps and a very small rise in the median income of US households, which, after peaking in 1999, have fallen by almost 10%. Salaries for university graduates have risen significantly faster than for groups with upper secondary or post-upper secondary education. At the same time, wages for those without upper secondary education have fallen. New technology can greatly benefit businesses and societies while, at the same time, we see that these benefits are being distributed more and more unequally.

Job polarisation is taking place both within and between different sectors. It is not solely the result of changes between different sectors, e.g. that routine jobs are being lost in industrial operations and that non-routine jobs are increasing in other and growing sectors. At the same time, innovations and new technology are generating new jobs that contribute to growth. Consequently, it is not necessarily the case that new technology and smart computers and robots will reduce the overall demand for labour. Technology does, however, change demand to other, and perhaps new, jobs and skills in the same way that technological advances have always done throughout history. For example, new technology creates new routines and new ways of organising work, which means that the proportion of routine jobs may, in the long run, increase again. Routine jobs do not only involve tasks requiring little in the way of qualifications. Automation can make many previously non-routine jobs easier, more monotonous and more routine.

Some researchers are also of the opinion that changes to labour market institutions may be a partial explanation of job polarisation. Research in the USA has discussed factors such as weaker trade unions and low statutory minimum wages. New research does, however, show that these factors cannot explain the polarisation of the labour market. In Europe, we see polarisation in many countries with differing degrees of trade union influence on the labour market. Nor has polarisation taken place only in sectors with traditionally strong trade unions. Rather, it appears that job polarisation has contributed to the weakening of trade unions.

Even if falling relative minimum wages may, in theory, explain the increasing demand for less qualified labour with low wages in the USA, this trend does not match the timeframe. Minimum wages fell substantially in the 1980s, at the same time as qualification levels in the labour market rose and demand for less qualified labour fell. The demand rose again from the 1990s onwards, at a time when the relative minimum wage initially remained unchanged and subsequently increased slightly.

Wage formation and wage policies may still have an effect on job polarisation, as we can see when comparing different European countries. Some researchers are of the opinion that the differences in the growth of low-wage jobs in the UK, Germany, Spain and Switzerland may be explained by differences in wage formation and wage policies in these countries between 1990 and 2008. Countries that encourage the growth of low-paid jobs, such as the UK and Spain, will see stronger job polarisation than, for example, Germany and Switzerland.

Sweden has a policy of promoting job restructuring to upgrade qualifications, in which trade unions play an active part. Despite this, we see job polarisation taking place in the Swedish labour market as well.

So far, it is primarily routine tasks that have been replaced by computers and robots. Technological advances, along with the exponential increase in the capacity of and access to large amounts of data (big data), mean that computers can carry out increasingly complex tasks more cheaply and more efficiently than humans. For many years, the capacity of computers has grown exponentially, in accordance with Moore's Law, which predicts that capacity will double every 18 months. Based on today's level, many researchers predict radical and fundamental changes to labour and businesses. Over the next two years, we will probably see the addition of more computer capacity than we have seen throughout the history of computers. The changes we are facing are expected to be as extensive as those of the industrial revolution.

The effects of globalisation on job polarisation

The routine-job hypothesis is the foremost explanation for the polarisation of jobs and wages, but is not the only one. A likely contributory factor is that globalisation and the current increase in international trade, including offshoring, where jobs are moved from the West to low-wage countries. The growing opportunities for offshoring are largely based on advances in information and communications technology (ICT).

Consequently, technological advances are, to some extent, also responsible for the opportunities for offshoring work to countries with cheaper labour. New technology that replaces labour in the West will soon be capable of replacing even cheaper labour in countries such as China.

For that reason, it is considered that globalisation will, overall, have little effect on the probability of workforce reductions in Swedish companies. Nor does globalisation seem, to date, to have had an impact on non-routine manual service jobs. Consequently, it currently appears that offshoring has had less impact on employment trends in industrialised countries. Studies show that offshoring does not explain the job polarisation in Sweden during the period 1990–2005, and that it is in line with trends in other Western European countries. This may, of course, change quickly as a result of advances in technology. With today's ICT, it is not solely the simpler tasks that can be moved to other countries.

Services such as customer services and medical support can be produced in one country and delivered to clients in a different country. This means that cross-border competition for these services, usually produced by highly qualified labour, will become increasingly fierce. New technology, such as 3D printers, opens up completely new opportunities in the production and delivery of goods to customers. If Sweden is at the leading edge of technological advances, it may even be attractive to relocate industrial operations and production here from other countries.

