

# MANAGEMENT FUTURES

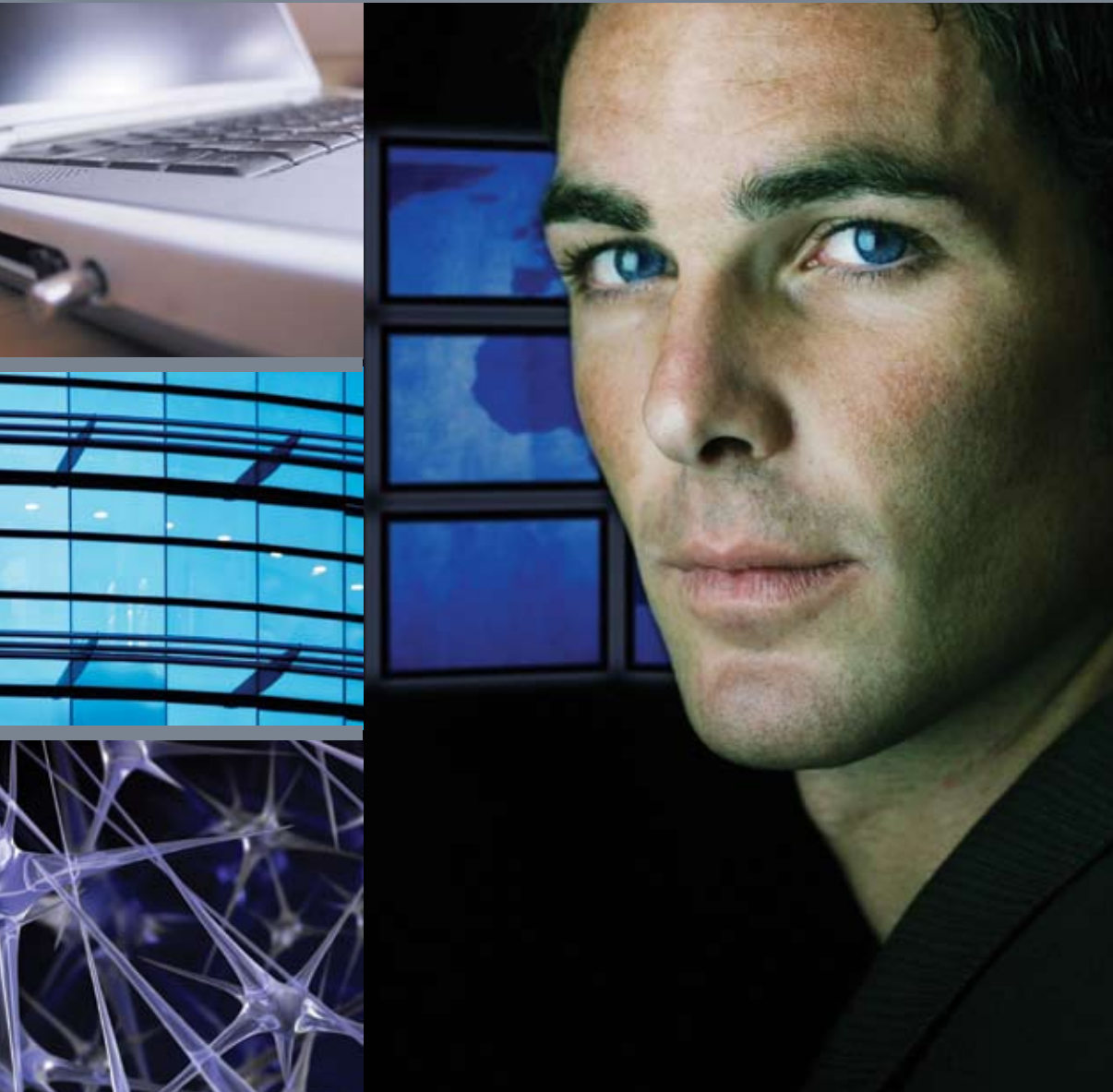
## The World in 2018

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*inspiring leaders*



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## Foreword

As the Chartered Management Institute set out to investigate the future of work and management, there was one overriding objective. The study should be a useful resource for busy leaders and managers who are contemplating the future of their businesses. It should be a pointer to relevant future issues. It should support the strategy process in a practical way.

No single study can be all-encompassing since every organisation is unique. Leaders and managers will know their businesses best, but if this study can challenge perceptions, enhance discussions and broaden future perspectives, then it will have reached its goal.

This has been a fascinating and at the same time challenging project. Fascinating because of the opportunity to hold in-depth discussions with managers and leaders, experts in their fields, and to listen to their views of the future and the impact it may have on management and

leadership. It has been challenging as we were confronted in the discussions and the accompanying research with a very broad range of relevant issues. Out of these we have extracted what we believe to be the most important issues for management and leadership.

I hope this study will help organisations plan how to stay productive and competitive, retain high calibre and motivated staff and prepare for the future.

**Sir John Sunderland**  
Chairman  
Cadbury Schweppes plc



*“Every intelligent thing has already been thought.  
You just have to try to think it again at the right time.”*  
**(Johann Wolfgang von Goethe)**

## Introduction

The world of business has changed dramatically in the last 10 years. Markets, competitors and means of supply have become increasingly complex and technologically driven and are becoming more so every day. The management and leadership skills needed to survive today, let alone to prosper, are very different from those of a generation ago, and those skills are likely to change dramatically again over the next generation. More than ever before, business leaders need to equip themselves with a clear idea of what the future might hold and take action to ensure that they are as prepared as they can be for its challenges and opportunities.

