

Future-proofing the Canadian workforce

Manulife and Communitel lead coalition to build healthy, resilient communities that are primed to succeed in the workplaces of tomorrow

Executive Summary

New and emerging advances in technology are fundamentally transforming the way organizations recruit, hire, retain and upskill talent, and how employees want to do their jobs and pursue their careers. Automation, for example, is opening up opportunities for employees to leverage technology to do their jobs more effectively and efficiently. The changes are also profoundly affecting workplaces and where, how and when employees do their work, with work-life balance and flexible working arrangements increasingly favoured by full-time and part-time workers alike. What's more, today's workers are increasingly seeking purpose-driven employers, and making clear they want to work for companies with corporate social responsibility injected into their DNA, including benefits and programs to assist gig workers and full-time employees. Companies must now manage employee expectations just as seriously as they manage the wants and needs of customers.

The breakneck pace of change requires corporations, governments, academic institutions, policymakers and educators to work together to confront the Future of Work, one of the biggest challenges and opportunities of our generation. No one entity can face the challenges alone. Amid the digital transformation, it's critical that Canadian companies continue to invest in their employees and provide them with the skills and training they need to remain competitive in the workplaces of today and tomorrow, and to adjust for employees' workplace demands, including better compensating gig and freelance workers. Governments, educators and myriad stakeholders must join forces and work together, and remain agile and responsive to evolving employee needs to better prepare future generations for what's ahead.

This paper provides a brief historical overview of advances in technology, examines evolving workplace demographics and changing employee expectations, including those of freelancers and contract workers, and discusses Manulife's and Communitel's solutions and vision for the future – an innovative, community-based approach to learning, comprised of multiple stakeholders, aimed at nurturing resilient communities and future-proofing the Canadian workforce.

Introduction

Chris Bruyn has worked for almost 15 years as an industrial engineer. As for millions of other workers around the world, automation and other recent technological advances have threatened to make much of the hands-on work he has done with passion and dedication almost completely obsolete.

“I still struggle, and it has been scary at times transitioning to a new way of working” says Bruyn, 39, a foreman at Axiom Group of Companies, a full-service, multi-trade company in Cambridge, Ont.

“I was always hands-on with tools and I never had a laptop; now I am writing hundreds of emails every day, and that was never part of my job. I have an iPhone now in my pocket all the time when I’m working. Times are changing, and this project I’m working on right now ... everything’s robots. It’s mind-blowing.”

The well-worn adage that “change is the only constant” has never been more true than it is today, as millions of workers, businesses and governments around the world grapple with the rapid pace of technological advance and its profound impact on the future of work.

Like the First Industrial Revolution’s steam-powered factories, the Second Industrial Revolution’s application of science to mass production and manufacturing and the Third Industrial Revolution’s leap into digitization, the Fourth Industrial Revolution’s technologies, including AI, augmented reality, robotics and 3-D printing, are already dramatically transforming the way we live and work. But it’s not like we haven’t seen such sea changes before.

The First Industrial Revolution in the 18th and 19th centuries propelled a flood of people from farms to factories. The rise of mass production brought work onto assembly lines. Technological progress has always altered our lives, forcing society to make massive adaptive changes.

Now, technology is again radically reshaping the next generation of work, and the impact promises to be more profound than ever. Estimates vary, but it’s expected technology will displace millions of Canadian workers in the next 12 years.

The numbers tell the story. Data from the World Economic Forum, Deloitte and other organizations has shown that 54% of employees will need fundamentally new skills by 2022, just three years away. And 35% of them will require more than six months of training to get up to speed on those skills. What’s more, 30% of the skills employees use today were unknown to them just a year ago. By 2020, according to the World Economic Forum’s Future of Jobs report, more than a third of the desired core skill sets of most occupations will be comprised of skills that aren’t yet considered crucial to that job today.

“It’s the pace of the change, the acceleration of it, that’s different,” says Mike Doughty, President and CEO of Manulife Canada, which is taking great strides to prepare its workforce for the future of work.