Fixed-term employment and the precariat debate

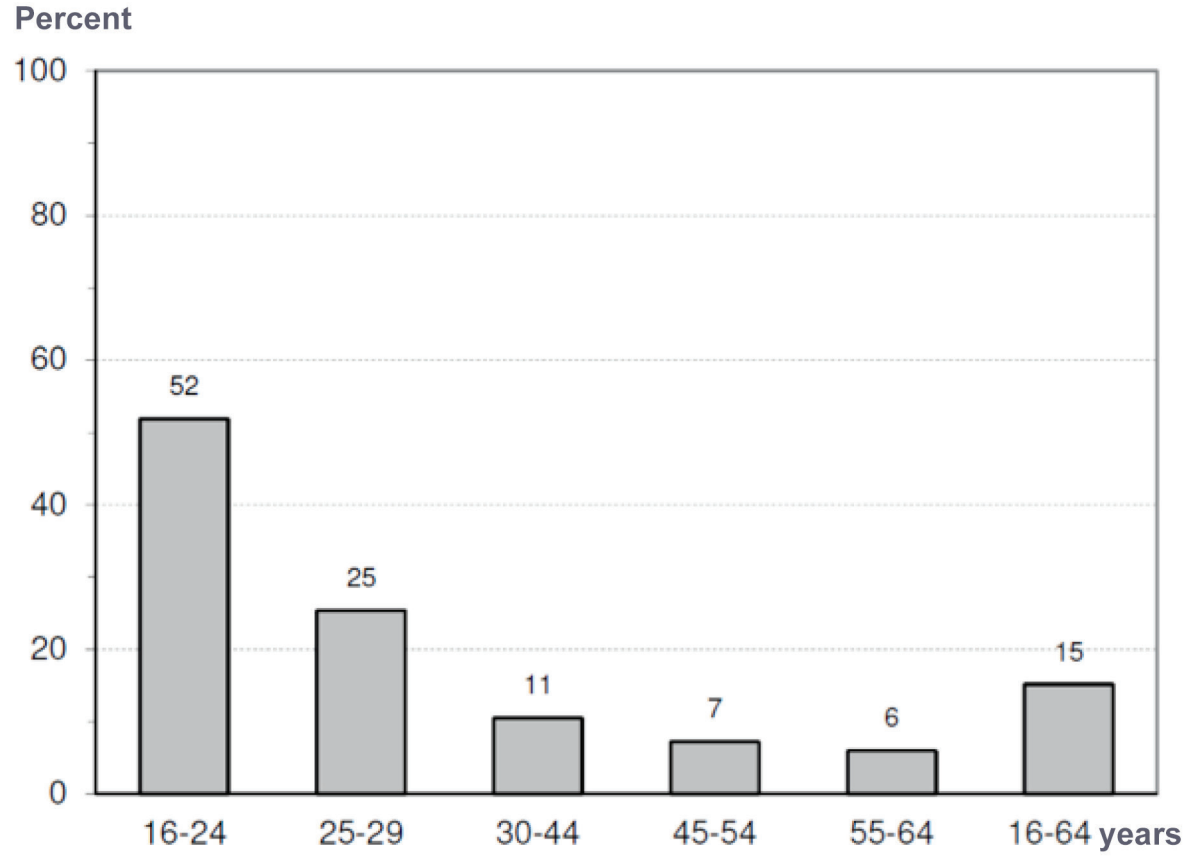
In 2011, Professor Guy Standing, of the University of London, published a much-debated book, The Precariat. The concept describes the emergence of a new social class that includes both blue-collar and white-collar workers, who are employed on uncertain terms and who may have to accept the emerging low-paid jobs when middle-income jobs disappear. They are often forced to switch between low-qualification jobs and cannot see any improvement, even in the long term. Standing warns that this uncertainty, in combination with a less bright future, can lead to a destabilisation of society, since it creates space for populism and political extremism.

How does the trend for types of employment and temporary work agencies look in Sweden? In the first quarter of 2014, a total of 4,072,300 people were employed in Sweden. Around 15% of these had some form of fixed-term employment [Anställningsformer år 2014 [Forms of employment, 2014]). There are several different types of fixed-term employment.

As of 1 July 2007, the following types of fixed-term employment are permitted under LAS (the Employment Protection Act): general fixed-term employment, temporary substitute employment, seasonal employment, probationary employment and pensioners who have turned 67. In addition to these, there are some types of fixed-term employment that are regulated by collective agreements, e.g. zero-hours contracts and hourly employment. General fixed-term employment is the most common type of fixed-term employment regulated by LAS, followed by temporary substitute employment, probationary employment and seasonal employment.

