



# Small Business Trends 2019.

Big Trends for Small Business.

[employsure.com.au](https://employsure.com.au)

 **employsure**  
workplace confidence

# Contents

## Trend 1

Flexible Work

Page 2

## Trend 2

Fall of the Gig Economy

Page 5

## Trend 3

Rise of the iGeneration

Page 8

## Trend 4

Intergenerational Workplaces

Page 11

## Trend 5

Stronger Action against Sexual Harassment

Page 15

## Trend 6

Internet of Things (IoT)

Page 18

## Trend 7

Green is the New Black

Page 22

# Trend 1

## Flexible Work.

No longer a luxury but an entitlement.



# Flexible work.



Offering flexible work was once perceived as a bonus feature in any employment. To have the ability to work from the comfort of one's home, even occasionally, was almost a luxury.

All of a sudden the tide has turned - not offering flexible work is frowned upon by employers and the Government alike.

In fact, there is even a suffix coined to raise awareness of the stigma related to flexible work: 'flexism'. Flexism is defined as 'prejudice or discrimination on the basis of a person's working status.'

## Shift from work-life balance to work-life blend

Over the past decade the balance between work and life was skewed. Work took precedence over everything else. As a result, there has been more awareness around the idea of work-life balance.

In 2019, for better or worse, the concept of work-life balance is transforming to work-life blend. What exactly does this mean?

## Work-life blend: homely workplaces, working homes

Pioneered by companies like Google and Facebook, and soon adopted by many others, the concept of working hard and resting hard

# 89%

A recent survey by recruitment experts, Hays, found that **89% of employers (almost 9 in 10) said flexible working options are very important** when it comes to staff attraction and retention.

was embraced. Their offices brought together the comforts of home such as dedicating sleeping pods for employees' to squeeze in a snooze and creating facilities for recreation such as having climbing walls and ping pong tables.

This was a trend over the past years where workplaces tried to be less rigid and offered comforts that are associated with home. A simple example of this, though rather archaic, is Casual Fridays.

Now, the home doubles as a place of work. In the same way that workplaces introduced homely comforts to the workplace, many people are now choosing to incorporate workspace into their homes.

In line with flexible work options, a home office is becoming standard for many employees, a trend we see increasing even more in future.

## Flexible work - the legal side

This shift in perception was partly due to a major announcement made by the Fair Work Commission (FWC) last year. All Modern Awards were updated to include extra employee entitlements to flexible work.

With the new provision, employers will have **additional obligations** when addressing requests for flexible working arrangements. Employers can only reject flexible work requests on **reasonable business grounds**.

Under Australian law employees with 12 months of service can submit a request for flexible work if they are:



The parent, or primary carer, of a child (school aged or younger)



Defined under the Carer Recognition Act 2010 as a carer



Disabled

55+

55 years of age or older



Experiencing family or domestic violence



Providing care or support to a member of their household or immediate family requiring care because they are experiencing family violence

## What does this mean

### FOR YOU?

Naturally, there will be some reservations when implementing flexible work within your business. This is especially so for small businesses that employ few staff.

The greatest issue to address when considering the extent of flexible work arrangements, is trust. **Do you trust your employee(s)?**

We ourselves at Employsure faced similar questions. We understood the growing phenomena of this trend and the need to embrace it. Our head of talent, Michael Morris, shared his thoughts, reservations and outcomes on flexible working arrangements.

You can access the [in](#) article here.

### Ensure your business is compliant

Legally, employers now need to be more thorough with their assessments of flexible work arrangement requests.

Businesses should implement a systematic and methodical approach for processing such requests.

Where the employer feels they are unable to accommodate a flexible working request, they will need to establish whether alternate arrangements can be offered to address the needs of the employee before rejecting it. It is important to remember that rejecting a request will need to be based on **reasonable business grounds**.

Any alternate arrangements or rejections for such requests will need to be detailed in a written response to the employee, in accordance with the applicable Modern Award.

# Trend 2

## Fall of the Gig Economy.



# Fall of the gig economy.



The gig economy was a platform for entrepreneurship. It broke away from the monotony of systematic work and gave people the opportunity to be their own boss and manage their own time; while simultaneously providing businesses more flexibility and employment options.

