

Short
version

The future in the wake of the “new normal”

– 5,000 MANAGERS ON THE CURRENT SITUATION
AND DEVELOPMENT IN WORKING LIFE, ORGANISATION
AND LEADERSHIP IN THE WAKE OF THE PANDEMIC



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SWEDEN'S ORGANISATION FOR MANAGERS

Summary

Managers at all organisational levels, in both private and public sector organisations, play a key role in converting ideas and strategies into everyday activities. They drive the developments that take us into the future.

The basis of the report is a survey of Ledarna's members conducted in February 2022. The report compiles over 5,000 managers' responses on how they view their work and organisations today and what they think will happen in the next three years. The result consists of 5,243 survey responses.

This is the second time Ledarna has conducted its big future survey, which was first launched in 2019. The survey consisted of questions on

- 1) remote working and the workplace after the pandemic,
- 2) digitalisation, cybersecurity and artificial intelligence,
- 3) initiatives for change and innovation,
- 4) skills provision and
- 5) managerial jobs of the future.

Respondents' answers capture their roles as both employees and managers, providing a unique perspective on developments in their organisations and managers' work situations.

REMOTE WORKING AND THE WORKPLACE AFTER THE PANDEMIC

- **Managers' overall forecast** is that the extent and frequency of remote work will increase within the next three years. They also believe that more employees will adapt their working hours individually. Combined, the increased flexibility of work in both time and space poses considerable challenges to management and organizations across sectors. In particular, managers point to organisational culture and cohesion being weakened by increased remote work.
- **A majority of** managers think that remote work has impacted their own work positively. However, they are more concerned about how it may affect their employees and the organisation's overall productivity. Managers are mainly concerned about relationships with their employees.
- **More than half** of the managers in the survey stated that they would need skills development to be able to do their job in a working environment with increased remote work in the future. Their specific needs vary, ranging from management and digital tools to regulations and work environment responsibilities.

DIGITALISATION, CYBERSECURITY AND AI

- **Digitalisation during the** pandemic happened out of necessity, and much work remains to be done to adapt working practices using the new tools in a sustainable way. The use of digital tools increased during the pandemic, and half of managers believe the increase will be permanent; however, only three in ten feel it has made a positive contribution to productivity. Even fewer feel that employees have been adequately trained to use the new tools.
- **Managers see a** need to invest in broad skills development over the next three years to enable employees to use digital tools and to adapt organisational structures and working practices to take advantage of the opportunities offered by digitalisation.
- **Increased digitalisation increases** the need for IT protection and cybersecurity, but cybersecurity efforts are already lagging behind. Fewer than half of the managers in the survey say their workplaces have cybersecurity policies for employees or a cybersecurity strategy.
- **Only three in** ten managers say employees have received cybersecurity training, and only a fifth have held drills to deal with cybersecurity incidents in the workplace. As cyberattacks become more common,

it is important for managers to understand and manage the risks.

- **Just under a fifth** of managers say there has been some form of experimentation with artificial intelligence (AI) in their organisations. Expectations of AI are primarily that it will contribute to efficiency and productivity gains, but taking advantage of the technology requires strategic work, adaptation of working methods and training initiatives. Managers perceive fewer barriers to AI than they did three years ago, even though old IT systems and skills shortages are still perceived as clear problems.

INITIATIVES FOR CHANGE AND INNOVATION

- **Organisational changes are** a way for organisations to adapt to changes in the world around them, but for them to work, initiatives for change must be coordinated. Just over four out of ten managers do not feel that organisational changes in their organisations are well integrated, and just over a third do not feel that organisational changes are linked to clear and explicit objectives. Without shared expectations and a sense of ownership, initiatives for change risk contributing more to friction than to learning.
- **Innovation is encouraged** but not facilitated. More than four out of ten managers feel that employees are encouraged to take the initiative for innovation projects, but almost as many feel that there is no time for their efforts. Almost half of managers feel that there is a lack of structure and processes for initiating and evaluating innovation projects. At the same time, just as many believe that more time and resources will need to be spent on innovation in their organisations within the next three years.
- **Managers closer to** the management group level feel to a greater degree that their initiatives for change are underpinned by clear objectives and that there is time available and processes in place for innovation projects, while the opposite is true for team leaders and first-line managers. This difference in perception and point of view between management levels within an organisation would hamper both adaptability and innovation.