FIXED-TERM EMPLOYEES BY AGE

All employees in 2014



Source: Anställningsformer år 2014 [Forms of employment, 2014]

Fixed-term employment is more common among women than among men; 17% of all employed women are in fixed-term employment, compared with 13% of men. Many young people are in fixed-term employment. Of employees aged 16–64, just over half, 52%, are in fixed-term employment. The percentage falls as age increases, and the smallest group of fixed-term employees are found in the 55–64 age group. Only 6% of people in this group are employed on a fixed-term basis.

These figures also vary from sector to sector. At 48,000, the retail sector has the largest number of employees with fixed-term employment contracts. Among white-collar workers, the number of fixed-term employees can be found in the education sector, with 79,000 fixed-term employees.

The current figure of 618,000 fixed-term employees is the second highest to be recorded. The highest figure was in 2007, when 622,000 people, just under 16% of all employees, were employed on a fixed-term basis. When asked what type of employment they preferred, 79% of those in fixed-term employment (excl. full-time students) stated that they would prefer permanent employment.

The emergence of temporary work agencies was a 1990s phenomenon, and a new form of employment came about. In recent years, this type of employment has increased but, despite this, it still only covers around 60,000 employees, equivalent to 1.5% of the total number of employees in Sweden.

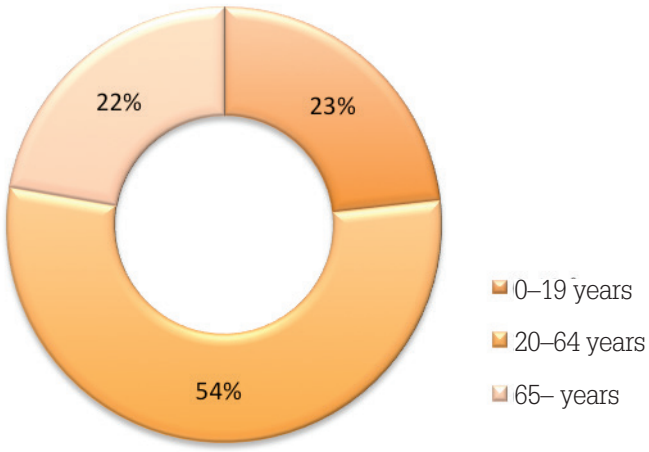
WORKING LIFE DIVERSITY

Issues relating to diversity become increasingly important when the labour market and society are undergoing changes. The homogeneity that currently exists in management positions needs to change; it also puts pressure on managers' ability to lead in a diverse environment. The ability to manage staff from different cultural backgrounds will become an important skill. The skills involved in managing staff spanning several generations will also be much in demand, as people work longer as a result of both a longer lifespan and an increased need for people to extend their working lives.

Efforts to increase diversity in the labour market have made slow progress. On 1 January 2009, the first systematic Discrimination Act came into force, to facilitate and strengthen efforts to combat discrimination and to increase diversity. Prior to this, measures to prohibit discrimination were spread over seven different Acts of the Swedish Parliament. The idea behind the new Discrimination Act was to create order among the different Acts and to implement EU Directives that until then had not been introduced into Swedish legislation. The current Discrimination Act covers seven grounds for discrimination: gender, ethnicity, religious conviction, disabilities, sexual orientation, transgender identity/expression and age. Diversity is a concept in jurisprudence and the political debate that is frequently described as a summary of all the existing grounds for discrimination, except gender.

The demographic trend in Sweden

In 2004, the population of Sweden reached 9 million. According to forecasts issued by Statistics Sweden (SCB), the Swedish population will stand at 10 million by 2017. At that point, it will have taken 13 years for the population to grow by a million. It will then take 20 years to reach 11 million, in 2037. By 2030, Sweden is expected to have a population of 10.8 million, with the following age structure:



There will be more of us overall, and the proportion of elderly people will be greater. By 2030, the proportion of women in the population is expected to stand at 49.78% and of men at 50.22%. The proportion of the Swedish population born in a different country is expected to be 19% by 2030, i.e. almost 2 million. In 2013, this figure was 16%.

Efforts to increase diversity and equality in the labour market

Creating an organisation that welcomes diversity and differences while focusing on competence requires a management, culture and structure that all support this process. The image of who makes a suitable employee for the organisation, and of who can and would like to become a manager, needs to change to create more scope for different types of competence. Creating organisations characterised by diversity and transparency requires increased knowledge and changes in attitude at an individual level, analyses and development at an organisational level of structures, processes, career paths, reward systems, etc. It also requires changes at social level with respect to policies, legislation, insurance systems, etc. (Fägerlind, G. and E. Ekelöf 2001).