In 2019 we see deep cracks appearing in the gig economy, as producers and suppliers alike realise that expectations of a utopian society are not being met.

## Renting out physical assets vs renting out yourself

In a matter of 4 years, **delivery drivers' average income has been cut by 53% (more than half)! – JP Morgan Chase Institute.**

The gig economy has two sides to it, renting out physical assets such as property on platforms like Airbnb, and renting out oneself on a platform like Uber. It is this second side where we really see the trend shifting.

“Don't buy into the myth that the gig economy will be your road to entrepreneurial success – unless you have a lot of assets to rent or more than 24 hours in a day to work.”

*Gene Marks, The Guardian*

A recent study by JP Morgan Chase Institute revealed that while the former is not a new concept or practice, there is no denying that the gig economy has made it easier with an influx of online platforms. The latter – renting out oneself – especially so for people in the transportation industry (such as Uber) is not lucrative. Not only are employees compromising on security by giving up entitlements they would otherwise receive as a full-time employee, but delivery drivers are making less than half of what they made in 2017 (53% less) when compared to 2013.

## Game changers for the gig economy

In 2018, there were two legal cases in particular that put the gig economy in the spotlight by differentiating between employment types and their accompanying entitlements.

### (1) Sham contracting

In June 2018, the Fair Work Ombudsman (FWO) commenced legal action against a food delivery platform for alleged sham contracting. Claiming that they categorised employees as independent contractors although their hours and working arrangements were more aligned with that of permanent employees.

The outcomes from this matter could cause a big shift in the gig economy by setting a precedent for other workers in similar employment circumstances engaged as independent contractors.

The proceedings arose from public interest due to prior determinations that the workers were in fact employees and would therefore be eligible for employee entitlements. An order for back payment of underpaid wages and superannuation contributions for a number of employees was made and a successful unfair dismissal case deemed the termination of an employee to be harsh, unjust and unreasonable. Whilst the FWO proceedings are currently on hold, the risk of penalties for several legal contraventions is probable.

### (2) Regular and systematic casuals can receive additional entitlements

In September 2018, the federal court ruled in favour of a casual employee to receive paid leave entitlements (*WorkPac v Skene*) despite receiving casual loading on top of their base rate which is paid to offset not having access to permanent staff entitlements such as paid leave.

Their decision was justified on the basis that the employee (though employed as a 'casual') worked in a systematic manner – with regular and predictable hours. The pattern of work was viewed as being consistent with permanent employment rather than casual employment.

## What does this mean

### FOR YOU?

In light of the legal cases, employers need to proceed with caution and be certain that they are aware of the legalities surrounding a casual worker.

#### Are your casuals truly casuals?

It is very common that the employee who was originally hired as a casual begins working more systematic and regular hours. However, you need to be sure that a casual employee is treated as a 'true' casual.

Regularly review your employees' work patterns to ensure that they are in accordance to that of a casual employee.

If the pattern of the casual's work starts to mirror that of a permanent employee, such as working regular and predictable hours, they could be eligible for additional entitlements that are associated with permanent staff such as annual leave.

#### Performance plans for under-performing staff

If your casual staff are going to have the right to request part-time or full-time work after 12 months, then you want to make sure they are the kind of staff you want to keep in your business long-term.

If there are any under-performing casual staff in your business, start performance management plans early.