“It’s not like we haven’t been constantly adapting and evolving, but the pace of change in this Industrial Revolution has been shockingly fast. The typewriter had a good 100-year run... Compare that to smartphones, and how quickly they’ve changed our lives. They’re only 10 years old, and we can’t imagine a world without them.”

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The Talent Skills Gap

This torrid pace of change has resulted in unique headaches for Canada's tech sector. A lot of Canada's tech activity is centred in Waterloo Region, which has historically been a hub of Canadian innovation. A 2018 Brookfield Institute report delved into the problems the region's tech companies face in finding talent, but it's a similar situation for the country's entire tech scene. There are thousands of jobs available in the sector, but a lack of candidates with the appropriate training and skills, particularly in e-commerce, artificial intelligence and software-as-a-service.

"Talent is a global issue and those communities and countries that win this battle will win the war," says Tony La Mantia, president and CEO of the Waterloo Region Economic Development Corporation (EDC).

"Having said that, there is cause for optimism. Based on the latest data and various articles, it seems that Waterloo Region, and Canada overall, is beginning to see gains on the inflow of talent – from international pools, and in Waterloo's case, from net migration from within Canada as well."

Many companies rely on the Canadian immigration department's Global Talent Stream program to bring in qualified tech workers from abroad. The program provides Canadian employers with easier access to temporary foreign workers with experience in 13 occupational categories in fields that include information technology and STEM (science, technology, engineering and mathematics).

The success of the program, and the urgent need for it in Canada's tech sector, is a stark illustration that Canada still faces enormous challenges ensuring its own labour force has the skills required for the future of work. It also underscores the need for an honest, apolitical

conversation about the dire economic need to encourage and facilitate more immigration to Canada.

Iain Klugman, President and CEO of Communitech, a public-private innovation hub that supports a community of more than 1,400 companies in Waterloo Region, says the dearth of skilled tech workers is growing ever larger, even in the midst of broad efforts to retrain existing employees.

Canada simply doesn't have enough workers, he points out. As every company – from banks to grocery stores and retailers – starts to look and act increasingly like a tech company, and as tech startups grow by leaps and bounds in size and number, the competition for qualified workers has become increasingly fierce.

"It's getting worse because tech workers are needed everywhere now; everyone needs to be a tech company," he says. "We either have to entice people to have more babies, or we need to bring in millions of more people, at least a million a year."

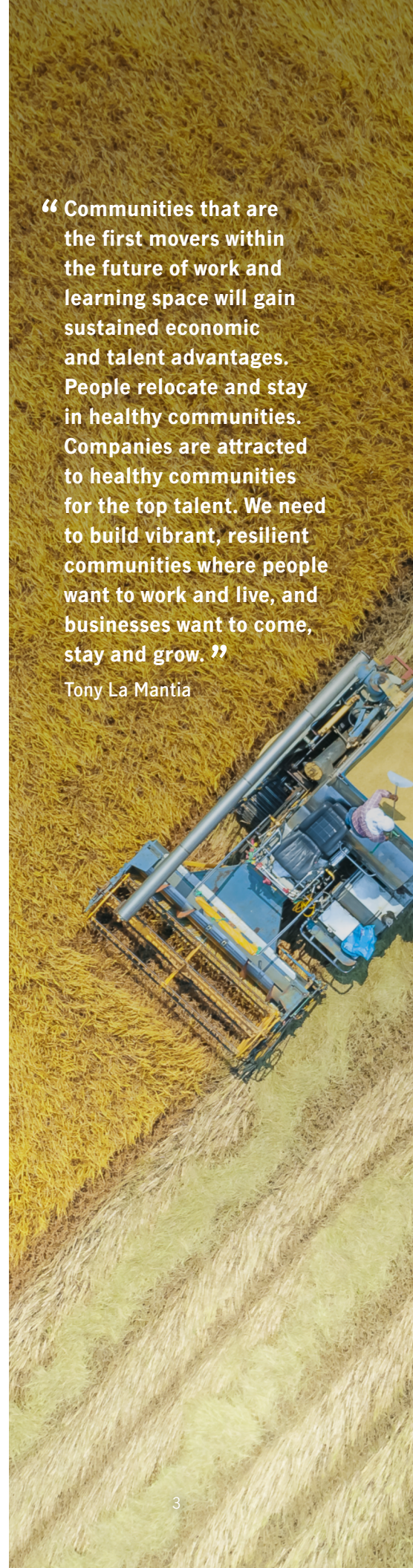
The research has found that organizations around the world are grappling with the same issues. They simply cannot buy talent with key skill sets fast enough to deliver on their business objectives; 62% are using contingent workers, while 50% are retraining workers to work alongside machines.