There are many similarities between the process of increasing diversity and the process of increasing equality. In many ways, the structures involved are the same; likewise the efforts to change standards, perceptions, values, behaviours and systems. However, views differ on how increased diversity and equality are to be achieved in practice. Some people believe that it should be regarded as a single issue, that the work involved is identical and that, for this reason, resources should be combined to increase impact.

Others, meanwhile, see a danger in this approach, since there are differences in approach between increasing equality and increasing diversity. A joint effort under a single banner may even undermine some of the success that efforts to increase equality have already achieved. A more extensive and less clearly defined effort targeted at diversity, which covers all grounds for discrimination and all types of differences in the workplace, may mean that the highly charged issue of power that is at the centre of the efforts to increase equality could be sidestepped and swept under the carpet.

An intersectional perspective on working life conditions

The exercise of power is embedded in the class structures, gender-related lines of demarcation and ethnic backgrounds used to categorise people. These categorisations interact in different ways and also relate to positions of power within organisations, e.g. different types of employment where permanent employment and fixed-term employment may interact within such relationships of power in an organisation. The different and unequal positions of people in their working lives are created on the basis of and in relation to how these factors interact for different categories of people, e.g. men, women, older, younger, those with foreign backgrounds or not, those with disabilities or not, permanent employees and those hired for a specific project, those hired from temporary work agencies and so on. Looking at how these factors interact in an analysis of how different conditions are created for different groups in the labour market is known as taking an intersectional perspective. An intersectional perspective on working life issues also involves noticing how differences are created and what impact they have on how working life is organised. It is important to continue to develop knowledge of and look more deeply into the way that normative perceptions on such things as employability, competence and suitability are linked to perceptions of different groups defined on the basis of gender, class, ethnicity, sexuality, age or functional ability.

SOU 2014: 34, p. 9

An understanding that the different/unequal working life positions experienced by people are formed in the intersection of different interacting forms of suppression has been an important reason behind an increasing number of researchers and practitioners taking an interest in analysing working life hierarchies from an intersectional perspective. (Swedish Government Official Reports)

It is, therefore, important to analyse and generate further knowledge around how these issues are handled and can have an impact on future conditions in the organisations of tomorrow. How are anti-discrimination legislation and employers' equality and diversity plans applied? How are issues relating to class, ethnicity, sexuality, gender and functional ability handled in businesses and organisations?

What will the consequences be for the organisation of work and for the conditions faced by each individual? What impact will there be on access to power, resources and opportunities within organisations? The latter questions, in particular, are core issues in improving knowledge of the opportunities and conditions faced by managers at different levels in organisations and businesses. It also very much involves the central issue of who has the opportunity to become a manager and benefit from the chance to develop and exercise professional leadership in the future. Will this continue to apply only to the same tight group of people as at present? How to expand this group to include those who are currently invisible or opposed when the time comes to appoint new people to management roles and other positions of power within a company?

It is important to continue to increase working life diversity and equality at all management levels, since it is within the framework of these hierarchies that today's power structures and excluding standards are particularly apparent. To succeed in this work, we must also understand what happens in practice when, for example, the line between what is regarded as normal and abnormal (who falls within what is normal and who is regarded as abnormal) are established and applied in different ways during the management recruitment process. It particularly applies to the important processes in companies through which management potential is identified and defined. It also applies to actual processes where the real mandate and responsibility rests with individual managers, based on how these demarcations are used in reality. Which managers have real influence and are treated with respect within the organisation? Which managers are undermined or even subjected to systematic bullying in an attempt to recreate standards that govern superordination and subordination based, for example, on gender?

An intersectional perspective, which examines the interaction between different social categories in the complex processes through which superordination and subordination are created, offers new ways to explore how different forms of inequality interact and generate specific standards, perceptions, values and attitudes with respect to people in different and unequal positions at work. It is about critical scrutiny of the normal perception of gender, class, ethnicity, sexuality, functional ability and age interact in an ongoing construction of similarities and differences, which subsequently forms the basis for and is expressed in how relationships of power are created, both at individual workplaces and in the labour market as a whole (Swedish Government Official Reports SOU 2014: 34).

Managers' responsibility for increased diversity

Studies published by the Equality Ombudsman (DO) shows that many employers and educational event organisers are keen to improve and develop the organisation to ensure that no discrimination occurs

(Från plan till praktik, 2014 [From plan to practice]). They are also aware that the adoption of an action plan or policy is not enough in itself. Change requires effective routines for control and follow-up, and a systematic and continuous approach is vital. Organisations that have achieved change and improvements are those where the management is actively involved, supportive and makes the necessary resources available.