# Trend 3

## Rise of the iGeneration.



# Rise of the iGeneration.

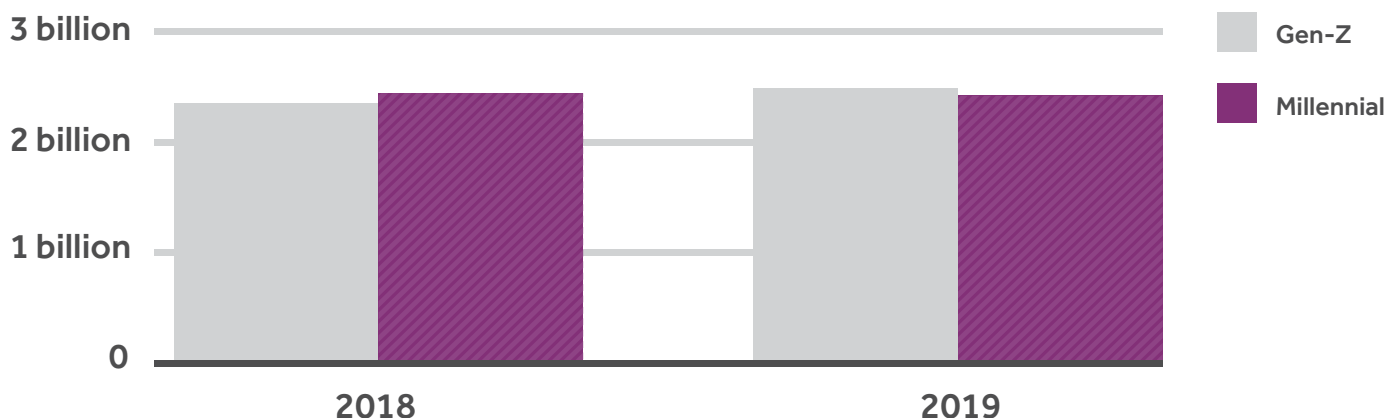


Over the years, there has been a lot of focus on millennials in the workplace. And for good reason. If a millennial is not already a part of your workforce, they soon will be.

2019, however, brings with it the rise of a new generation – the iGeneration (also known as Generation Z). Bloomberg’s analysis of United Nations data revealed that Generation Z will surpass millennials in numbers in 2019:

**“Gen Z will comprise 32 percent of the global population of 7.7 billion in 2019, nudging ahead of millennials, who will account for a 31.5 percent share.” - Bloomberg.**

This trend is important to business owners as the oldest member from the iGeneration (born in 2001) will be turning 18 this year. This means that the iGeneration is soon going to enter the workforce and will also account for large part of the customer base.



Source: Bloomberg analysis of the UN World Population Prospects

## iGeneration (Gen Z) - the Post-Millennials

It may be convenient to group Gen Z in the same category as Millennials but that would be erroneous. They are vastly different. Having the ability to distinguish between the two will be key in moulding recruiting efforts to attract the best talent and remain relevant. It will also give business owners an upper hand when selling their products or services to them.

Below are three key characteristics that employers should keep in mind about Gen Z.

### 1) Mobile technology is an extension of them

Technology is wired into their system, they don't know a world without it. They were born into a life of clicks and reciprocating gratifications. This makes them very tech-savvy but also impatient.

An important takeaway from this is the shift in communication and transactions. Gen Z do not know a world without online shopping, or a situation where a question goes unanswered.

### 2) Hyperconnected

Due to their technological penchant, Gen Z is hyperconnected. This gives them a global perspective with geographical distances being no obstacle. They are able to consume content from all parts of the world and incorporate it into their lives. Their interest and engagement in different cultures makes the world smaller and even more connected than before.

### 3) More Entrepreneurial

According to a study by Harvard Business Review, around 70% of teens (Gen Z) are self-employed – they utilise creative manners of making money such as teaching classes, generating money off a YouTube channel, and more.

They are less likely to do traditional summer jobs like the generation before them. They are very big on multi-tasking and believe in 'side hustles' rather than a job that physically requires them to be in a particular space for a dedicated time period.

## What does this mean

### FOR YOU?

Generation Z will soon account for a huge customer base and they will also be an integral part of your workforce. So it is good to start preparing your business now and gradually introduce the necessary implementations to both recruit and sell to this new generation.

### Think of job openings and appropriate roles

Generation Z are chronic multi-taskers. *Huffington Post* painted an interesting picture of Gen Z: "they will create a document on their school computer, do research on their phone or tablet, while taking notes on a notepad, then finish in front of the TV with a laptop, while face-timing a friend."

Believe it or not, this is not far from the truth. Start thinking of how roles and tasks in your business can be brought together for greater productivity.