We can neither predict nor determine the future. What we can do is see more of it and, with that vision, get a better grip on it. This study sets out to find out what the future of work and management looks like and examine how businesses can prepare for it. It aims to identify the forces that will change and influence the world of work in 2018 and make a significant contribution to management thinking that will influence and shape business and policy decisions over the next decade.

The future exists in our minds and information that indicates future developments is readily available. However, we need to examine what we

know methodically in order to understand what it means. This is what this study is about.

Based on the perspectives of a broad range of business leaders, futurologists and academics and a close analysis of the trends affecting UK organisations, it investigates two fundamental issues:

- **What will the world of work and management look like in 2018?**
- **What do we need to start doing to enable business leaders to deal with tomorrow?**

The study distinguishes between the probable future, based on assumptions, the unexpected future, based on surprises, and the desired future, based on vision, and demonstrates how strategies can be implemented to create a desired future. It offers detailed, specific recommendations on how businesses can take steps now to create their place in the future.

The analysis undertaken in this study provides the basis for understanding the future of work and management. It offers practical recommendations for how desired futures can be created. For organisations and managers it offers a way to begin a journey from where we are today to future states of higher competence and competitiveness.

## Executive Summary

The views and opinions of the panelists and experts consulted for this study and the analysis of trends provide a distinctive picture of what the world of work will look like in 2018. They also highlight the challenges that managers and leaders may face in three different futures – the probable, the unexpected and the desired.

### The probable future – ‘The World Continued’

Key findings:

- Brazil, Russia, India and China will have a greater influence on business markets and transform the business landscape
- Business models and structures will change in nature. There will be a polarisation from global corporates to virtual-community-based enterprises
- In order to succeed, organisations will need technology that is able to capture and analyse implicit and tacit knowledge and allow the sharing of knowledge with customers and partners
- The working population will be more diverse. Changing expectations of work and the impact of new technologies will require managers and leaders to develop a new range of skills that focus on emotional and spiritual intelligence, judgement and the ability to stimulate creative thinking to improve productivity

- Personal responsibilities will increase and so will people’s private needs. Attending to these needs will inevitably lead to blurring boundaries between work and life as people try to cope with numerous urgent demands. Work-life balance will be superseded by work-life integration

- Talent markets will become more complex in that they will be more diverse with regard to age, generational issues and culture. Organisations will have to address the growing power of the employee and the need for personalised working patterns and benefits.

### The unexpected future – ‘Alternative Future Worlds’

Key findings:

- Other versions of tomorrow initiated by unforeseen events are also possible. The study uncovered 16 such events and developments, such as the world coming under cyber attack, the “brain-enhanced” world and the world run by robots
- Solutions to unforeseen events revolve around areas such as multiple back-ups for intellectual property, building a knowledge bank on the use and misuse of enhancement technologies and the use of robots for basic management practices

## The Probable Future – ‘The World Continued’

- Organisations should prepare for the unexpected future by introducing more flexibility and openness to change as these will serve as a basic safeguard against potential surprises.

### The desired future – ‘Vision of the Future’

Key findings:

Taking all the possible scenarios and surprises into account the study created a picture of what the future organisation would be like, how it would operate, how it would feel to work there and how it would manage its people. The conclusions include a world in 2018 where:

- More organisations will be wholly virtual. There will be a greater polarisation between the number of organisations that are virtual and large global corporations
- Those organisations that maintain physical premises will be run by managers who create a sense of control and calm. The energy that is currently expended addressing immediate issues will be channelled into more productive activities
- There will be a greater fluidity of skills and movement across different environments, with collaboration and political skills becoming critical.

### Recommendations to leaders and managers

To create their desired future, businesses should:

- Build knowledge about key future issues in business markets
- Be more flexible with regard to business models and understand the ways different businesses operate
- Understand business drivers and culture
- Manage the complexity of people’s tasks by reducing noise and information overload
- Bring together specialist functions and manage workflow in an integrated way
- Focus on individual employees and their needs when developing work technologies
- Make organisations more human
- Motivate people creatively
- Obtain access and understand the dynamic mechanisms of the talent markets
- Provide flexible, tailored support for work-life integration.

Furthermore, strengthening an organisation will require enhancing agility, clarity, flexibility, genuineness, innovativeness and openness.

Finally, taking the notion of unforeseen events seriously, thinking these through diligently and investing in contingencies may prove to be business life-saving in the long run.

### What will the future of work and management look like?

The scenario ‘The World Continued’ describes what is believed to be the most probable picture of the world of work and management in 2018. It serves to paint a picture of the future world and gives an indication of the key issues for organisations and managers to consider. Although these have been broken down into ten areas there are interconnections and relationships between them which must be taken into account. It is these interconnections that are critical to ensuring a holistic long-term approach in preparing for the future.