These are the organisations where there are structures in place for the work involved, and individuals who are responsible for driving the process forward and following up on progress. The work involved is also tailored to the needs of the organisation in the sense that there is awareness of the problems that exist (surveying), and that these are analysed and action plans put in place. The work has largely been integrated with the organisation's regular work and control systems.

Some challenges also arise. One of the most common reasons why action plans fail to result in concrete efforts is that the plans do not include concrete goals and measures. It may also be that the management does not ask about results or provide feedback on action plans. In other words, the plans are not used as a tool required for a systematic approach. The challenges can be summed up as the management not following up the efforts, and a shortage of resources (time, money or people). The individuals dealing with the issues do not have the mandate to take appropriate action, the work is not integrated into internal follow-up processes and there is a lack of engagement with the workforce.

The management plays a decisive role in driving and following up the development process. But management alone cannot implement improvements if it is not backed up by the whole organisation. Effective and successful efforts to deal with discrimination and increase diversity require knowledge, ability, willingness and participation. To create support, it is important that all staff receive training and are kept continuously informed about issues that may arise.

These studies have shown, for example, that a frequently met challenge is that the players responsible lack an understanding of how they can, in practice, implement measures supporting equal rights and opportunities at work in such a way that the impact is felt throughout the organisation. The studies also indicate, and perhaps this was more expected, that success requires active leadership and the resources to carry out the work in the form of time, money and people. Systematic efforts with effective control and follow-up routines are required. Last, but not least, pressure through, for example, legislation, scrutiny, monitoring and market demand, as well as demands from trade unions and student organisations, is also needed.

In 2011 (Chefsbarometern: Chefen och mångfald [The Managers' Barometer; the manager and diversity) 2011], Ledarna showed that two-thirds of all managers feel that efforts are actively being made to improve diversity in their workplace. Conversely, one in four managers feel that no active measures are being taken to improve diversity at their workplace. Additionally, the survey shows that almost one in three managers says that they are responsible for issues relating to discrimination, but have no opportunity to prioritise this work. Naturally, this raises questions about the future. What is needed to make efforts aimed at improving diversity greater priority and ensure that they succeed in changing the Swedish workplace? How can Ledarna best use its resources to create change?

MANAGING THE LEADERS OF THE FUTURE

Many managers mention that the new generation now entering the labour market is more demanding and more involved in issues relating to sustainability, equality and diversity. The question is how prepared today's businesses and organisations are to meet this challenge. There are signs that the younger generation has different expectations regarding the balance of power between management and staff. Researchers point to a change in the labour market where the current implicit adult-child contract is being replaced by a more equal adult-adult contract, under which members of staff themselves take responsibility for how, where and when they work (Gratton, 2011).

Managers that I have interviewed believe that companies have an important role to play in recognising the enormous resource represented by young people and people of foreign extraction. We are also facing a new situation where, since the crises of 2003 and 2008, many large companies are cutting back on staff and are not recruiting young people to the same extent. A manager in the IT industry says that the economic downturn since 2008 has hit the company he manages hard and that over the past few years the company has implemented efficiency-enhancing measures that have resulted in staff being laid off. He hopes that there will be an increasing number of new companies with 150–200 employees, and that these will grow to become Sweden's new large companies. "We have far too few young employees. We have lost a whole generation. These are the people who ought to be manning the barricades and tearing down old concepts. They are the resistance. They are the ones who come up with new ideas and want to try new approaches. I meet very little resistance in the sector. I would like to see people able to share new knowledge with me coming into the business now that I'm entering middle age."

He hopes that the young generation that has not found employment with major companies through various trainee programmes will, instead, become more entrepreneurial and start new operations in the sectors of the future. He also believes that senior managers at large companies may move to these businesses and help them grow.

Millennials in Silicon Valley

Ericsson ConsumerLab, which researches global behavioural patterns and changes in value in relation to ICT products and services, has looked closely at the Millennials – young people aged 22 to 29 – in the most technology-intensive area of the USA, Silicon Valley. The young people covered by the survey are college graduates who have already gained a foothold in the labour market. They see themselves as driven go-getters with a future in management. According to Ericsson ConsumerLab, this makes them a generation that will have a great deal of influence over the future of working life thanks to the competence they bring to the workplace.