### Right content on the right forum – marketing to Gen Z

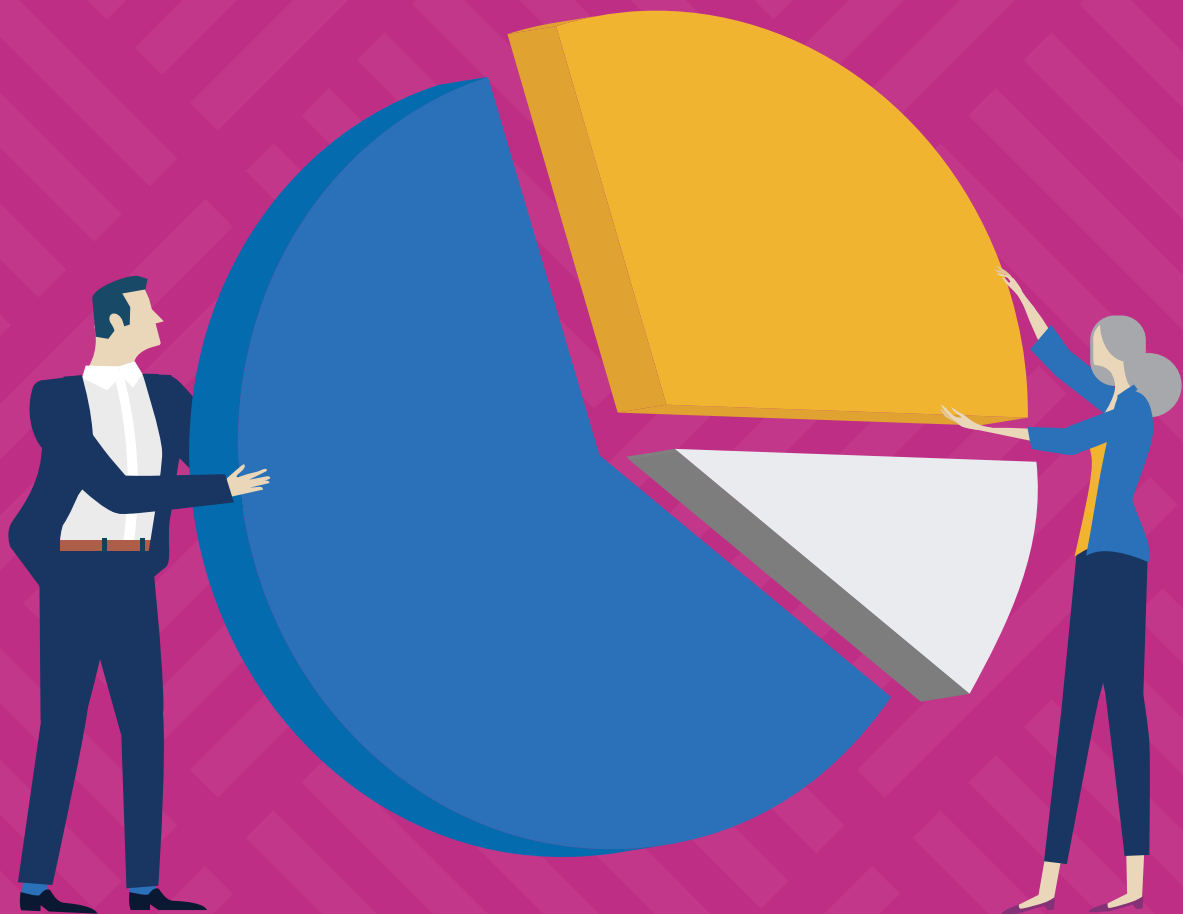
Gen Z are true digital natives. So it is important to use social media correctly. Having the exact same content plastered over different platforms will not work when marketing to Gen Z.

You should start appropriating and developing content based on platforms rather than the other way around.

# Trend 4

## Multigenerational Workforce.

The 5-generation age gap.



# Multigenerational workforce.



The previous trend spoke about a new generation entering the workforce. But, with an increase in life expectancy, the older generation will continue working for the years to come. With this occurrence, the age gap between employees is going to significantly increase. In fact, it will span across 5 whole generations.

This is more than just an age difference. It is a cultural difference. Each one of these generations was brought up in different eras which shaped their attitudes, aspirations, and behaviour.

Recently, Employsure organised a Masterclass with Evan Goodman – a business coach and mentor of over 30 years. Along with sharing great insight into managing a multigenerational workforce, he shared how the different generations regard work. Here is what he had to say:

## Traditionalists

Work was an obligation and a duty that involved sacrifice.