**Business markets** will be noticeably influenced by new players from Brazil, Russia, India, China, Eastern Europe and other developing countries as well as global businesses. As new business models are introduced to respond to these changes there will need to be a greater emphasis on new skills such as understanding diversity and foreign cultures. Organisations will have to be increasingly knowledgeable about world markets as financial affairs and interconnections between seemingly independent events may have a dramatic effect on their business. Trade blocs within and across markets will experience more competition and conflict, while governments within trade blocs will have increased their collaboration. New industries will be created as

environmental factors and regulations become increasingly relevant. Faster and shorter lifecycles will be common in products and market prices will become increasingly transparent.

**Business models** will change their nature, be more diverse, more customer-centric and change more quickly. We will see a polarisation of business models from global corporations to virtual-community-based enterprises. Large corporations will grow even bigger and there will be more small niche-oriented specialised associate businesses around. There will be a more diverse and expansive range of business models and ownership structures. The growth of social enterprise and open source technology will challenge traditional business models. New business models involving integrated customer and supply chains, global product development and servicing will create new ways of working.

**Business structures** will change in character, being more diverse, open to the outside world and community-based. They will also be more employee-centric, especially those that are built on the productivity of talented employees. Customer participation in business will increase, e.g. customers will be producing content, innovating and supporting businesses. More non-traditional employment arrangements (e.g. self-employment, temporary work, shared work, free agents, e-lancing) will be the norm.

The **tasks of people within organisations** will have a new focus. On all levels there will be a move toward up-skilling and multi-skilling. Innovation and creativity will have become key to most tasks and having soft and social skills will be critical. On the other hand, hard and technical skills will also be increasingly valued within the workplace as their rarity increases. Nevertheless, there will be a great diversity in the skills of the workers. Employees will be required to be more flexible with regard to organisational needs, e.g. project staffing for efficiency may require service on call and time slot assignments as opposed to work shifts and work days' allocations. The use of IT will become easier and the majority of routine tasks will be automated. Social networking and online communities will become common work tools.

The increased monitoring and surveillance of work on all levels will require organisations to ensure that they have many of the **management skills** such as interpersonal skills, building alliances, strategic planning and political skills that are needed in business today. As business models demand an increasingly flexible and transient workforce, securing intellectual property and information will become an important challenge and will have to be managed. Furthermore, work teams will become

more multi generational, multi cultural and remote. As social changes from the past 30 years take effect women will have moved into higher management positions. Dealing with these changes will require talented and prudent managers who excel in analysis, evaluation and above all good judgement. Access to external talent and management of talent will become essential.

Organisations will require new and enhanced **technologies for their work environments**. Permanent, fast and mobile internet connections will be omni-present, which will in itself introduce challenges for managers and employees as they struggle to analyse and filter the constant stream of information. Learning to manage technology and understanding how to disengage from it will have an increased importance. Technologies that can handle increasingly virtual contact and implicit and tacit knowledge will be required for running distributed workplaces and offering personalised support. Some aspects of the tasks and responsibilities currently performed by managers will be run by highly sophisticated collaboration software. Gaming technologies will significantly influence work and management. Technologies for capturing wisdom and wisdom management will emerge.

As the demography of the world changes **society** will increasingly have an impact on behaviour and leadership styles at work. Emotional intelligence and the ability to interact and communicate with others in accordance with their values, as opposed to technical competencies and knowledge, will become more important in the management recruitment process.

Employee protest against having to become more productive without seeing increases in wages will lead to increased mobility. Cost, regulations and the value of the green movement will force companies to address societal issues such as environmental sustainability.

**Work needs of people** will change as they work in distributed geographies. Managers will have to deploy skills in leading and managing such virtual teams. The output of work will be the measure of productivity as opposed to input of time and resources. Sense-making and value-orientation will have become essential for work motivation. Dissatisfied employees will vote with their feet and change jobs more often, as traditional careers become increasingly rare. Many talented people will be multi-employed, some of them working more than one day a week in so called "third place locations" outside their organisations and their home offices. Work-life

balance will become work-life integration as boundaries between work and life merge.

**Private needs of people** will increase in intensity as private responsibilities relating to ageing relatives and child care grow. Attending to these needs will inevitably lead to blurring boundaries between work and life as people try to cope with numerous urgent demands. Job choice too will be influenced by private preferences, e.g. with regard to location. Health improvement will become a key motivation. People will insist on health, medical and other facilities that support well-being to be integrated in their work environment.

**Talent markets** will become more complex and more diverse with regard to age, generational issues, culture etc, and will require more sophisticated recruitment processes. The proportion of employees coming from abroad will increase. Complexity in working life will lead to workers having greater anxiety and stress levels that managers will have to address regularly. Talented people will be demanding a great deal of personal control, leading to a power shift from employers to employees. The best talents will mix work with lifestyle.



## Recommendations for 'The World Continued'

Assuming that the scenario 'The World Continued' is the most probable version of the future of work and management in the next decade, the question is "What can we do about it now to prepare ourselves and our organisations?"

From the whole range of findings of this study, we have picked out the most relevant action points and opportunities for the management and leadership agenda. Not all action points can be applied to all organisations in the same way as they differ in many aspects, like type of industry, size, geography, output, design, diversity, ownership, degree of integration, business cycle, relations to customers or management functions, roles and responsibilities.

Similarly, many of the management skills highlighted are already practised and will not change. Every individual will need to decide which is best for them based on their role, their function and their organisation. What will change is the greater emphasis on key skills which are not necessarily functionally specific and the greater need for skills and competencies to be interlinked.

With this in mind, the way recommendations can be used and applied in organisations will be very different.