How the Millennial generation was raised has an impact on their view of the world. The overprotective tendencies among the parents of this generation (helicopter parents) mean that they have grown up feeling appreciated and unique. This generates both opportunities and challenges when they enter today's workplace. They have also had a close relationship with parents and teachers, and have been encouraged at school to question authority and examine sources of information and instructions with a critical eye. This can be translated to relationships with managers and colleagues in the workplace. A good relationship with managers that also involves immediate feedback and clarity will be appreciated. They do not, however, like uncertainty and lack of clarity, and expect fairness and transparency in all parts of the organisation. They believe in a clearly defined work/life balance. They are goal-directed, but with a somewhat shorter horizon than the older generations. This can result in them being seen as less willing to work towards long-term goals with fewer opportunities or rewards along the way and to wait a few years to reap the rewards of their efforts within a hierarchical system.

New technology that integrates the moment has created a generation with less patience and a different understanding of time than older generations. They are less tolerant of slow means of communication that do not provide instant feedback. The preference for a work/life balance also means that relationships with friends and family are a high priority. They prefer flexible work hours and the opportunity to telecommute. They are comfortable with change, globally aware, have staying power, are technically literate, creative and team players. Overall, these are skills and values that may prove an asset in the future, considering the growth of hi-tech, globalised companies that act in converging markets within the framework of new types of alliances and systems for innovation, creativity and entrepreneurship. This may also lead to changes when this generation moves into positions of leadership in businesses and organisations. They will probably create organisations that are more network-based, socially open and more focused on teamwork than workplaces are now.

One of the clearest differences compared with previous generations is the young generation's relationship with technology. Thanks to the rapid and radical technological changes that have dominated the past 25 years, Millennials both learn and adapt to new technology with ease and, consequently, to changes in general. They regard change as the normal condition and are used to a high rate of change in their everyday lives.

New information and communication technologies are also making communication fast and easy. This prepares the younger generation well for teamwork and interaction with others. They expect equality at work and are happy to question hierarchies. They also regard it as natural to be in constant touch with family and friends, which translates into confidence in handling social interaction at work. They often use their personal networks to solve work-related problems, where previous generations were much more inclined to approach colleagues about these. They and other generations usually turn to the internet for new information and, as an alternative, ask someone they know personally. Physical sources, such as books, magazines and newspapers, are still used relatively frequently, even by the digital generation. Dedicated digital sources, such as blogs and Twitter, are primarily used by the younger generations.

Myths and truths about the younger generation in Sweden

The research company, Kairos Future, in partnership with the magazine Chef (Manager), has highlighted a number of myths and truths about managing young people. Their research shows the following:

It is a myth that young people are impatient, easily bored and regard themselves as experts after only a short time at work. The truth is that they regard their careers more as a continuous learning process and as an opportunity for personal growth. They need to see their role in a larger context to feel that the work they do is meaningful.

It is a myth that they do not want to become managers and have a career. The truth is that they do not see a career as a climb upwards in a corporate hierarchy. They regard themselves more as experts and want recognition for their knowledge and to achieve success through knowledge.

They are not as cocky, self-confident and self-centred as they are sometimes portrayed. They are brave and happy to take their share, but not as arrogant as they appear. This is partly a façade that they feel is a necessary social presentation to ensure success in their chosen careers.

It is a myth that they question everything, refuse to fit into structures or obey authority. In reality, they question things and would rather listen to people they know than to figures of authority. Throughout their education, they have been trained to question everything.

It is also a myth that they have all been raised by helicopter parents, which has turned them into self-centred individuals who expect to be served everything on a plate. The truth is that they are happy to accept responsibility if they are not micromanaged, and have the freedom to solve tasks and shape their work according to their own knowledge and experience.

It is true that they are unwilling to sacrifice their private lives for their jobs. Like everyone else, they have a need to be noticed. Since personal growth is a priority, it is important that they receive immediate and useful feedback. High salaries are a driving force, but personal growth and fast-paced learning are more important.

It is important to recognise the potential in this competence and the view of the world that younger members of staff bring to working life. They will not adapt 100% and if they did, the positive power of change they bring would be lost. The majority of the 550 managers questioned in the survey, from both the private and public sectors, believe that young people will require a different type of leadership and that managers need to change to meet these needs.

Ledarna's Framtidsbarometer: En chefsroll för framtiden [Future Barometer: A manager's role for the future], published at the end of 2014, also highlights the issue of how the younger generation views the role of the manager. Young people in Sweden are very interested in becoming managers, and this is especially the case among students. In a survey carried out by the trade union, Jusek, six out of 10 new university graduates replied that they want to become managers. In a survey carried out by Kairos Future, an even higher proportion, 77%, of those surveyed replied that they want to become managers.

