



Futurescape Issue 17 - 19th April 2011 - The Future of Human Resources

Welcome to the second edition of Futurescape for 2011. We hope you enjoyed last Monday's edition and that this week's effort continues to touch on issues that spark your interest. In this issue we focus on the following issues:

- The future of Human Resources
- HR Grand Challenges
- Youth unemployment
- Is it that time already? The argument over retirement age
- The iKnow Delphi project: facilitating out of the box thinking
- The Future of Banking - the UK Banking Report and its global ramifications
- Mapping Human Land Use

We hope you enjoy this edition and as always we welcome your feedback.

Copies of previous editions of the newsletter can be downloaded [here](#)

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Watch a short video of Rohit's keynote speech on global trends [here](#)

CONVENTION 2020 - VENUE SURVEY AND CASE STUDY COMPETITION

Thank you to everyone who has already completed the survey. For those that haven't - it remains open until May 1st. We will donate \$1 to the Save the Children Fund for each survey response. The survey can be accessed [here](#). Please share the link with colleagues who might be interested in the topic.

We are also running a student case study competition and the details can be found [here](#)

FUTURE OF HR PROJECT, INDUSTRY SURVEY AND SEMINAR

Fast Future has been conducting a strategic foresight study on behalf of a client on the future of the HR function in medium to large organizations. We have completed a great deal of desk research and spoken to a range of industry experts and thought leaders who have provided compelling insights into how the world of HR might develop over the next decade.

We are now launching a survey to test global responses to the ideas and challenges emerging from our research. We are interested in the views of those who work in HR and those who are served by the HR function. Please take some time to complete the survey and share the link with your colleagues. You can find it here

<http://www.zoomerang.com/Survey/WEB22C9G47NE4U/>

The survey closes on May 4th 2011. We will donate \$1 to the Save the Children Fund for each completed response.

FREE HR SEMINAR - MAY 10TH 2011

I will be delivering a seminar on the research findings at the Hyland Europe and Africa Summit in London on May 10th 2011. Attendance is free and full details can be found [here](#).

HR GRAND CHALLENGES

Balancing Strategic and Transactional Roles

Where can the HR function add most value in tomorrow's enterprise?

A key theme arising from the research is the need for the HR function to become more strategic. The suggestion is that transactional roles and workflows will need to be automated and consolidated into shared service centers or outsourced completely. In the face of global change and uncertainty, the argument is that HR needs to step up to a more strategic advisory role. This would involve mentoring and partnering the business to help navigate complexity, develop a flexible, adaptive and responsive organization design and get the most out of its talent.

Is this a realistic vision, what will it take for HR to step up and take its seat at the top table? Share your views in the survey

Competition for Talent

How will strategies for talent acquisition, retention and employee engagement need to evolve to attract and keep the best talent at every level?

The last year has seen a steady stream of CEO surveys and expert commentary that suggests talent is the new global competitive battleground for the decade ahead. While flexibility, access to capital, innovation and development of new markets are all still priorities, they all depend to a greater or lesser extent on the availability of talent that can deliver on these priorities.

The issue is no longer just a matter of finding, developing and keeping the very best. Experts interviewed for our study suggest that organizations need clear talent retention strategies to address 70% or more of their workforce. This suggests the need for a more personalized and individually focused approach to understanding and responding to individual aspirations and expectations. Our research suggests that such an

HR Automation

Are we seeing the start of a trend toward a fully automated HR function? Is possible, is it a desirable outcome for businesses?

At the operational level, a key question is how can HR balance the 'High Tech' and 'High Touch' aspects of its role? The emerging tension for HR is how it balances the requirement for employee self-service, and the cost saving and efficiency benefits of automation with the need to deliver a high level of service.

"Increasingly, HR leaders are starting with the desired business outcome and working backwards from there to answer questions, rather than starting with the question of what to automate."[1]

- Naomi Bloom, Managing Partner,
Bloom & Wallace

What are the skills and capabilities required to design effective 'on demand' HR systems and to automate document management and HR workflows? What critical activities need to remain high touch?

YOUTH UNEMPLOYMENT

What are the potential long-term effects of a 'lost generation' of young people for the UK and other developed economies?

What can the G20 and individual employers do to tackle the issue?