La Mantia points out that the Global Talent Stream program is at least, for now, giving Canada an edge over the United States.

"The program has put Canadian and Canada-based companies in an advantageous position over their American counterparts, where immigration – even for highly-trained talent – is becoming more difficult," he says.

“Communities that are the first movers within the future of work and learning space will gain sustained economic and talent advantages. People relocate and stay in healthy communities. Companies are attracted to healthy communities for the top talent. We need to build vibrant, resilient communities where people want to work and live, and businesses want to come, stay and grow.”

Tony La Mantia



The Rise of the Gig Economy

It's not just a lack of qualified people that is driving the challenges around the future of work. The fundamental nature of work has also shifted. While technology is creating efficiencies by automating more tedious, repetitive and labour-intensive work, it is also freeing up employees' time to focus on more value-added tasks. What's more, "anywhere, anytime" access to the internet and digital tools have rendered the nine-to-five office day an old-fashioned business model that isn't required in today's digital-first climate. Nor does it fulfil employees' increasing desire for more flexibility and autonomy over their work days.

And as the aging population looks ahead to retirement, there are more millennials in the workplace than ever before. By 2025, they're going to make up 75% of the world's workforce. They are, by and large, digital natives who are also seeking work with meaning and purpose, where they feel they can make strong contributions to employers that share their values, rather than just having a steady job that "pays the bills."

Changing workplace demographics, coupled with the increasing prevalence of technology, have helped give rise to the so-called Gig Economy. Freelance and contract work is growing rapidly around the world, [according to Deloitte Insights research](#). The international gig economy is currently growing at approximately 14% annually, a 2016 Oxford University research paper determined. If the trend in job growth continues to skew towards gig-type jobs, a large portion of the workforce could essentially become self-employed.

And with the traditional workplace quickly becoming disrupted and new technologies making remote and flexible work easier than ever before, contracts and entrepreneurship are increasingly emerging as an appealing career path of choice for some young professionals, while it may be a necessity for others – that is, temporary gigs are all that's available in some struggling sectors.

Freelance innovation consultant Sarah McKenzie, for example, was lured by the autonomy and flexibility of the gig lifestyle. After graduating from the University of Waterloo in 2018 with a degree in system design engineering, "I wanted to find a way to differentiate myself from other product managers, fill unmet needs in organizations and showcase my unique value proposition," she says. That involved developing her own innovation consulting practice, where she offers her expertise to organizations like Communitech and helps new businesses solve problems using a customer-centric and innovation-focused lens.

She was also drawn to the flexibility of creating her own schedule, and the ability to select the projects she wants to work on that she feels will have meaningful value. While she admits being a gig worker can get lonely at times, she alleviates this by working from the Communitech hub when she can, where she can meet with like-minded freelancers. She's also involved in the KW Coworkers Collective, which holds regular meetups for Kitchener- and Waterloo-based freelancers at coffee shops where people gather to work, share tips and ideas. And while the gig lifestyle is not always stable, McKenzie finds that the quality of the projects she's involved in, and the autonomy she has in her work, makes up for it in droves.

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Community-Based Approach to the Future of Work

As part of its initial research into the Future of Work, Manulife and Communitech started with a hypothesis that the Future of Work & Learning was an emerging area of concern for community stakeholders. Both companies wanted to determine whether the hypothesis was, in fact, true.