### Key action points for organisations and managers

#### Business markets: knowledge is key

Market and competitor intelligence is an important ingredient in the success of any organisation and this will be increasingly so in the future. Organisations will need to gather and build knowledge about external developments like environmental issues, social changes and competitive intelligence by using specialised systems and services. Systems that scan databases and the internet for early warning signs with regard to different issues, such as employee de-motivation, industrial espionage and future developments, will need to be installed.

With immediate access to so many data sources managers will need to ensure that they have the skills to analyse complex data from multiple sources and use their judgement to make decisions.

#### Business models: flexibility is key

Organisations will need to create business models that not only exceed customer expectations but anticipate, provoke and stretch them. These customer-centric models will need to adapt as customer needs change and be driven by the values of customers.

Involving customers in the value chain, proactively seeking their input and treating them as part of the

organisation will improve products and services. Customers will also provide the organisation with feedback on their perception in the marketplace and test their ethical and environmental credentials.

The organisation of 2018 will have to be expert at running more than one business model at a time. It will need to be able to change models rapidly in accordance with changing needs, for instance by building a specialised unit for creating and incubating new business ideas and models and migrating to or spinning off the most promising ones. With the increasing importance of globalisation, business models will need to be analysed and evaluated in the context of different cultures.

Organisations should use distribution power to build business models that make use of the "long tail" selling a greater number of otherwise hard-to-find items in small volumes, rather than selling a small number of popular items in large volumes.

Business models that are based on local and regional goods and operations should be employed, thus keeping contact with local suppliers. Smaller businesses should differentiate themselves by excelling in customer service and responsiveness.

Managers and leaders will benefit by having the expertise to identify which business model is appropriate to use at any time and have the strong

leadership and change management skills to implement it. Negotiation will become a key skill to be mastered. Teaching these skills in a creative and playful way will aid learning.

#### Tasks of people within organisations: managing complexity is key

The changing demographics as well as the diverse nature of employment will require organisations to reintroduce the role of the apprentice through mentoring systems and alternative training programmes.

Technology will play an even greater role as human resources are managed by systems that take into account the individuality and skill set of each employee. Likewise systems that manage and track results on different work levels and help automate some of the more mundane managerial tasks in complex projects will have become the norm.

Successful managers will be those who are more adept at managing distributed tasks and bringing together the achieved results effortlessly to a coherent whole. Strong project management skills will be essential.

#### Management needs: awareness is key

As the role of employees changes, recruitment practices will be required to evolve. It will be necessary for organisations to develop recruitment processes

such as psychometric testing that will place more emphasis on selecting managers not only for their management competencies but also their emotional and spiritual intelligence.

Training and coaching skills will have more significance. Managers should look at deploying training and coaching activities to raise people's awareness and self-awareness. Their main role will move from having a predominately functional focus to one in which their main aim will be to coach others to get their job done better.

Knowledge and wisdom management will be key to organisational success. The manager of 2018 will need to be adept at capturing people's tacit knowledge in a variety of ways without discouraging them by pressing their thoughts into a pre-set structure.

More creative and varied methods of increasing productivity such as task automations, short cuts, energy and attention focus will need to be used.

#### **Technologies for work environments: individuality is key**

Systems will be required to have intuitive interfaces and be designed specifically for the individual user.

Organisations will benefit from discovering alternative ways to access knowledge and technology, such as semantic networks which help pursue goals, values

and guidelines. Work knowledge should be integrated with personal systems, with users having 24-hour access. Specialised systems should be used for running networks and communities so that they serve the business purpose in different ways, such as customer involvement in the value chain and market segmentation observation.

#### **Society: humanness is key**

Partnerships and collaborative working are important constituents of the successful organisation of the future. Positions and titles may prevent collaboration so consideration should be given to abolishing them. Instead each employee should be seen as a valuable resource to be employed according to specific organisational needs.

Wisdom will become a valuable resource so organisations will want to access the societal, cultural and organisational memory via practices such as organisational rituals, gatherings and accounts of long-term employees. This tacit knowledge can be accessed via storytelling, anecdotes and case studies.

Organisations must increasingly use products and solutions that facilitate wisdom. The plethora of information that will be available will require organisations to apply judgement, find interconnections and produce meaning as a counter-measure against the growing loss of intellectual property.

A greater degree of emotional intelligence will be required by managers so that they can understand how people work and their likely reactions to change. They will also benefit from having the humility to accept that they are not always the ones with the best or most appropriate ideas.

#### **Work needs of people: motivation is key**

As business models become more customer-centric and increased competition leads to a greater need to differentiate, organisations will need to organise themselves from the bottom, taking much more into account the needs of employees at the frontline, serving the customer. The work environment should be built so as to encourage creative thinking and analytical skills. A successful organisation will design structures and processes according to individual employee needs.

#### **Private needs of people: support is key**

Changing demographics and an increasingly demanding workforce will mean successful organisations will offer more tailored lifestyle benefits to their employees. The increasing age profile will require organisations to focus on the ageing workforce and offer specialised products and services. These could include wellness treatments, health guidelines, functional furniture etc. Organisational cultures will need to move from work-life balance to work-life integration.

Managers will need to engage genuinely with employees in all aspects of their life and offer them the support services that are relevant to them. Individuals' strengths should be nurtured and developed rather than focusing on their weaknesses.