Interest in working as a manager is rather lower, just 65%, among people currently in employment. A possible explanation for the fall in interest among employees is that the reality they see in organisations and businesses with respect to management and leadership does not dovetail with the expectations of working life they had as new graduates.

Much needs to be done to create new expectations and broaden the image of who can and wants to become a manager today. Old stereotypes remain stubbornly in place. Ledarna is already making great efforts to change and modernise the manager's role, so that it both attracts and suits more people. Young people have no hesitation in switching employers if the career path is not in line with their own expectations and wishes. Young top-performing managers are already more active in job-searching than the previous generations. They update their CVs, go for interviews and contact recruitment firms. Nine out of 10 expect to stay in a job less than three years. Many of them also see starting their own company as a viable alternative. They prefer work that feels meaningful and regard it as important that their own values are compatible with the organisation they work for. An increasing number feel that it is important that the company or organisation they work for makes a clear contribution to society. There are also signs of a trend towards increased individualisation of work-related terms and benefits.

Flexible working hours and the opportunity to telecommute or take a sabbatical are highly valued and increasingly seen as natural rights.

The survey confirms what other studies have shown: that the work/life balance is valued to a much greater extent than before. This was confirmed during a conversation I had with a manager in the consulting sector.

"What strikes me most is that the new generation, born in the 1980s and 1990s, have started to realise that there has to be a better balance in life. To give you an example, I have men and women working for me who take equal amounts of parental leave. This is something I have to work around. That's my job. And with respect to equality, I encourage the guys, since they are usually the ones who take least parental leave. They shouldn't feel that they can't take parental leave just because they work for me. Far from it. I want them to feel that this is a workplace where they can continue to develop even if they are on parental leave for a while."

She believes that it is possible to organise the work effectively. Jobs and teams can be adapted to take account of the everyday needs of the parents of young children. It becomes a partnership that benefits both the company and the clients. She feels that they return to work with experiences that are valuable in their work as well. "*They make amazing project managers*," she says. She has noticed a difference in attitude to these issues among members of the younger generation. She believes that companies will become far more attractive as employers if they clearly indicate that they take a positive view of parental leave, particularly with respect to men. "*Many men have chosen to work for us precisely because this is our corporate climate. To them, the salary is less important.*"

She also says that it is important that the managers of the company practice what they preach and lead the way in the trend towards more equal responsibility for family life, in line with the company's values.

"We have many managers with children at home who take time off to look after them if they are sick, collect them from preschool and attend end-of-term celebrations. I believe that it is extremely important that senior managers show where the priority lies."

She questions the myth that younger generations crave attention more than older generations. Rather, she believes that the difference is an uncertainty about what constitutes a good result and how they are expected to deliver it.

"They are very keen to deliver a good result. They want to get it right. There is a lack of basic certainty that I have not seen in previous generations. They take comfort in knowing that I arrive at eight o'clock and leave work at five, and do my best to turn in a satisfactory result, regardless of what level it ends up at. I find that the children of the 80s and 90s need more reassurance that they have done a good job."

She believes that this is linked to the advances in technology in today's workplace and the IT boom this has created. IT is already an important part of companies' core activities and will become even more important in the future. The younger generation are often regarded as having a competitive advantage in that they already have the skill to communicate with and use present-day IT. As a result, she says, there has been a shift in the whole hierarchy in a company. A junior person often knows more about IT than a senior person and the former balance of knowledge, which was usually based on age and experience in the role, has been overturned. It is no longer as clear what constitutes knowledge and where different members of staff fit into the knowledge hierarchy in the organisation.

Today, IT know-how is more widespread and the differences not as marked as a few years ago. But there remains uncertainty about what applies, which results in the younger generation not having the same clear framework for what constitutes knowledge, what is expected and whether what they deliver is enough. Some of the differences she sees are associated with a certain age, regardless of generation. She sees the fearlessness and creativity young people bring to an organisation as a major asset.

"Many people leave university thinking they can solve all the world's problems. But so did we. This fearlessness is part of being a new graduate. The fact that they don't see anything as an obstacle is also what drives innovation."

LEADERSHIP AND MANAGEMENT IN THE FUTURE

What does this overall picture mean for managers in businesses and organisations today? The current organisational model is based largely on ideas that emerged during the industrial era. But just as these provided the answer to the needs of yesteryear, the increasingly complex and fast-paced environments of the future will require new forms of organisation, as well as new methods of managing and controlling operations.