They started by holding a series of breakfast events with multi-stakeholder community members aimed at raising awareness about Future of Work issues and determining who else was working on the challenges. A number of organizations stepped forward to make clear that Future of Work was top of mind. This human-centred approach to solving problems involved holding design thinking workshops with real people who believed they would be seriously impacted by emerging workplace trends. These workshops spurred the goal of the coalition: To understand the needs, wants and worries of companies on the front lines of Future of Work challenges.

Manulife and Communitech then hosted multiple meetings and workshops in the Waterloo Region in 2019 with a range of stakeholders, including employers, mid-career employees, co-op students and freelance workers in the crosshairs of tech disruption. The goal has been to create a Future of Work playbook for community collaboration, to become a petri dish for workplace best practices and to be a champion for a national conversation on future-proofing Canadian talent and organizations.

At Communitech's 2019 True North conference in Waterloo, more than 70 business and technology leaders took the stage in June to discuss the future of work and technology. The international conference, featuring critical conversations about issues at the intersection of society and technology, was attended by Thomas Friedman, a New York Times columnist and author of

Thank You for Being Late: An Optimist's Guide to Thriving in the Age of Accelerations. He praised the community approach when he appeared at True North.

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“In terms of skills, you want to be moving as fast as you can to always be expanding and updating them,” he told Communitech News in an interview. “In terms of values, you want to be moving as slow as possible and remain anchored in them. One of the things that’s happened is there is so much change going so fast that people got unmoored, unanchored. That’s why community is so important. That’s the anchor in the hurricane.”

Contract and freelance workers like McKenzie were also a key topic of discussion at True North.

The Manulife-hosted workshop entitled **Future of Work and Learning – Taking Community Action**, one of True North’s keystone events, was attended by about 120 people who crowd-sourced their experiences and aspirations.

“We’re using what we heard at the workshop to help shape a Communitech-inspired initiative that takes a coalition approach to addressing how workers will adapt as technological automation and artificial intelligence drive workplace change,” explains Kathryn Kitchen, Head of HR for Manulife Canada.

Simon Chan, Vice President, Talent, Academy and Future of Work at Communitech, says freelancers and the gig economy are a “growing segment” and were at the heart of many conversations at True North this year.

“But there’s no infrastructure, and people feel isolated, like they have no support,” he says. “And there’s a stigma; they’re thought of as temp workers. They’re looking for community.”

And so companies hoping to thrive in the years ahead are increasingly grappling with how to become not just customer-centric, but employee-centric as well, as workplaces and employee preferences change dramatically, Chan says.

“There are lots of questions about how to adapt workplaces around the individual. At True North, there was a lot of discussion about evolving our workplaces to focus on the employee and to build new, healthy workplaces for the future.”

The input from those at the True North workshop, as well as a number of earlier sessions, will help inform a working group that will convene this fall to officially activate the aforementioned Future of Work and Learning coalition led by Manulife, in partnership with Communitech, Deloitte and others. It is made up of representatives from government, industry, academia and multiple other sectors. The goal of the coalition is to help companies attract and retain employees, and develop a shared strategy and vision for how the Future of Work is tackled in the Waterloo region. It’s expected to expand to communities across Canada and beyond in the months ahead.

“These initiatives that cut across communities are a far more effective way of effecting change,” says Communitech’s Klugman. “The Waterloo Region ... we have always had the ability to collaborate and this ambitious entrepreneurship is in our DNA. So it’s a natural act to pull a coalition together and do things together. This is a place that is doubling down on the Future of Work. We’re involving academia, the charitable sector, businesses, and we’re coming together as a community, figuring out not only how to attract and retain talent but to develop the kind of talent we need.”

La Mantia agrees: “Waterloo Region has a unique barn-raising and collaborative culture – it’s one of the things that international companies often mention as being truly unique to other ecosystems.”

For Manulife, one of the region’s biggest employers, it’s a win-win proposition.

“We don’t have all the expertise, so we’re going to be a lot better off if we lock arms with local partners and leaders such as the University of Waterloo, Deloitte and Communitech. All of them are bringing different skills to the table,” says Kitchen.