## Baby Boomers

Work is and was an exciting adventure rushing towards personal gain and fulfilment with no time for rest – all work, no life.

## Generation X

Work is a challenge and it is to be achieved within a contract but not at the cost of social or family life – work and life are separate, but in proper measure.

## Millennials

Millennials bring a full integration of work and life. They seek fulfilment and meaning and want both to contribute to this.

## Generation Z

Gen Z live in a world where they believe their options are limitless but their time is not.

Below is an overview of the different generations and their key characteristics.

Characteristics	<b>Maturists</b> ( <i>Traditionalists</i> ) (pre-1945)	<b>Baby Boomers</b> (1945-1960)	<b>Generation X</b> (1961-1980)	<b>Generation Y</b> (1981-1995)	<b>Generation Z</b> (Born after 1995)
<b>Formative experiences</b>	Second World War Rationing Fixed Gender roles Rock 'n' Roll Nuclear families Defined gender roles, particularly for women	Cold war Post-War boom Swinging sixties Apollo Moon landings Youth culture Woodstock Family-oriented Rise of the teenager	End of Cold War Fall of Berlin Wall Reagan / Gorbachev Thatcherism Live Aid Introduction of first PC Early mobile technology Latch-key kids; rising levels of divorce	9/11 terrorist attacks PlayStation Social Media Invasion of Iraq Reality TV Google Earth Glastonbury	Economic downturn Global warming Global focus Mobile devices Energy crisis Arab Spring Produce own Media Cloud computing Wiki-leaks
<b>Aspiration</b>	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
<b>Attitude toward technology</b>	Largely disengaged	Early Information technology (IT) adaptors	Digital Immigrants	Digital Natives	'technoholics' - entirely dependent on IT; limited grasp of alternatives
<b>Attitude toward career</b>	Jobs are for life	Organisational - careers are defined by employers	Early 'portfolio' careers - loyal to profession, not necessarily to employer	Digital entrepreneurs - work 'with' organisations not 'for'	Career multitaskers - will move between organisations and 'pop-up' businesses
<b>Signature product</b>	Automobile	Television	Personal computer	Tablet/Smart phone	Google glass, graphene, nano-computing, 3D printing, driverless cars
<b>Communication media</b>	Formal letter	Telephone	E-mail and text message	Text or social media	Hand-held (or integrated into clothing) communication devices
<b>Communication preference</b>	Face-to-face	Face-to-face ideally, but telephone or email if required	Text messaging or e-mail	Online and mobile (text messaging)	Facetime
<b>Preference when making financial decisions</b>	Face-to-face meetings	Face-to-face ideally, but increasingly will go online	Online - would prefer face-to-face if time permitting	Face-to-face	Solutions will be digitally crowd-sourced

Infographic courtesy of Barclays



## What does this mean

### FOR YOU?

For the first time in history, we have up to five generations of employees sharing the same workplace. How are we all supposed to get along and how are we supposed to cope?

#### **Understand differences but emphasise commonalities**

There are bound to be differences between employees regardless of the generation that they fall in – the generational gap just makes it more pronounced.

It is essential for you to understand these core differences but emphasise commonalities. Understanding what sets these employees apart will aid business owners in adopting a fitting managerial approach; while announcing commonalities will allow for better integration.

#### **Leadership opportunities and horizontal promotions**

Be fair and consistent with leadership opportunities. Allow all your employees the opportunity to upskill. It is good to group the different generations together on projects rather than segregating them.

Also, consider promoting employees horizontally rather than vertically. There is a lot of opportunity for growth and career paths in multiple directions.

# Trend 5

## Stronger Action against Sexual Harassment.





# Stronger action against sexual harassment.



In 2018, we saw the release of some alarming statistics from the Australian Human Rights Commission which found that in the last five years 39% of women and 26% of men had experienced sexual harassment at work.

This year, we expect that the national and international discussion around sexual harassment at work to prompt companies to take bold action on sexual harassment.

From better training for staff to the introduction of Zero Tolerance policies, 2019 will be a big year for companies to adopt higher standards of behaviour and new attitudes to workplace relations.

