Say *good-bye* to the old world!

How Industry 4.0 will influence our working world

Fancy terms such as Cyber-Physical Systems, Internet of Things, Big Data, Digitization, *Industry 4.0*, etc. have popped up recently and may seem to be for a lot of us like another hype that happens "somewhere in and around IT" and that we don't need to bother. We couldn't be more off the mark ….

We don't intend to offer another definition for all these terms and buzzwords, but like to demonstrate why and how they, together with other work-related trends, will affect the most of us. It might change your perspective on your future working life!

Most definitions of *Industry 4.0* (and there are numerous …) are about combining products, processes and data to become an integrated value chain, linking suppliers and customers much closer to the manufacturing or service providing company than they are currently. That sounds interesting, even thrilling perhaps, but for the most of us, the impact on our world and way of working isn't easy to grasp.

What we first need to understand are other trends that evolve at the same time: the so-called **demographic development** will challenge every small and large company with an ageing workforce. Their knowledge and experience need to be secured and transferred to few young people that can fill up these positions in qualification and quantity. HR experts discuss and focus on processes such as "talent management 55+", "war for talents", "employer branding" and sophisticated recruiting activities, incl. sometimes generous offers

(company car, smartphones, ..) in professions or apprenticeships where skilled youngsters are hard to find.

Other workforce-related challenges that companies face are the "**Generation Y**" – more people seeking meaningful jobs, not necessarily well-paid jobs and classic career opportunities. Work and Life are no longer two opposites that need to be "balanced" but transform into one meaningful "**worklife**". Individual fulfilment and self-determination are the drivers to seek jobs offering autonomy, self-organization and flexibility.

We will also see a more **competitive environment regarding qualification and jobs**: skills for certain tasks already are or become even more globally available and leave employers with the choice of hiring low-cost and flexible resources. Of course not every task in automotive manufacturing or pharma production can be executed from offshore or a low-cost country, but – and here the effects from *Industry 4.0* come into play – the number of routine jobs will decrease. Digitized processes and workflows as part of a more complex but integrated value chain will make a lot of tasks around checking, measuring, detecting, controlling, etc. superfluous to be executed by men. This will force people with few qualifications to choose between "up-skilling" or competing with a growing number of similarly low-trained, but job-seeking people, e.g. immigrants.

These data/process-driven trends within the framework of *Industry 4.0* meeting the changing demands of the individual employee will challenge organizations in many aspects:

Organizational structures will become more flat and less hierarchical, thus cutting management positions by half. Some studies even predict a cut in middle-management positions by two thirds. Traditional career paths up the leadership pyramid become less relevant and feasible.

Decision-making processes will undergo a similar dramatic change in at least three aspects:

- they will and must get faster (no pretended consensus-driven committees lasting for weeks before a decision is taken),
- decisions will be more machine-based, supported by mathematical models and system-generated range of best options (compared to former decision-making based on individual experience only)
- decision-making will be more decentralized, in self-organizing teams and: it will be required from everyone – a development which either comes as a chance or a stretch …

Process management – nothing really new to be fair, but still not fully implemented and lived in a lot of companies. Here is the bad news for all who define their tasks as being somewhat independent from the rest of the company and cling to their respective box in the org chart: thinking in and managing processes is <u>the</u> organizational set-up and can't be avoided any longer. We all need to understand the complexity of the processes of which we are part and act accordingly, being able to assess the impact our work has to the rest of the processes and colleagues.

What does that mean for the current and future leaders and for each of us as an employee? Learn more in the attached presentation about the impact on our working "cosmos" and required changes in our mindset.

In a nutshell: *Industry 4.0* is not only about data and digitalization, but about our individual ability to adapt to and ideally welcome a new working world.

Would you like to get in touch? I would highly appreciate your feedback to
frauke@christiansen.company

Photos: shutterstock