

The Future of Work: An Australian Small Business View

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This paper presents the results of a review of the international literature relating to the future of work overall and within this, the future of small business in the Australian context.

Future workplace scenarios may fall between one of two poles – one where SMEs are largely subservient to a few large global corporations and the other where socially and environmentally friendly enterprises working with a large number of “nano”, micro and small enterprises. This latter view will be characterised by more informal, flexible and highly mobile workforce structures not bounded by time or place.

The methodology: The review of the literature presented here drew on over 137 sources. The approach taken to this literature review drew on a systematic approach recommended by academic sources (e.g. Webster & Watson, 2002; Ridley, 2008; Fink, 2010; Denney & Tewksbury, 2013). An examination of online bibliographic databases was undertaken with search parameters guided by the key words of small business, SMEs, Australia and the future of work. An Endnote bibliographic database was used to store these documents which included both peer reviewed academic research papers and quality “grey” literature from mostly government and industry sources.

These sources were then examined using Leximancer text analytic software that uses algorithms to identify word frequency and co-occurrence counts to group words into concepts (Smith & Humphreys, 2006). These concepts are then graphically mapped to show their concentration and interrelationships within the wide corpus of text contained within the source documents. These are also grouped into themes to show the overall structure of the literature. This provided an initial foundation for the examination of the literature sources and assisted in helping to revise the initial research questions. The data used in the analysis included details of the author, title, abstract, journal of the material manually reviewed.

In addition to the Leximancer analysis NVivo a qualitative data analysis (QDA) computer software that enables the management and analysis of large quantities of rich text-based and/or multimedia information, where deep levels of analysis on small or large volumes of data are required (QSR, 2016). This analysis followed the process recommended by di Gregorio (2000). As a more manual analysis tool than Leximancer, NVivo offered a means of independently examining and coding the source data.

Finally, the literature was examined using a manual thematic analysis involving a review of each document. This was subsequently incorporated into the final report. Using both computer-aided and then manual analysis means enabled the confirmation of patterns identified in one method with those found in the other two and minimised the potential for researcher bias. The multiple perspectives provided from these three methods of manual and computer aided

analysis provide a robust basis for further refinement of the research questions which were then used to guide the overall study.

Key findings: Among the key factors shaping the future of the Australian small business workplace are: globalisation; technology; demographic change of the workforce; societal attitudes; environmental issues; and government policy. The Australian economy is particularly open to global competition and businesses will need to adjust to this in order to survive. Technology will be both a creator of new work opportunities and enhancer of worker productivity. However, it will also disrupt many existing industries, replace a high proportion of current jobs, and change the nature of the workplace in relation to time and place. Future employment will most likely depend on workers being well-educated, skilled, globally oriented, good at problem solving, creative and innovative, as well as confident in their use of technology.

Government policy and regulation will need to adapt to these forces and assist organisations and their employees to adjust to change. Regulations will need to be more carefully targeted towards a workplace that will require higher levels of flexibility and mobility of the workforce. The small business sector is likely to have an increasing proportion of “nano” enterprises comprised of individual self-employed workers, plus small micro-businesses. These firms will not be best served by an industrial relations system designed to address an adversarial model of bosses and workers. Government policy and regulation will need to become a facilitator working with employers and employees to shape a highly productive and globally competitive workplace.

Conclusion: Attempting to predict the future is both challenging and fraught with risk. The main factors likely to shape the future of the workplace are globalisation, technology, the changing demographic profile of the workforce, societal attitudes, environmental change and government policy (Ware and Grantham 2003; Gratton 2010). We have examined a number of future scenarios and seen that some are optimistic and see globalisation, technology and diversity as an opportunity to embrace change and build an excellent labour market with matching enterprises (Hannon, 2011). Others see a more dystopian vision characterised by high unemployment, low wages and impermanent, less predictable jobs (Watson et al. 2003).

In general, there is some agreement that work will be more flexible and mobile and that technologies will play a key role in enabling the future workplace to be redefined in terms of location and time (Humphry 2014; Moore 2016). This will see work increasingly defined less in terms of position, title or place, and more in terms of outcomes or achievements. The workforce of the future will be more diverse and technologies have the potential to make it easier for currently marginalised employees (e.g. older workers, the disabled) to participate.