Paving the Way Forward

Whether they work remotely or at the office, or whether they're gig workers or full-time employees, the future of work necessitates equipping people with the skills they'll need – before they even enter the workforce full-time. To borrow a phrase from Canadian information theorist Marshall McLuhan, the future of work is about “learning a living.”

A Bain & Co. report, Making the Leap: How to Take the Promise of Career-Connected Learning to Scale, details how career-connected learning (CCL) – that is, supplementing classroom education with relevant, real-world work experience like apprenticeships and co-op placements – is key in helping minimize the learning curve that comes with joining the workforce full-time following graduation.

“The best programs are both market-driven and student-centred, meaning they deliver benefits to employers as well as the young people they are hiring and nurturing,” the study found. “That stimulates both the job supply and student demand necessary for scaling.”

And it's integral that companies prepare for the digital tsunami heading their way by equipping existing and new employees – as well as contract workers and freelancers – with the tools and resources they need to effectively navigate and take advantage of change. Fifty-seven per cent of the Canadian workforce, after all, is made up of mid-career employees aged 37 to 54 who need new skills, according to the Future of Work and Learning coalition's research.

That requires employers to respond with ongoing education, training and skills development to future-proof the workforce, much like Manulife and Communitech are doing with their coalition approach. And it means other businesses big and small, as well as all levels of government, must commit to keeping pace via ongoing retraining upskilling so they can continue to thrive in the workplace.

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“Upskilling and reskilling are key for every organization and every employee to be successful, and this success will support the talent gap in tech in a meaningful way,” says La Mantia.

“We are seeing local academic institutions adjust their curriculum, we are seeing local companies’ support through workplace programs and more flexible HR practices, and more opportunities and support for upskilling and reskilling. And we are seeing talent asking for and requiring of employers a supportive and flexible workplace that enables and supports upskilling and reskilling and a positive employee experience.”

Upskilling is what’s turned mid-career employees like Chris Bruyn from a worker handling heavy equipment every day to a foreman who oversees jobs that are increasingly reliant on technology.

“Lasers, in particular, have made things so much easier now when it comes to levelling on a job site, just to name one example,” he says. “Something that could take an hour before now takes five minutes.”

What’s more, upskilling may enable Chris to stay healthier as he ages.

“My work involved a lot of heavy equipment and heavy tools; it takes its toll on your body,” he says. “You definitely have to be smart if you want to last in a trade; you have to be smart with your body. So technology is allowing me to work smarter in terms of my physical well-being.”

Even though Chris says he’s mainly educated himself on new technologies and job requirements, and learned by asking a lot of questions and quizzing colleagues about best practices, there are widespread efforts happening to prepare workers like him for what’s ahead, including by companies like Manulife.

“ Changing my skill set and learning more about the business side of what I do has been amazing and interesting. I won’t deny it’s still hard to get off the tools, though. I knew how to do my job, but not knowing how to use a computer, for example, or not knowing what to say when you walk into budget meetings – you can feel silly learning new things because tasks that are so simple for some people can be difficult for you. But it’s also really gratifying and exciting to keep learning new things, and the future seems brighter every time you do. ”

Chris Bruyn



The Human Touch

Studies in the United Kingdom have looked at all sectors of the economy before and after widespread automation. They've found that almost every job will be impacted in some way, but not necessarily eliminated. Indeed, there are often more jobs after automation, not fewer, but those jobs will be very different and require different skills. Many of them are focused on storytelling, network building, personal services and creating personal relationships and connections.

Those new jobs emerging from automated workforces illustrate what is unique and irreplaceable about human beings compared to the technology that's displacing them. They'll require what are known as "essential human skills." A study by [Deloitte Insights](#) found that skills like empathy, communication, persuasion, personal service, problem-solving and strategic decision-making are becoming more valuable than ever.

To that end, Manulife has laid out a bold ambition for itself: It is determined to become the most digital, customer-centric global company in the financial services industry. The company is building a customer-service model around what's known as a "life moment" concept that involves helping customers when they're dealing with major life events, like the death of a loved one. It's also aiming for 80% of customer transactions to be digital and seamless, and 20% should involve personal interactions between employees and Manulife customers who are dealing with major life changes – or what the company calls high-touch life moments.