#### **Talent markets: access is key**

The changing nature of talent markets will require organisations to use distributed work programmes to attract and retain talented individuals who want extensive control over where and when they work. Managers will have to understand networks and communities and the behaviour of participants and work with them in order to achieve their business goals.

As more work becomes project-based individuals will need to use specialised services to market themselves and their skill sets for ad-hoc projects.

Products and services which find the right human resource at the right time, e.g. by using specialised resource databases and matching them to client projects, will become essential. Understanding of the differences between diverse members of the workforce and awareness of their different learning and leadership styles will be vital. Skills sets will have to be managed in line with the tasks at hand through the help of personal coaches, specialised software and e-learning.

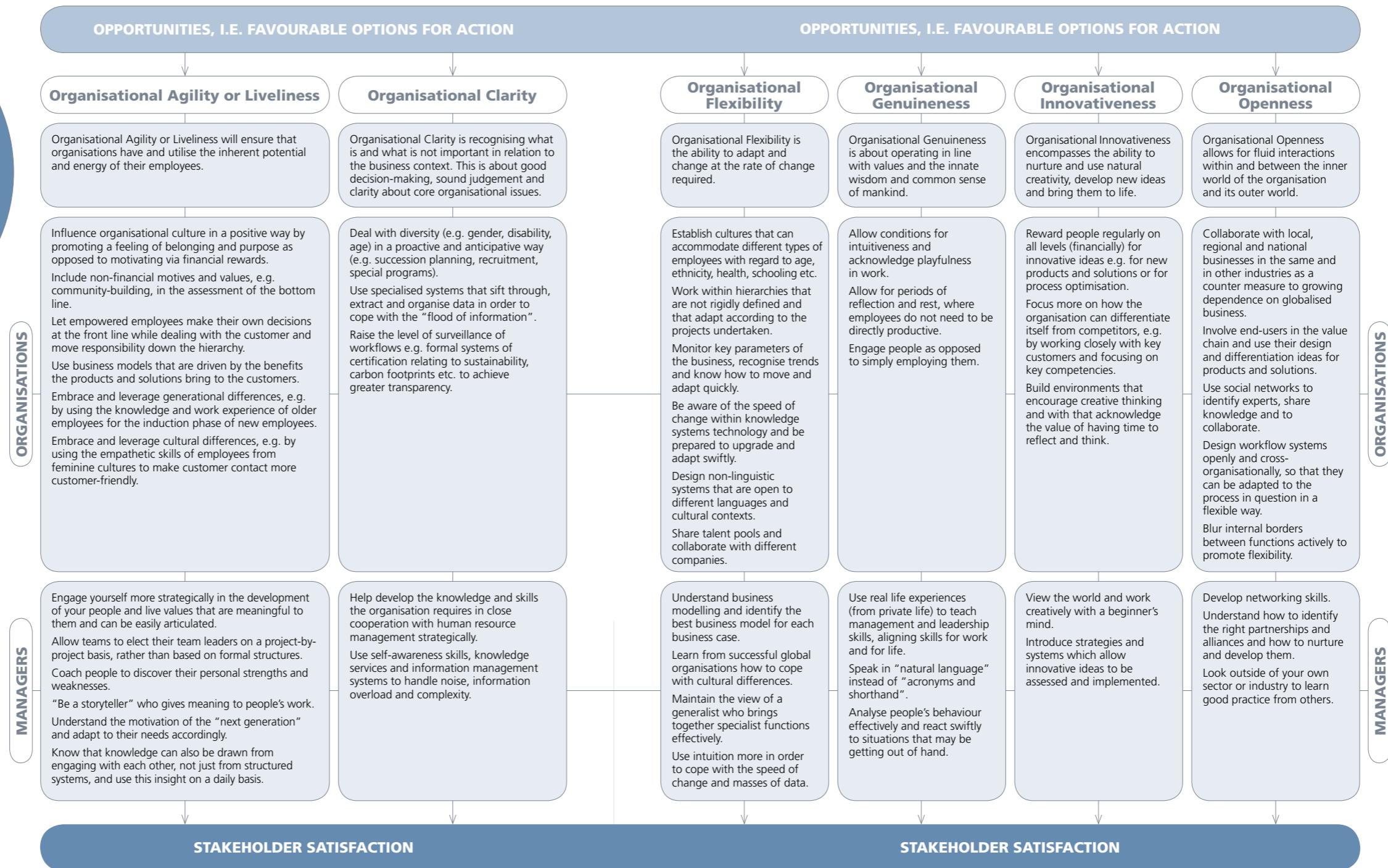
### Clusters of opportunities in 'The World Continued'

Reflecting on the findings, we discovered six types of actions or clusters of opportunities (figure 1), each potentially leading to the enhancement of an organisational capability. Lasting organisational

values tend to lead to higher levels of satisfaction of stakeholders (customers, employees, owners, governments, partners etc.), to value creation and clear brands. These are:



Figure 1: Clusters of Opportunities



## The Unexpected Future – Alternative Future Worlds

Despite the high probability of 'The World Continued', it may not be the only face of the future world. Unforeseen events could impact 'The World Continued' leading to other versions of tomorrow the 'Unexpected Future'. Organisations will also need to prepare and have contingency plans for such eventualities. This study has uncovered 16 possible surprise scenarios, which are outlined below and sorted by possible impact. Some of these, such as the world coming under cyber attack and the world in environmental catastrophe, are not new and are already being addressed on a national and international scale. However, at any organisational level there is still potential for improvement.