Some futuristic forecasts, such as that by PwC (2014), suggest that the future workplace may be found in one of three “worlds” comprising large global corporations driven by market share and profit, socially responsible organisations and SMEs. The research undertaken for this study indicates that these “worlds” of work already exist and the majority of workplaces are at least aware of if not actually transitioning into one of these three paradigms.

The pervasiveness and importance of SMEs within the Australian business ecosystem make it tempting to predict the rise of the “Orange World” as the dominant one for the future of work. However, whatever does eventuate, it seems likely that the employees of the future will need

to show a willingness and capacity to adapt to change, learn new skills and potentially adopt a “portfolio” career, which might include periods of self-employment.

Government will continue to play an important role in shaping the future of the Australian workplace as it has done throughout our history. Regulation in the workplace may need to adapt and shift more towards a facilitation model. Attention will also need to be given to the needs of the SME sector, which is likely to be increasingly comprised of “nano” or micro-enterprises. Such firms will not be best served by legislation and regulation designed for large organisations.

The results of the literature review were examined through comparison with the Australian Workplace Relations Survey (AWRS) database. This comparison indicates that well-educated managers and small business owners who, in the case of the SMEs, offer a largely positive workplace environment generally lead Australia’s workplaces. However, discussions with small business owners, and our large-scale survey of employers and employees, highlight the intensely personal nature that small business has for many SME owner-managers. This should not be surprising, but it highlights what is often an important difference between workplace relations within small and large firms.

As far as the future of the Australian workplace, the majority of small business owners viewed the future of work for themselves as one of excitement and change, however this excitement was tempered by some doubts. These doubts focused very heavily on government, and a perceived inability to provide leadership, in particular the application of technology in a manner likely to enhance the growth of the small business sector.

These concerns were further borne out in our survey findings where employers or employees did not generally view workplace regulation (WR) in a negative light, but micro-businesses, and particularly nano-businesses, were less likely to see the benefits of these things. Such firms comprise around 88 per cent of all businesses in Australia, and the survey data highlights their difference from larger firms. A difference that suggests government policy and regulators need to be aligned to respond to the needs of these nano and micro workplaces, rather than adopting a ‘one jacket fits all’ approach.

The data also highlights the importance of recognising that diversity will involve the management of a future workplace where many employees are seeking better work-life balance, or are self-employed sub-contractors. These individuals will have different goals, motivations and needs. Most importantly, the survey also points to the impact of technology on the future of the workplace. This will potentially transform the nature of work and the time and place dimensions of what a workplace is.

Although it is difficult to forecast with any certainty, the consistent pattern that does emerge is that both employers and employees have a common understanding that technology will be a key driver for future change. For some, this presents an opportunity in which they will be liberated from existing time and place rigidities. For others, the future seems bleaker, with fears of fewer jobs, and less opportunities for higher pay and conditions.

Further, the ability of employers and employees to collaborate with each other over the nature, scope and timing of work, as well as reaching mutually beneficial “win-win” outcomes, is a very real opportunity if managed correctly. Australia will need to draw on the skills and talents of all its population, and apply innovative thought and action, in order to generate the necessary productivity required to maintain international competitiveness for economic growth.

This “bright future” option is very much within the grasp of Australia’s workplaces if a mutually beneficial, collaborative approach to work can be developed. Workplace regulation is generally a response to a failure by employers and employees to work together for the mutual benefit. How willing they are to collaborate in this way to achieve the positive outcomes that are possible will depend on the attitudes that employers and employees have now in relation to these issues.

The extent to which Australia’s small businesses and those who work in them can secure a mutually beneficial, bright working future will in substantial part be determined by the approach of government. Intelligent, effective, facilitative regulation of work will support rather than seek to hinder the evolution of work in Australia and maximize the opportunity for Australians to secure win:win outcomes and improved workplace relations.

The characteristics of any future workplace will also depend on the nature of the work that needs to be undertaken there. Some industries will adapt to, and embrace technology and use it to enhance their growth and opportunities. Others will face potential serious disruptions that may see the loss of jobs. Yet the apparent key factors shaping this future are the growth of digital technologies, automation and artificial intelligence, and the convergence of technology and flexible or networked organisational structures that will use such technologies to change the nature of the workplace from a time and place perspective.

The future of the Australian workplace will be shaped by a combination of forces. Each will have its own impact and will offer both opportunities and threats to employees, employers and to the wider society that the world of work is situated in.

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