New figures from the UK's Office of National Statistics suggest that almost a million Britons between the ages of 16 and 24 are unemployed - a rate of 20.4% [2]. Paul Kenny, general secretary of the GMB union said "The government is ignoring the costs of the social breakdown that is a consequence of mass youth unemployment,"[3]

David Arkless, the President of Corporate and Government Affairs at Manpower states that '...Youth unemployment is a growing problem almost everywhere and

approach could be a stretch for many organizations today and will require radically different HR approaches and capabilities.

What does the talent plan look like for your organization - how closely is it aligned to business strategy?

A range of policy options are available - starting with the obvious such as incentivizing employers to offer apprenticeships, providing support for young entrepreneurs and expansion of higher education. More drastic options would include new models of conscription, where those involved are inducted via military-style boot camps and then put to work on a variety of social projects.

Tactics may vary and some of the options may appear less palatable than others, but as governments try to see their way beyond the Global Financial Crisis and plot a path through the next decade, positive action on youth unemployment must surely be high on the 'to do' list. Indeed, in January this year, former UK Prime Minister Gordon Brown, addressing the G20 summit, urged world leaders to tackle the 'generational time bomb' of youth

the implications are frightening. Not only are the social costs high, as youth with little hope for the future may see no alternative to criminal activities, but with shifting demographics and working populations getting older, the world simply cannot afford for the next generation to be left on the sidelines of work as we face a worsening talent mismatch [4].'

With global youth unemployment at 81 million [5], the International Labor Organization (ILO) notes that '...halving youth unemployment could add up to \$3.5 trillion to the world economy whereas preventing their entry into the global market could result in widespread social unrest.' [6] A concerted global approach is required will be essential for this potential time-bomb to be transformed into an economic boom. Co-ordinate action will also help avoid the risk of employers in some countries complaining that they are at a disadvantage because of the legal and social obligations they have towards addressing youth unemployment.

unemployment by making the issue a priority.[7]

What might the social, political and economic impact be if the phenomenon of high youth unemployment is repeated and allowed to continue unchecked across the developed and developing world alike?



(Image 1)

THE iKnow DELPHI PROJECT

How are scanning tools such as the iKnow Delphi project being used to inform government policy and business strategy?

Last week George Padgett from Fast Future was lucky enough to attend a presentation of the groundbreaking iKnow Delphi project run by futures researcher Rafael Popper. Raphael and his team at Manchester University have compiled a database of wild card events and weak signals. A combination of crowd sourcing and research by Rafael's team has identified over 700 signals, 120 of which have been included in a Delphi survey [8] which has just concluded.

Wild cards and weak signals are an important part of the futurist's toolkit. Wild cards are 'low probability high impact' events - of which we've seen a plethora in recent months from the Japanese Tsunami and nuclear disaster



through to the waves of popular unrest from Tunisia and Egypt through to Libya, Yemen and Bahrain. Weak signals are emerging signs that a change or new trend may be developing but for which there may not be any supporting evidence.

The aim of the iKnow Delphi project is to create a shortlist of those wild cards and weak signals which have been evaluated as the most important/feasible and worthy of attention. The findings will be used to drive further EC funded research that could in turn influence the direction of future policy.

(Image 2)

The iKnow Delphi tool is one of the best crowd sourced scanning systems we have seen. We would encourage all our readers to have a look at it, and, if you are interested, make a contribution to the project. It can be found [here](#).

THE FUTURE OF BANKING - THE UK BANKING REPORT AND ITS GLOBAL RAMIFICATIONS

Does the UK's Independent Commission on Banking's interim report offer a blueprint for the future of global banking?

The UK's Independent Commission on Banking released its interim findings last week. Established in the wake of the financial crisis, the Commission's report addresses the need for structural and non-structural reforms in the UK banking system. [9]

The interim report criticizes excessive risk taking, excessive leverage and inadequate cash ratios among British banks in the run up to the crash. To reduce risks in future, the interim report calls for reforms to make banks better at absorbing losses; making it easier and cheaper to assist banks that get into trouble; and the curbing of excessive risk taking.

The Commission stops short of forcing banks to split off their riskier investment arms into completely different companies, instead opting for a 'complementary combination' of softer options. Industry threats to move abroad seem to have

been allayed [10] and bankers generally express satisfaction at the findings. [11]

You can access more detail on the Commission's findings [here](#)

Some key questions emerge from a review of the interim report?