In terms of preparation, principally introducing more flexibility, openness to change and new routines into the organisational system will serve as a basic safeguard against potential surprises, since there will be no way of preparing for each of them individually and in detail. In addition, a series of specific contingencies will be required.

### The World under Cyber Attack:

Terrorists may attack the internet and the Windows™ environment, bringing work to a halt globally. A virus placed by terrorists blocks the internet and operating systems worldwide or diffuses through firewalls and systematically deletes huge quantities of business and private data, gaining access through online communities. Common safety measures turn out to be insufficient. Hundreds of businesses lose their organisational memories, intangible assets and intellectual property.

**Implication:** Securing systems will need to reach a new dimension. Expecting the worst, systems will require early detectors that send off red alerts which in turn automatically initiate emergency routines. Virtual dams rise to protect data against outside attacks. Multiple backups in "intellectual property banks" could be business life-saving. Getting the balance right between a business's essential openness of systems and protection in the worst case will require some thought.

### The World in Environmental Catastrophe and The World in Economic Recession:

A major environmental issue hits the world and alters everything, e.g. a gigantic earthquake in Japan that destroys large parts of Tokyo and Osaka, leading the Japanese Government to withdraw large amounts of funds out of the international financial markets, which in turn leads to the collapse of major stock markets globally. Similarly, severe global economic recessions lead to the collapse of the Western economy and a halt in global business interactions. Companies have to cope with severe losses in sales.

**Implication:** In both scenarios, the impact on business economies will be massive. Again, expecting the worst will mean making provisions for dysfunctional or not functioning stock markets and an unstable global economy. Building up tangible asset reserves outside the influence of stock markets and day-to-day business that will temporarily bridge and stem such irregularities will be a good safety measure.

### The Geriatric World:

Life-enhancement technologies proliferate and prolong life – people routinely live to 120. Managing people also means dealing with complex health issues and new daily work challenges as the world becomes geriatric.

**Implication:** This scenario will not happen abruptly. It will presumably proceed at such a barely detectable rate that organisations end up being taken by surprise as they are confronted with its full-blown version and suddenly realise its very real impact on their businesses. Early preparation, however, will lessen the impact of this development and open up new and real possibilities for enhancing the talent and resource base, e.g. by gaining the support of the older generations in up-skilling younger ones. Organisations will require an intelligent, thoughtful and differentiated approach to human resource management.

### The World of Knowledge as a Commodity:

Intellectual property rights are abolished, making knowledge and knowledge production lose their value and become a commodity. This produces a major shift in the knowledge economy paradigm as businesses struggle to define new outputs that replace the concept of knowledge as an asset.

**Implication:** This too is a future that may subtly creep up as the world congratulates itself on being able to turn knowledge into a sellable business product. Building up a portfolio of products and services that can be made to spin off the receding knowledge economy in a short period of time is a solution organisations may want to think about.

### The Shrinking World Economy:

The economy of China or India collapses due to social unrest among minorities and in parallel through pockets of war, e.g. in Iran, Pakistan, India, China, Taiwan. The business market shrinks suddenly and dramatically as business in these countries become unstable.

**Implication:** War and social unrest are very real threats to the stability of global business. Even if it may be tempting to focus on successfully emerging markets, it will make sense to spread the risk among several new markets. Serving homeland and surrounding markets with the same intensity will alleviate the shock should such a scenario become sudden reality.

### The Shrinking Workforce:

As developing and emerging nations grow economically strong in the global business arena, immigrants choose to stay in or go back to their own countries. The Western world loses significant parts of the workforce that have been employed in badly paid jobs serving the running of cities. Younger people in particular are missing.

**Implication:** Although this is a positive outcome for the migrants' economies, it will impact heavily on city infrastructures in the Western World. One possible and sensible safety measure is to use native resources and to train and re-skill the unemployed locally, regionally and nationally. Additionally, reframing and re-valuing infrastructure management positively will attract the most motivated local resources, leading to other beneficial side effects in the management of city backbones.

### The Brain-Enhanced World:

Businesses routinely use microchips in order to enhance the abilities of their employees, e.g. mental chips, memory enhancement chips, knowledge chips. Some also use them to monitor and control behaviour. Neurobiologists have found a way of influencing neural timing and employing time in our brains more efficiently (speed the mind, slow the time) in order to increase productivity.

**Implication:** This "Big Brother" or "The Matrix" scenario may be nearer than we think. Keeping abreast of such developments and building up a knowledge-base about the use and misuse of brain-enhancement technologies may be an appropriate precaution to help foresee and prepare for its impact on current concepts of work and personal capability.

### The World Digitally United:

Conversational user interfaces allow natural communication with computers and enable everybody to use and control technology with language, gestures and facial expressions. Nobody needs to "learn" how to use certain software any more. It is the end of the so-called digital divide between the technology literate and illiterate.

**Implication:** This is a positive surprise that needs preparation to harvest its potential. Being on the look out for such new technologies, adapting to them and implementing them within a differentiated human resource management programme will prove beneficial in the long run. The amount of up-skilling and re-skilling may be reduced markedly.