## Sexual harassment on the rise

Alarmingly, the data from Australian Human Rights Commission revealed that **sexual harassment in Australian workplaces is actually on the rise.**

Employsure's own data tells a similar story. Our own research report into Australian workplace culture found that:



**1 in 10 Australians** say that their boss has made a sexual comment towards them



**15.3% of women** say their boss has made a sexual comment towards them (compared to just **7% of men**)



**15.9% of small business employees** have experienced a sexual comment from a boss

**The message is clear:** employers across all industries must use the national and international discussion around sexual harassment at work to adopt higher standards of behaviour and new attitudes to workplace relations.



## New Case Law in Australia

A number of rulings from the Fair Work Commission (FWC) have also supported employers in dismissing staff for behaviour that was deemed sexually inappropriate.

In one case, a man was dismissed for hugging two junior female clients and asking for kisses and phone numbers. Another was dismissed for making excessive sexual remarks, massaging female colleagues and encouraging them to share his chair.

Another was dismissed for sending a pornographic video to a 19 year old co-worker, despite the video being sent after work hours and no formal complaint being lodged. Another lost his job after sending lewd text messages to a female employee.

**Each of the employees in question took their cases to FWC on the grounds of unfair dismissal but lost. The FWC supported the employer in every instance.**

## What does this mean

### FOR YOU?

Sexual harassment is set to take greater prominence in the world of employment relations and it's important that you have the relevant policies and procedures in place to protect your staff and your business.

#### **Zero Tolerance**

If you haven't already, formalise a zero tolerance stance on sexual harassment in your relevant policies and procedures. With your position clearly defined, articulate it to employees through every communication method available to your business. Every staff member should be aware of your company's policy and definition of sexual harassment.

#### **Train Your Staff**

While your sexual harassment policy can outline the standards of acceptable behaviour and conduct, training will help your employees retain the information. Employees come from a vast range of backgrounds, beliefs, cultures and ages. Training sets out in very clear terms the type of behaviour that is unacceptable in the workplace.

#### **Set up a safe and confidential way for employees to make complaints**

Making a claim of sexual harassment can be daunting. Often, many victims stay silent out of fear that it will harm their careers or label them as troublemakers. It's important that staff are aware of the process to make such complaints, and that their information and details will be treated seriously and confidentially.

# Trend 6

## Internet of Things (IoT)



# Internet of Things (IoT)



When it comes to tech trends majority of small business owners tend to shy away for two main reasons: complexity and cost. At times valid concerns, but this behaviour and attitude towards new technology is also harmful to businesses. Technology can do wonders, especially so for small business owners by significantly saving time and resources.

We've decided to share this particular tech trend, Internet of Things (IoT), as it can have a big impact on how employers run their business.

## What exactly is IoT

At the essence of it, IoT is about increased connectivity using the Internet. It is when everyday objects are connected to the

" (IoT is) about networks, it's about devices, and it's about data,"

*Caroline Gorski, Head of IoT,  
Digital Catapult*

internet – from a smartphone that is receiving information from a sensor which is connected to a household appliance like an air-condition. IoT is when objects 'talk to each other' on closed and private internet connections and then take respective actions based on the data.

IoT is getting so *big* that it has even has even sparked the conversations of the potential of a **'fourth industrial revolution'**.

## Real-life example of IoT

Imagine making arrangements for a breakfast meeting on an early Monday morning and then scheduling that into your calendar. If your devices are connected and communicating with each other, this is the possible chain of events that can be triggered:



Your calendar sends signals not only to set a reminder for the meeting on your smartphone but it also speaks to the café's reservation platform and makes the necessary reservation.

