

Technological Change and Rewards to Work

Are we in the throes of a new industrial revolution, with technological innovation causing disruption in the workplace?

In many ways, yes, says Linda Barrington, executive director of the Institute for Compensation Studies.

Although technology is creating new jobs, she says, we're losing higher-paying jobs faster than we're creating new ones, polarizing the workforce and reducing middle-class employment.

"At the same time, the very notion of work is changing," says Barrington. "It may not be a 9-to-5 job with one employer, but a series of tasks through multiple contracts."

A lot of disruption comes along with technological change, she says, noting that the most recent industrial revolution resulted in decades of growing income inequality and huge shifts of labor worldwide.

To examine what "Advancing the World of Work" could mean in this context, the Institute for Compensation Studies introduced the Technology and Employment Sustainability Initiative.

Through this initiative, the institute held a 2013 roundtable entitled Employment and Technology, and collaborated on the 2014 European Commission Roundtable on Information Technologies and Labour Market Disruptions: A Cross-Atlantic Dialogue.

Megan Richards, principal adviser for the European Commission, said, "The Cross-Atlantic Dialogue provided an excellent opportunity for economists, business professionals, journalists and government officials from North America and Europe to exchange information and ideas on easing the transition from a human-based economy



Linda Barrington, executive director, Institute for Compensation Studies

to a technology-based economy." Steven Berkenfeld '81, managing director of investment banking at Barclays Capital, and an originator and financial supporter of the initiative, believes it has helped facilitate a broader and more robust discussion of the future of work.

"Technology will make education cheaper, health care cheaper, government services cheaper — but part of the cost savings comes from eliminating jobs," says Berkenfeld, who participated in both roundtables.

"We need to develop a consensus and a real appreciation for how technology is impacting employment and contributing to income inequality," he says.

"Then, we can start to address the growing challenges arising from a surplus of workers and a shortage of work."

Institute Highlights:

- Provides professional development and two-day intensive continuing education courses.
- Engages students in varied research on compensation.
- Sponsors an Emerging Scholars Conference that brings together practitioners with rising-star academics.
- Informs broader public dialogue through media and practitioner publications.
- Conducts academic studies of pay-related practices.