**The World Re-Defined:**

The new generation refuses to engage in what they perceive to be “meaningless jobs” on a mass scale. Work is perceived to be an expression of character and not to be harnessed into employer-determined business processes. Instead, they choose ethical careers and leave the “rat race” of previous generations.

**Implication:** This event may tiptoe into the world of work or it may come as a sudden event as longstanding hidden conflicts explode into an angry protest movement against the “Establishment” leading to behavioural changes on a large scale, a repetition of the student movement of the 1960s. Openness to ideas and, most of all, to disagreements and sharing of power with the younger generation may prove to be essential. It is a question of harnessing future potential and talent.

**The World Ruled by Employees:**

Shareholders are not automatically entitled to all profits an organisation produces and lose power significantly. Instead, organisations hand over power to their employees. Many organisations are designed as “guilds”. Their mission is to support their employees.

**Implication:** This may mean a massive change in power structures and the way businesses are run. As in the previous scenario, this development may spread slowly or suddenly through angry protest movements. Re-thinking business through the eyes of employees and managing power structures prudently may prove to be helpful.

**The World Stopped:**

A major terrorist attack wipes out infrastructures and hubs of business travel like Heathrow and JFK in several Western countries simultaneously. Global business slows down considerably as business travel jams.

**Implication:** There is no direct precaution against such events. The more organisations conduct their businesses globally and the less they use virtual communication possibilities, the more affected they will be. Besides using communication technologies, a further safety measure will be reducing travel and conducting business locally.

**The World Run by Robots:**

The first fully functioning robots possessing artificial intelligence are created and put into management positions. Robots are not necessarily physical robots but software robots developed from sophisticated decision support systems and rule-based decision-making-tools already used in areas like fund management.

**Implication:** This is a scenario that may slowly and steadily move into management reality. It will gradually increase organisational dependence on systems. Regular updates on such developments and building up a knowledge base about the use and misuse of them in management may be an appropriate precaution to help prepare for their impact on current concepts of management.

**The World Ignored by the US:**

After economic hard times a totalitarian regime arises in the US and dictates business rules very restrictively. Boundaries are closed in order to hold off everything ‘foreign’. The political agenda changes from ‘America first’ to ‘America only’.

**Implication:** This is a scenario that supports the idea of promoting business in the homeland and surrounding regions. Building a strong customer base outside the US will help counterbalance some of the impact of such an event.

**The Religious World:**

World religions sponsor global business corporations, thus accessing the power to drive business markets and change the rules of the game. There is a clear distinction between insiders and outsiders and clear religious hierarchies in the business landscape. Religious fundamentalism in business creates a clash of civilisations on company levels. Religiously motivated “business wars” and “business crusades” are fought.

**Implication:** In this case current information and in-depth knowledge of the issues behind such developments will be key. An early warning system that scans the media for repetitive incidents and patterns signaling the possible beginning of such an event will be essential. The capacity to understand, negotiate and deal with religiously motivated business partners could help fend off the worst.

## A Desired Future World – ‘Vision of the Future’

### The World of Shrinking Work:

Organisations parcel out small pieces of jobs online, such as transcribing podcasts and labelling photos, to people around the world (Mechanical Turk, amazon.com). Company jobs lose their breadth and are eradicated over time.

**Implication:** This is a manageable, less threatening scenario. However, compounded with job loss due to other job-killers like automation and computerisation, the loss could become noticeable. Keeping an eye on such developments and not letting the number of jobs sink underneath a chosen threshold may be a sufficient safety measure.

### The World Divided:

A group of important emerging countries that have grown and strengthened through global business are led by, for instance, China to join to create their own version of the internet. They keep full access to the ‘common internet’ but gain the power to cut off countries, organisations and individuals at their own discretion. Network access becomes a competitive factor for organisations in the knowledge economy.

**Implication:** Being locked out of the emerging countries will definitely hurt global businesses. Thinking local and doing local business is again a good counterbalance. Securing intranets and extranets is another sensible safety measure. On a governmental level, such scenarios may be worth contemplating and evaluating. Defining clear rules about the use and misuse of the internet in business may help prevent or counteract such scenarios.

Having examined all the findings of the expert panel and the environmental analysis, the final stage of this study is to create a vision of the future organisation. This desired future can serve as the yardstick by which organisations can measure the steps they are taking to prepare for the future world.

In 2018 more organisations will be virtual. There will be a greater polarisation between the number of organisations that are virtual and large global corporations. Organisations that maintain physical premises will be run by managers who demonstrate genuine competence and create a sense of calm. The energy that is currently expended fighting fires will be channelled into more productive activities. People will feel motivated and valued.

Information systems will be servants rather than masters. They will run seamlessly and effortlessly in the background. They will house accurate and relevant information. Each area of work will have the system it needs. The systems and flexible data structures will be more evolutionary and will allow users to adapt, extract and integrate data in new ways. Systems will be available to all, even those outside of organisational boundaries.

There will be a greater fluidity of skills and movement across different environments, with collaboration and political skills becoming critical. Managers will have the vision to create synergy across different activities.

Leaders and managers will have the foresight to identify changes in the market and use their exceptional wisdom and judgement to make important business decisions. They will be superb role models for their teams, harnessing creativity through greater diversity and flexibility and gaining commitment from employees through loyalty to the organisation’s values, brand and reputation. Their teams will have the assurance to make decisions and the confidence to make critical adjustments to respond to external environmental changes.