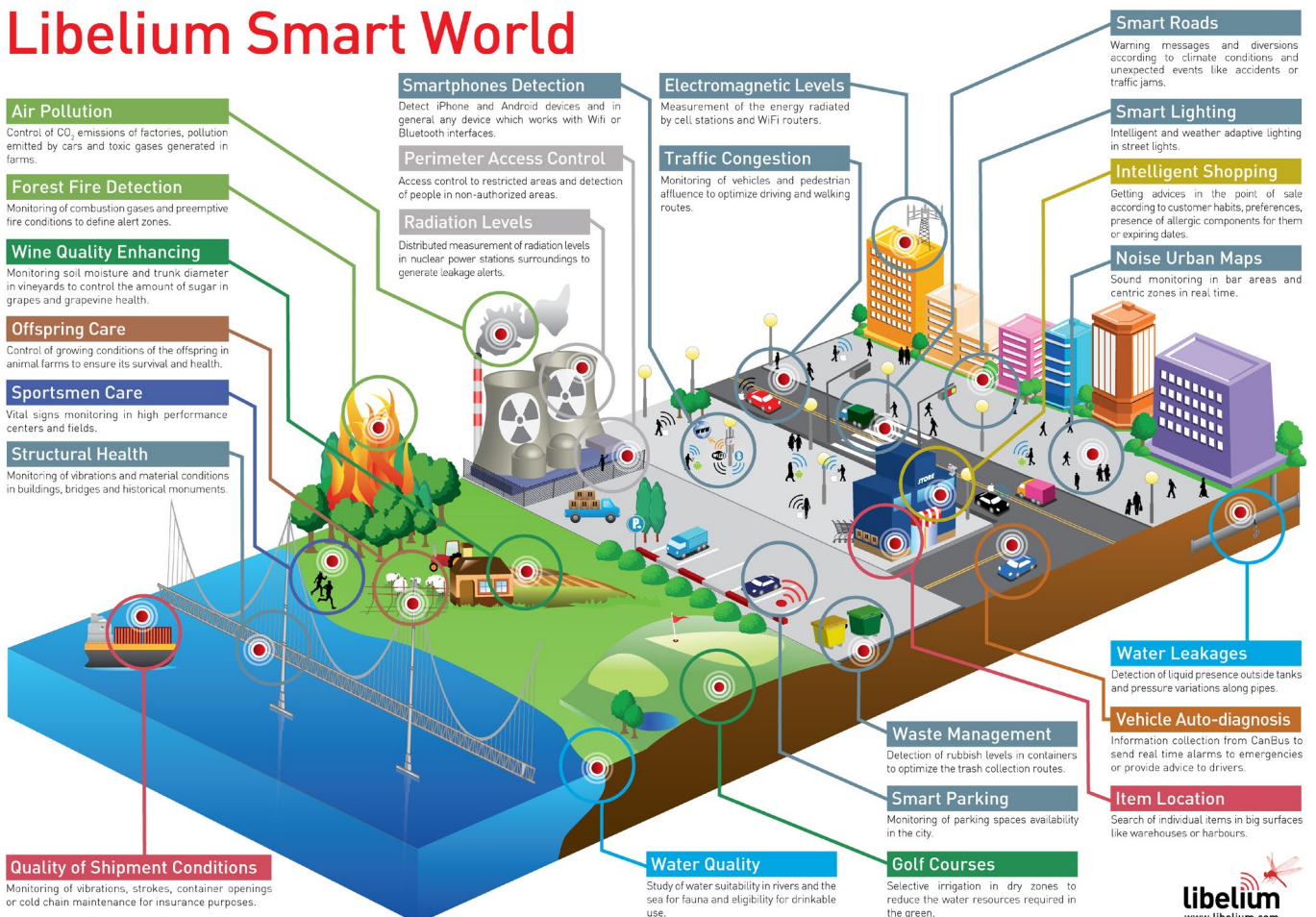
On the day of the meeting, the alarm on your phone goes off and as you get into your car, your GPS has already received the information it needs and the route is mapped. May it receive information of a traffic jam, it'll communicate with your phone to send an automated message to your business partner to inform them that you are running late. **And all of this triggered with a simple calendar schedule.**

## On a broader scale

The possibilities of IoT are truly endless. Looking beyond homes and businesses, IoT can help with environmental issues, managing the logistics of running a city and so much more.

Although the concept of a 'smart city' was introduced several years ago, it's a clear and useful representation of the vast possibilities of IoT. Below is a visual representation from *Libelium* of a 'smart city' where IoT is applied to the various features of the city's overall functionality.

## Libelium Smart World





## What does this mean

### FOR YOU?

Small business owners are no strangers to 'work-life blend'. They work around the clock – from their office, their homes, and at times even while commuting between the two.