SKILLS PROVISION

- **The results from** the survey provide a snapshot of lifelong learning and skills provision in the Swedish labour market. Four out of ten see a strong need for employee skills development. Three out of ten believe this need will grow significantly within the next three years. Three in ten see a need for new

recruitment, and almost as many believe the demand will increase over the next three years. One in ten see a need to phase out old skills, and just as many believe that need will increase within the coming three years.

- **There is a** significant and growing need for skills development among managers. Almost a fifth of the managers in the survey think that other managers at their level in their sector lack the necessary skills to do their jobs as managers. More than a quarter believe that the need for skills development among managers will grow significantly over the next three years.
- **There is a** lack of internal capacity to capitalise on both new and existing skills in many organisations. Only half of managers say there is a structured induction process in place for new staff, and four out of ten have a structured recruitment process. Just under half have individual skills development plans for employees, and only a quarter say there are individual plans for managers' skills development.
- **The skills development** needs of existing staff are wide and varied – from the need to learn new to work with new digital tools to needs related to building expertise within certain subject areas or re-education of staff to adapt to organisational changes. These results testify to the breadth required of the future structure for training, skills development and reskilling.

MANAGERIAL JOBS OF THE FUTURE

- **Just under half** of the managers surveyed anticipate an increase in labour market mobility for managerial jobs within their sector, while four in ten expect an increase in job transfers between sectors.
- **Just over four** in ten managers believe that the number of employees per manager will increase, and just under three in ten believe that competition for managerial jobs will increase, despite the fact that to date the number of managerial jobs in Sweden appears to have grown.
- **Managers anticipate that** they will spend more of their working time on administration and monitoring, coaching and developing staff, and strategic work. The results suggest either that managerial jobs are becoming more focused on these areas, or that managers describe increased expectations that they will do more of everything – an equation that does not add up.



The future beyond forecasts

It is difficult to imagine the future in its entirety, and depictions of the future or trend forecasts often look like silo-based dreams. They focus on one trend at a time and describe what the future could look like as a consequence of that particular trend. This misses how different patterns of change affect and interact with one another, or give rise to other types of counteractions. In other words, the future will rarely stay within the narrow confines of individual trend forecasts, as the pandemic effectively demonstrated.

The idea of a pandemic was far from new, but even so, everyone found it difficult to anticipate and understand developments, large and small, while they were happening. This report gives over 5,000 managers' perspectives on the future and change in five different areas: work and remote working after the pandemic, digitalisation, initiatives for change and innovation, skills provision and the development of managerial jobs. In each of these areas separately, managers' responses provide a baseline picture and their overall expectations for developments in the foreseeable future, which are presented in separate chapters. In addition, the report as a whole can be read as a map of managers' expectations of the future that spans several different types of siloed futures. The results do not tell us what the future will look like, but they do give some important indications of how managers' different perceptions of developments may interact or conflict with one another as they move towards the future.

In light of the pandemic, the survey has put a little more focus on remote working and the pursuit of the 'new normal' we expect to land in when the spread of infection is reduced, and restrictions have been eased.

It is clear that many managers expect everyday working life to consist of more remote working, but how might such a trend – which has grown in record time due to pandemic restrictions – affect developments in other areas? The report focuses on descriptive statistics and does not seek driving factors or causal relationships, but it concludes by discussing four areas where different accounts of the future overlap.

REMOTE WORKING AND DIGITALISATION

At first glance, the enforced remote working of the pandemic seems to have accelerated digitalisation in many organisations, but it may not be quite that simple. Restrictions such as social distancing resulted in more remote working and an increase in the use of digital services and e-commerce, but the pace was so fast that working methods, processes and organisational structures did not always keep pace with developments. Managers in the survey testify that the use of digital tools has increased, and many of them believe that the increase will become permanent after the pandemic. However, only half as many see that their use has led to efficiency or productivity gains at work. In addition, many of them do not feel that employees have received the necessary training in using those new tools. Digitalisation is not just about technology but also about changing working practices and organisational structures to take advantage of new technologies. However, the latter is still a work in progress in many managers' workplaces. Digitalising work without adapting working practices risks having a negative impact on everything from productivity to work environment responsibilities, organisational culture, knowledge sharing and cohesion.