"Our clients aren't comparing us to other insurance companies, they're measuring us against the experience and service they get they get from companies like Netflix and Apple," Doughty says.

"Our industry had not been keeping pace with what customers expected in terms of experience. When we look at interactions we have with clients, about 80% just want us to get out of the way. They want seamless tools, either an app or website, where they can easily and instantly take care of some issues, like changing their address or finding the balance of their savings plan," he says.

But then there are other occasions in which clients need and deserve a human touch. Maybe they're retiring and struggling with the adjustment, they're a sudden empty-nester grappling with loneliness, or a loved one has died.

"For those situations, rather than an app or a tool, we're building a customer journey and making sure they're getting the best support from us at difficult times in their lives," Doughty says.

A recent example is the Manulife employee who read the obituary of a client's late husband, and remarked to the client how proud she must have been of her husband and the lives he positively influenced. The client was touched and appreciative.

"It's a personal touch, but because we're in a world where everything is digital, it's particularly important right now," Doughty says.

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Talent Innovation

Manulife is already actively hiring and re-training employees across Canada in these future-forward skills, and arming them with others necessary to compete in the new economy. And it's investing in its mid-career employees so they can advance their skill sets and continue to be valuable members of the Manulife team.

Two of those workers include Marie Lamont, Business Systems Analyst, and Jennifer Reid, Process Automation Manager.

Lamont's previous jobs involved sales training. Some automation was available, but it wasn't being leveraged in her role specifically.

"There were definitely technological advances I would see around me, but they were not necessarily impacting the way I was conducting my role," she says.

Still, they were enough to make her nervous that her job could be eliminated if she didn't get up to speed on leveraging new technologies. And so she began learning new skills and retraining, and took some courses in her spare time, too, because she was passionate about learning and supplementing her background with more technical skill sets.

"Manulife created a hackathon event, which first piqued my interest and which allowed me to put forth ideas I had, and to learn from more experienced individuals and how they work," she said.

Reid has been at Manulife since 1999.

"I was in the insurance claims section, and up until five years ago, they were still using 100% paper processing," she recalls with a laugh. Then, digitization started. "That was the first part that whet my appetite for what's to come."

Both Reid and Lamont are excited about the future now that they feel they're so much better-equipped to deal with the massive technological advances that are upon them. They've also gained considerable confidence.

"I always had an interest in more technical roles, but ruled it out because I lacked the specific education and skills for it. But this role allowed me that foot in the door," said Reid. "The barrier has been removed."

Adds Lamont: "I think we are playing a role in helping to shape the way the business is growing."

Doughty says: "The world is so interconnected now, more so than ever. That's a wonderful thing, but for Manulife, that means that almost anyone anywhere can replicate what we do if we don't do it well. The challenge is how to make sure you've got a workforce that can keep you current so your customers don't find someone else who will."

"I'm looking forward to what's next; there's a lot more potential with digitization. Now I won't rule out a more technical role in future."

Jennifer Reid

"Our roles will continue to evolve and change, but it's an exciting change that we're going through... I'm excited that I was able to get into it at this level and grow with the business.."

Marie Lamont

Conclusion

The rapid pace of technology will undoubtedly continue to shift the nature of work for the foreseeable future. While educational institutions must do more to provide students with the skills they need to succeed in the digital workplace, so too must businesses invest the necessary time and resources to continuously train and upskill their employees on new ways of working.

What's more, organizations must develop new workplace frameworks and coalitions to effectively tackle the issues facing the employees of today and tomorrow – from skills adoption to workplace preferences such as when, where and how they work – to ensure they continue to thrive in the workplace, their local communities and in society at large.

The Future of Work and Learning coalition spearheaded by Manulife and Communitel is an innovative and collaborative solution for today's business challenges, and the ongoing discussions and education such programs provide will give like-minded organizations a leg up in an increasingly competitive and digitally-enabled workplace.