There is widespread discussion about the need for increased delegation of authority to cope with the high rate of change the world is currently experiencing. This requires a high rate of innovation and development. A greater level of delegated responsibility also meets the expectations of a more highly educated staff and the new generation now entering the labour market.

Technological advances, in combination with the borderless and accelerating competition resulting from globalisation, generates completely new conditions for organising a whole range of operations. Technological advances are constantly creating new arenas with a need for new working life roles. The Taylorist heritage of scientific management, which lives on in the view of and standards surrounding management, needs to be challenged and changed. This would involve mean a significant change if the conveyor belt principle and large-scale, standardised systems are no longer the dominant, shared intellectual concepts in the organisation of work. This has been under discussion for a long time. What is new is that we are now starting to see companies that challenge these standards and which, through a different, less hierarchical approach to leadership, create successful operations in several areas – in the private, commercial sector as well as in publicly financed operations.

The trends we see in technological advances, changes in the management and organisation of operations, and the values and expectations of the younger generation mean that current management and staff standards and structures are questioned and challenged much more clearly than in the past. It also means that there is a huge development potential. The new world of 2030 will present new opportunities and challenges. It is highly likely that management roles will become increasingly diverse in an internationalised and polarised labour market.

The rules of the game on the labour market will probably change completely in the face of new global competition. In 15 years' time, how many people will have a permanent position within a company, or have the opportunity or interest to build a traditional management career? What will tomorrow's management have to offer to create competitive, innovative and sustainable organisations? How will management potential be defined in Sweden in 2030, and by whom?

Increasingly, managerless organisations and alternatives to traditional hierarchies are being tried and discussed. Once checks are carried out by automated systems that log and record everything we do, will managers acting as controllers become surplus to requirements? One possibility is that it will create more space for other management roles, which focus on the importance of leadership and value it in a different way. This may have a radical impact and may drive change within the current, relatively stereotyped recruitment of managers and leadership training.

What type of competence will be required to lead the highly diverse organisations and individuals of the future? Who will be providing managers with the knowledge and support they need to create effective action plans and follow up the results of efforts in the way required to create serious diversity and equality in future organisations?

What forces will work towards creating more inclusive leadership, or less hierarchy, in organisations. What forces will fight to maintain the status quo or create greater hierarchical lines of separation, as well as clear superordination and subordination within organisations and polarisation between sectors or industries? It is important to monitor this area of knowledge, which will probably have a major impact on management roles and the mandates and conditions these will be associated with in the future.

We will probably have to focus more clearly on managers' opportunities and conditions in the new labour market, particularly in sectors with relatively low wages. New management roles and forms of organisation mean that old structures can be challenged to a much greater extent. Increased focus on leadership more in line with Ledarna's views on equality, diversity and sustainability will boost demand for this.

Companies will probably be organised as horizontal, global and flexible networks rather than vertical, static hierarchies with clear boundaries. It is quite possible that the complexity of assignments and the globalisation of operations will lead to a more flexible view of management roles. Careers will, therefore, be more tailored to the individual and will involve more continuous changes where management and other types of specialist roles intertwine in a new way. This may lead to a greater turnover of management positions, and to an increased need for both social and financial security and additional training during periods of transformation.

In the future, the role of manager may be more of an alternating assignment in a network of specialists, not the hierarchal career path it is today. This also means that managers who decide to join Ledarna may have periodic assignments that we would not currently regard as management roles. How will we meet the need for security, networks and skills development for these individuals in 2030?

At the same time, the complexity of the manager's role, and the stress or uncertainty experienced in this reality, will create a greater need for external support than before. There may also be an upturn in lifelong learning, where responsibility for skills development rests more with the individual than it did. The need for training, networks, meeting places and inspiration for managers will probably increase for these reasons.

Overall, what will this development and the five trends I have focused on mean for the managers of the future?

What needs will they generate among managers in 2030? What opportunities and challenges or difficulties are likely to arise in future management roles? How do they differ from those we see managers face today? How will Ledarna meet these needs to ensure that it continues to ensure that Sweden has reliable, skilled and sustainable managers in the future? These are the issues we need to focus on to remain a successful organisation in the future. Today, Ledarna as an organisation has an important role in society, safeguarding the interests of managers and promoting skills development and increased competence in the areas that are, at present, at the core of our organisation. This will very likely be an increasingly important and, at the same time, an increasingly challenging issue in the globalised, digitalised and polarised labour market of the future.

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Ledarna is Sweden's organization for managers, with more than 90,000 members. We support managers both in their management role and as employees. We support individual managers, based on their individual needs and requirements. Everyone gains from excellent leadership, and we aim to ensure that Sweden has the best managers in the world.

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