- Has the commission gone far enough in curtailing the banks' appetite for risk and reducing the potential for future crises in the sector?
- Will the proposed reforms prevent a future banking crisis?
- Will they lead to a better early warning system?
- Will they ensure sufficient resources are in place to manage another bailout?
- How will the public perceive the full report when released in September 2011?

Four Scenarios for the Future of UK Banking

We have identified four scenarios for how reforms of the sector might play out and what effect they will have.

1. Extend and Pretend - Despite public concerns the Commission produces few substantive reforms. Existing provisions are extended slightly with small cosmetic changes. Government pretends that this is a major reform package and hopes that economic growth will mask over the cracks. While public concern is high, the banks are largely happy and stay put. Following a period of sluggish growth, stability returns and the cycle begins to repeat itself as consumers and lenders forget the horror of the crisis. The City bursts back into full risk taking mode on the back of improving UK and global economic performance. Unaddressed structural issues lead to another crash within five years. A new Banking Commission study is launched.



(Image 3)

2. Tough Love - The commission goes further than expected and proposes critical reforms that placate public opinion while reassuring the banking lobby that their overall structures will remain intact. The recommendations are accepted and result in measures that are successful in reining in excessive risk and banking overstretch. The UK approach is applauded worldwide and the overall benefits bring a faster than expected return to growth. Britain makes a faster than expected return to growth and maintains its position as a global leader in financial services.

3. Exodus - Movement of Bank People In the months running up to September's release, the UK's coalition government and the Commission experience fierce anti-bank sentiment among the general public. This is reinforced by concerns raised by industrialists and strong media criticism. In response, the Commission goes further than expected and recommends the complete separation of retail and investment banking activities, effectively splitting the big banks.

In response, banking giants begin the process of moving their UK headquarters abroad and restructuring their activities. Confusion and chaos reign as regulators, lawyers and the courts struggle to agree on what is allowable under the new separation rules. Some banks succeed in moving their operations offshore and retaining their integrated offering. Others are forced to sell off parts of their UK operation or create complex legal structures to retain effective control. Some banks take the strategic decision to stay put, separate their activities rapidly and move on. The resulting uncertainty and legal wrangling has a serious impact on the UK's standing as a financial center and contributes to the uncertainty which continues to hamper growth and recovery.

4. Brave New Order. The Commission proposes limited reforms with few surprises from the interim report. Government makes slow and painful progress in implementing even these modest changes. In the meantime the recovery proves sluggish and a 'Double Dip' recession is widely forecast.

A combination of market uncertainty, public pressure and a shift towards 'responsible banking' models leads a number of banks to 'break ranks' and implement a split between consumer and commercial banking and their riskier investment banking activities. The wave of resulting sell-offs, flotations and

mergers creates a renewed wave of activity in the market. customers reward those banks who are perceived to have adopted a responsible stance and the pressure mounts of those maintain the old structures.

The double dip is relatively short-lived and the economy responds positively to the removal of some key areas of uncertainty. The UK continues to be seen a global financial center. The government tries to take the credit for having encouraged the banks to reform themselves.

How do you think the banking sector will develop in the UK, and globally over the next 10 years?

Please feel free to send us your own scenarios for the future of the banking sector. We'd be fascinated to learn what you all think.

MAPPING HUMAN LAND USE

What innovations are required in the food production system to sustain a population that is forecasts to rise to over 9Bn by 2050 and whose food consumption is outstripping supply?

We recently came across an interesting article in Wired Magazine highlighting a very short [video](#) examination from the ARVE Group of how the Human Race has brought land under cultivation over the last 8000 years. [12]

Perhaps most interesting features are the ebb and flow of cultivation in South America pre- and post- colonial discovery and North America's rapid development of its arable land over the last 2 centuries.



(Image 4)

ROHIT on the ROAD

In the next few months I will be delivering workshops and speeches in the following locations - London, Bristol, Brussels, Singapore, Berlin, Slovenia, Frankfurt, Adelaide, Melbourne, Sydney and Copenhagen. Please contact me at rohit@fastfuture.com if you'd like to discuss the possibility of me delivering a speech for your organisation in one of these locations.

Finally, a number of people have asked to re-publish our content in their magazines, blogs, websites and newsletters. We are happy for you to do this - if you want to republish any articles, please acknowledge the source, provide a link back to our website and let us know you've done it.

Many thanks and we hope you enjoyed this week's newsletter.

References

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Images

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