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Building the future of work together

Insights into the future of work

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The profound and wide-ranging changes taking place in the world of work are finally being acknowledged: Industry 4.0, 3D printers, robotics, but also artificial intelligence, big data, biotechnology, nanotechnology and genetics are **taking us to the heart of what has been termed “The Fourth Industrial Revolution”**.

We are not talking about a time in a distant future for, as the [World Economic Forum](#) recalls, **the most important breakthroughs characterizing the great transformation of work will take place in five years’ time.** However, this opportunity for innovation might lead to a path fraught with difficulties without clear strategies and a unity of purpose on the part of the main actors of the labour market. **Risks concern technological unemployment, skills obsolescence, and the worsening of the already serious mismatch between labour demand and supply.**

The current revolution has often been announced, and, at times catastrophically, billed as the “end of work”. However, these developments have never been given enough attention, particularly in relation to the fact that the underlying paradigms of economic and social development are converging to fully promote the human being, an aspect some social actors refuse to acknowledge.

The ground-breaking changes currently in place that affect employers, employees and the nature of work are not confined to the economic, environmental and political spheres. Lifestyles, preferences, personal and professional needs – especially those of millennials – are rapidly evolving, too. **The notion of lifetime employment is now outdated, as are ideas of fixed working hours and of operating in only one place of work while working for the same company.** There are many people who prefer working by objectives, or through phases and cycles and want their performance to be evaluated considering their productivity and the results achieved rather than parameters like hours of work and physical presence at the workplace. Mobility and moving between jobs are no longer viewed unfavourably but as required steps to learn new skills. **Today’s technologies are**

thus tools that can help these social and cultural changes and create new employment opportunities.

In considering the great transformation of work, the mere fulfilment of tasks and orders that was the distinctive trait of the XX century is given less relevance. Similarly, mechanical and repetitive processes are hardly applied today, for they featured organisation and production patterns in place during Fordism and Taylorism. Recent studies in the fields of pedagogy, sociology, and management indicate that **companies are evolving. They are moving from being “economic organisations”** which are simply intended to produce or exchange goods and services, **to genuine learning organisations** that employ “hybrid” professionals, who can contribute to both research and changes to organisational and productive processes. They can be engaged in working tasks, learning processes, research and planning activities, thus contributing in important respects to innovating productive processes and the provision of services.

It becomes difficult to manage human resources in a company undergoing such radical changes. It is likewise difficult to pursue the objectives of growth, productivity and competitiveness without the expertise of employment agencies.

The new economy may be said to be the product of a combination of the increase in technological capital, human capital and organizational capital. **Innovation gives rise to the need for investment in technology providing an adequate return thanks to competent and adaptable human resources and organizational models enabling them to fulfil their potential.** In particular, information and communication technologies have resulted in production moving forward from a “vertical” model with an integrated productive cycle in which all the workers carried out rigidly and hierarchically predetermined tasks and were all employed by the same entity, though working in different departments. **The digital revolution has made it possible for enterprises to work together as a network thus favouring the specialization and interdependence of each enterprise.**

It thus becomes economically rational for each undertaking to concentrate on its core business and to purchase supplies and services from third parties—often endowed with their own valuable organizational know-how—not only with regard to logistics, facility management, administration, the selection and management of employees, information systems, and the marketing of products, but **also with regard to central and highly specialized functions close to the core activities of the company.**

All the changes outlined above have clearly had a strong impact not only on the functioning of national industrial relations systems, but above all **on the quality of employment and work organization methods. Labour is characterized not only by greater creativity, initiative taking and specialization, but also by a trend towards the distribution of employment across a wider network of companies.**

In this perspective, **outsourcing and insourcing become the standard approach to the production of goods and services with a view to achieving economies of scale;** a relation of reciprocal interest (at a horizontal level) replaces the previous (vertical) hierarchical relations bringing together the various functions. Moving beyond the Fordist model of production enables enterprises to consolidate contractual relations, both with their own employees and with the network of companies operating in the market, which allows them to create added value.

The innovation in the enterprise by making use of the services of human resources professionals (employment agencies) does not mean downgrading the human capital and

opting for the low road to growth. It is also true that the techniques for making use of the labour of others that come under the generic term of “outsourcing of labour”, are less and less associated with an irresponsible approach to personnel management. This accounts for the fact that in the literature there is a conceptual distinction, that more closely reflects the nature of this phenomenon, between outsourcing and insourcing, differentiating between respectively the use of services supplied on contract or on a subcontract, and the use of agency staff working on the instructions and in the interests of the user undertaking. In practical terms **there is an increasing use of forms of co-sourcing, net-sourcing, selective-sourcing, multi-sourcing, back-sourcing, co-specialization and value-added outsourcing providing for an allocation between the parties of risks, obligations and liabilities as part of a contract of co-employment that is advantageous also to the employee.**

As shown by the most highly developed and mature markets **there is an evident trend, in outsourcing and insourcing, towards the development of a workforce that is highly qualified and adaptable.**

Based on these arguments, as well as on empirical and scientific evidence, ADAPT is happy to launch a new monthly bulletin in collaboration with the International Confederation of Private Employment Services (Ciett). The newsletter will provide insights and readings in the attempt to stimulate discussion on the great transformation of work considering a global and interdisciplinary perspective, as required in the analysis of these new markets and economies. We would be grateful to those who wish to contribute with comments, essays, or by sending reading material that will help our readers to understand the ongoing change and the shift from traditional labour law to more modern human resources law. This is also in consideration of what the literature has rightly termed “transitional labour markets” which are based on cooperation and the establishment of networks. We all hope to contribute to building a future characterized by inclusive markets and decent work.

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