## How Future Competent is Your Organisation?

Leaders and managers will be accountable, well informed and anticipating. They will act with humility and at the same time have drive. With highly tuned inter-personal skills, they will avoid distractions, cope with different work principles and manage conflicts and emotion. They will know how to manage complex relationships and use their political and partnership skills while operating across organisational boundaries. They will be risk-takers constantly challenging current practices. There will be more people spending time “thinking” as well as doing. Playfulness and creativity will be encouraged to unlock new ideas and will be rewarded accordingly.

With the increase in remote and virtual working, managers will be able to lead from afar, balancing out a sense of social isolation and a lack of internal relationships. There will be more flexibility in working structures. People will come together in teams for specific projects, complete them, disband and then reform as new projects arise.

Knowledge management and the growth of the knowledge economy will create new business models. The exploitation of knowledge and the management of intellectual property and content ownership will be critical.

Organisations will focus on customer intimacy models to develop and market their products and services. A more personal relationship with their employees will allow them to deliver individual benefits to meet individual needs. People’s attachment to their organisation and brand will inspire and motivate them to excel.

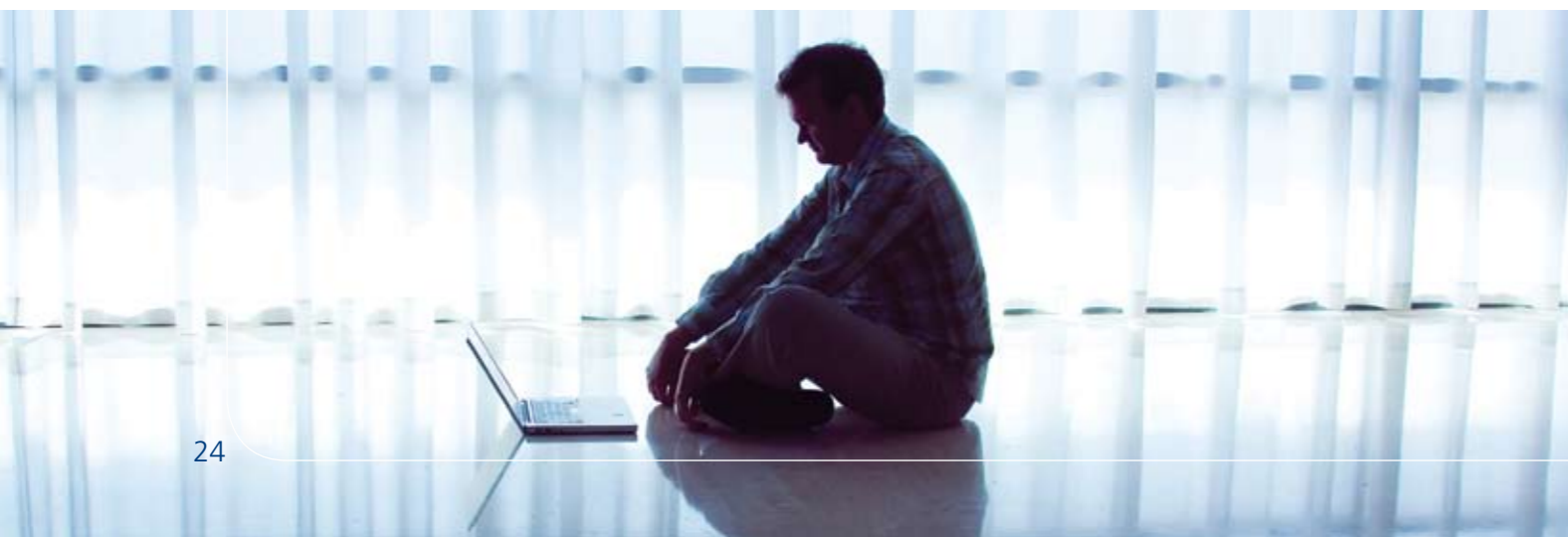
Throughout the consultations and analysis undertaken for this study, one consistent insight has emerged: although we cannot determine the future, we can prepare for it. Successful future organisations will be those that do more than embrace change. They will anticipate, identify and drive change.

No single strategy will prepare an organisation for the future. But, by understanding what might happen, leaders and managers will have a better chance of making sure their organisations and teams are effective, capable and competitive.

To prompt your thinking and to stimulate debate we have created a framework to allow you to ask the right questions, debate the topic and start the process to ensure that your organisation is future proofed.

By answering these questions, you will have a clearer idea of how well positioned your organisation is to begin preparing for the challenges and opportunities the future will bring. Coupled with the analysis of possible futures and the recommendations detailed in this study, it will help you begin the process of putting your business on course for the kind of future you want to see.

	Questions	Yes	No
1	Have you articulated the key questions about the future of your business?		
2	Have you uncovered the assumptions of your team and of experts about the future of your business?		
3	Are you aware of the possible surprises that may shake the foundations of your business?		
4	Have you identified key opportunities for the future of your business?		
5	Do you have a clear vision of where you want to be with your business in the short, medium and long term?		
6	Is the short, medium and long term strategy articulated and implementable?		



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The full Environmental Scanning report will be available from 1st May 2008 at a price of £200. It can be ordered by emailing [research@managers.org.uk](mailto:research@managers.org.uk) or calling 020 7421 2721.

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