Portions of your day go into planning, sorting out logistics, and maintenance – basic day-to-day tasks of running a business. These portions add up and they distract you from dedicating time to strategize for business growth. This is when IoT comes in, it can help small business owners work smarter rather than harder.

#### **Omnipresent Assistant**

With the implementation of IoT, you will always have an assistant by your side. This is already in the works with Amazon Alexa and Google Assistant but that is just the start of it.

With your devices communicating to each other, you can manage day to day tasks in a fraction of the time. For example, you could automate emails to suppliers when a sensor detects you're running low on supplies – not only saving you time on inventory but also the back to back communication.

In 2019 a smart office space would not translate to installing expensive and complicated systems. In fact, we are already living in a world of hyper-connectivity – it's now about understanding and utilising its potential.

# Trend 7

Green is  
the New Black.



# Green is the new black.



2019 will continue to see greater strides in environmental efforts. This is largely due to the young segment of consumers (aged 18 to 30) with purchasing power.

This young segment of consumers comes from the generational intersection of Millennials and Generation Z. Both these generations, especially Millennials, have played a big role in sustainability efforts.

## Millennials in the Workforce

Millennials are the future of Australian workplaces. By 2025 they will make up 75% of the Australian workforce, so if they aren't your colleagues, employees or bosses already, they soon will be.

The 2018 Deloitte Millennial Survey found that **Millennials' opinion of business ethics is at its lowest level in four years.** Worryingly, less than half of Millennials believe business have a positive impact on society.

'About 75 percent of Millennials are altering their buying habits with the environment in mind'

*The Business Journals*

## Aligned Values

Millennials and Generation Z measure the success of a company based on several factors. Values is one of them. They expect sincerity and consistency in values for the organisation they work for. And they are more than willing to leave companies that ignore negative impacts to the environment or if they sense that their company is withholding information or lying to them. Essentially, they want pride in their organisation.





## What does this mean

### FOR YOU?

**'As Millennials and Generation Z become a more influential consumer group and employee demographic, the demand for sustainability and purpose is likely to increase.'** - BSR (*Business for Social Responsibility*).

Small businesses need to review their current practices not just to market and sell to this new wave of consumer group but to also be able to recruit and attract talent.

#### **Green as a Business Strategy**

More and more businesses in Australia are practicing and emphasizing business ethics.

Many business retailers are transparent about where their clothes are made. Stores charge for plastic bags, and many cafes and bars have banned plastic straws.

By incorporating sustenance into your strategy and as a common practice, it will not only benefit the environment but also give you a competitive edge over businesses that do not. Both in terms of recruiting talent and attracting a larger customer base.

## EmploySURE is the largest provider of employment relations and workplace health and safety services in Australia - servicing over 20,000 clients nationally.

### Why EmploySURE?

At EmploySURE, we believe all Australian employers, no matter the size, deserve access to comprehensive, quality, honest advice and support that is scalable to the needs of their business.

Since the introduction of the Fair Work Act in 2009, workplace obligations have become more complex and difficult to manage, especially for overstretched small business owners.

EmploySURE was established in response to these challenges. It is our aim to ensure Australian business owners have access to cost-effective, professional advice on all employment relations and work health and safety matters.

### What we offer

EmploySURE provides customised documentation, unlimited advice, policy and procedure review, insurance and legal representation for small business owners.

Being an EmploySURE client means no surprises – we keep our clients updated on Award changes, wage updates and essential compliance issues. Our expert advisers are available 24 hours a day to guide employers through any difficulties they may face.

1300 651 415

[employSURE.com.au](http://employSURE.com.au)



EmploySURE has given me the freedom to run my business in a way that I need to. It's given me the time and it's actually taken away a lot of worry that I previously had.

Kieran Syme | DentFree AutoTree



Google can only help you so far. Sooner or later you need to actually talk to somebody who is an expert in the field and that's where I found EmploySURE.

Ursula Zajaczkowski | The Source Bulk Foods



Biggest thing from EmploySURE, it gives us certainty. Where we have guidance and help of what we need in place, how to put it in place, and how to implement the systems for HR.

Jonathon Grealy | Niche Reform