With the increase in remote working, it has also become increasingly clear that cybersecurity efforts are lagging far behind digitalisation efforts in many organisations. This is an area of concern. Only four in ten managers say that there are clear cybersecurity rules that all employees must follow, three in ten say that employees have received cybersecurity training, and two in ten report that drills have been conducted to prepare staff response in the event of an IT incident or cyberattack. As many people have spent the pandemic staying in their own homes, entirely new cybersecurity risks have emerged, while the frequency of cyberattacks has steadily increased in recent years. Some digitalisation initiatives have been accelerated by the pandemic, but they have often been driven by necessity rather than opportunity. People have tried to solve problems here and now with digital substitutes for the way they used to work before the pandemic. This has created new risks and potential problems, while by no means everyone seems to have reaped the full benefits of the digital tools they have started to use. These developments have undoubtedly created new opportunities, but they have also presented new challenges.

SKILLS PROVISION, INITIATIVES FOR CHANGE AND REMOTE INNOVATION

Learning is becoming increasingly important for more and more organisations – from individuals' lifelong learning throughout their working lives to organisations' adaptability and innovation. Almost half of managers believe that more innovation will be needed in their organisations within the next three years, and eight out of ten managers believe that their organisation will need new recruitment, skills development and/or the phasing out of skills within the next three years.

With increased remote working – something that managers both predict and demand – work is loosening up in ways that present new challenges for learning at both the individual and the organisational level. At the same time, the differences in responses between different levels of management indicate that there are already clear deficiencies in the structure for encouraging innovation projects or communicating and embedding the purpose and objectives of organisational change. Remote working during the pandemic was often about maintaining operations and finding substitutes when physical meetings or gatherings in physical workplaces could no longer be held. If remote working is to be successful in the long term, tools and working methods are needed that make it possible to move away from the old ways of working and instead change how things are done, even though not everyone is in the same place to the same degree, and this may prove to be a challenge.

Knowledge sharing and communication take place not only during planned meetings but also through informal, unplanned conversations and interactions. If employees come together less often, there is also a risk that this type of informal knowledge sharing will be limited to groups of colleagues who have regular meetings, which may affect the organisation as a whole.

Similarly, the recruitment and induction of new people to an organisation with a high level of remote working presents new types of challenges. According to managers, the aspect of work that has suffered most during the pandemic is the relationship with colleagues, cohesion and the shared organisational culture – there is no clear substitute for coffee breaks and chatting around the coffee machine. With increased remote working, new ways of working and new leadership are needed to safeguard knowledge sharing, communication and collaborative learning within an organisation.

WILL MANAGERIAL JOBS CONTINUE INTO THE FUTURE?

Managers play a key role in coordinating and implementing the initiatives for change that take their organisations into the future, but are they in the right position to do so?

Taken together, many managers' responses from the different survey areas describe workplaces undergoing major changes, such as reskilling, an increased need for innovation and an ever greater demand for remote working. Managers also suggest that they will need to spend more time on administration, more time on strategic work and more time on coaching and developing staff. At the same time, a sixth (17%) say that managers at their level in their sector lack the skills required for their managerial jobs, just over a quarter (27%) believe that the need for skills development for managers will increase significantly in the next three years, and just under a quarter say that there are individual skills development plans in place for managers in their organisations.

Managers not only need skills and competence development to manage their jobs as they are today, but also to manage their jobs as they will be in the future. The question is whether this work is currently being done more reactively rather than proactively and what this means for managers' opportunities to contribute to this process.



Managers play a central role in coordinating and realising the change work.

This is a translation of the short version of the report **Framtiden efter det nya normala**, the future in the wake of the “new normal”



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