

ROBOTS NEED YOU: AUGMENTING TECHNOLOGY WITH HUMAN SKILLS

WEDNESDAY 20TH MARCH 2019

DISCUSSION SUMMARY



THE SKILLS REVOLUTION EVENT SERIES

For the past four years, ManpowerGroup has hosted <u>The Human Age Series</u>, a calendar of quarterly private lunch events, created for our most forward-thinking clients and associates. Based around our global research that pointed to four mega-trends driving change in workforces around the world and creating a significant impact on organisations today – our events focused on a different world of work trend each quarter.

Shifting demographics, greater individual choice, client sophistication and technological revolution have become increasingly evident since ManpowerGroup identified these trends a decade ago as part of <u>The Human Age</u> era. Together, they have contributed to the emergence of a Skills Revolution, which now provide the key focus for our events.

We invite a variety of guest speakers and industry experts to join us throughout the year to inspire, share their insights and ensure the discussions are practical in focus. The purpose of our interactive events is to ensure our clients are kept on the pace with the latest developments affecting their talent strategy based on current trends. By being part of our event series, attendees have the opportunity to join a select community of senior professionals from across the business world and influence our thinking on future events and research papers.

WEDNESDAY 20TH MARCH 2019

THEME: ROBOTS NEED YOU – AUGMENTING TECHNOLOGY WITH HUMAN SKILLS

Senior business leaders from the following industries were present:

Central Government, Fleet Management, Financial Services, Manufacturing
Oil & Gas, Private Equity, Technology, Travel.

While we can expect there to be some job displacement, we believe more jobs will be created than those that are lost and automation will create more, not fewer, opportunities for people.

INTRODUCTION:

JONAS PRISING, CHAIRMAN AND CEO OF **MANPOWERGROUP**

The sheer speed of technological change is transforming entire organisations, industries and labour markets around the world. As automation shifts skill needs and the way companies operate, humans are stepping into new and complementary roles to those done by machines. Skills are the passport to growth and resilience for organisations and individuals alike. But people must be helped to learn to work with automation and develop the necessary skills to integrate and collaborate with machines.

Jonas Prising, ManpowerGroup's Chairman and CEO, set the scene for the discussion to follow by sharing highlights from our recent global research of 19,000 employers, which examined the impact of automation on job growth in the next two years.

The intersection between human capital and technology

Jonas opened the discussion by acknowledging that for some time, ManpowerGroup has taken a contrarian view towards the intersection of humans and technology. He cited our recent global research results, which identified companies that are automating tasks and progressing their digital transformation are also growing faster than those who are not. That growth is producing more jobs and new kinds of jobs.

It was acknowledged that the pace of technological advancement and disruption has increased. Along with that, we've also seen a rise in populism. Shifting demographics are seeing people living and working for longer, creating the need for people to learn new skills as they progress throughout their careers.

In the media, there has been much talk over automation leading to the mass loss of jobs and 'robots taking over'. Jonas suggested that the reality will be quite different. While we can expect there to be some job displacement, we believe more jobs will be created than those that are lost and automation will create more, not fewer, opportunities for people. We are already seeing this being played out. While robots are increasingly being added to the workforce, humans are too.

To take advantage of technology however, organisations need highly skilled workforces. There has been too much discussion around the impact of job disruption and not enough focus on the skills needed to support rapid advances in technology. This is something that is impacting all organisations, all over the world. And across the organisations we work with, ManpowerGroup are seeing a clear imbalance between the supply and demand of skilled workers.

The Skills Revolution is in full flow, where helping people to upskill and adapt to a fast-changing world of work is the defining challenge of our time. Organisations need to take immediate action and fast track the upskilling and reskilling of workers, to ensure they have the skills required for the future and can take advantage of technology at scale. The need to invest in employees' skills to increase the resilience of people and organisations is growing increasingly critical.

HIGHLIGHTS FROM THE REPORT: SKILLS REVOLUTION 4.0 HUMANS WANTED: ROBOTS NEED YOU

ManpowerGroup has been tracking the impact of automation on jobs for three years. We asked more than 19,000 employers in 44 countries about the impact of automation on job growth within their organisations in the next two years, and the talent strategies they are implementing to ensure a future-fit workforce.

Our research confirmed three key trends:

1. Automation is creating more jobs, and the trend is here to stay

Contrary to popular narratives of robot workers replacing human jobs, our research suggests that the opposite is true:

- At 87%, more employers than ever plan to maintain or increase headcount due to automation a figure that has risen for the third consecutive year.
- At the same time, the share of companies predicting job losses has fallen from 12% to 9%.

2. Organisations that are automating are creating the most jobs

- Companies that are digitising are growing, and that growth is producing more jobs and new kinds of jobs.
- Organisations that are ahead of the curve, already automating tasks and progressing their digital transformation, are also most confident of increasing headcount.
- Confidence in automation is growing globally. In 35 out of 44 countries, more companies are planning to grow or maintain rather than shrink their workforce.

3. Companies are becoming builders of talent, upskilling is on the rise

- The top reasons employers cannot fill jobs include a lack of applicants with the right skills and experience.
- To overcome talent shortages and upskill people, almost all (94%) of employers are
 pursuing one or more of the build, buy, borrow and bridge talent strategies to secure the
 skills they need.

TALENT STRATEGIES FOR THE **SKILLS REVOLUTION:**

BUILD, BUY, BORROW, BRIDGE

A dynamic talent strategy will fuel future growth by employing the right combination of building, buying, borrowing and bridging talent.



1. Build – Invest in learning and development.

The Build Solution: Upskilling is scaling up.

84% of employers plan to upskill their current workforce versus 21% in 2011. Driving a culture of learnability through the organisation is crucial to success in the digital age.

By 2022, over half (54%) of employees will require significant reskilling and upskilling. To really compete in the Skills Revolution, companies need to promote a culture of learning, provide career guidance and offer short, focused upskilling opportunities.



2. Buy - Go to market to attract the talent that cannot be built in-house.

The Buy Solution: Wages are rising for those in demand.

79% of employers plan to buy the skills they need, either paying higher market prices when recruiting externally or improving compensation for existing staff.

In this tight labour market when skills needs are changing faster than ever, the most in-demand talent can call the shots. Companies are happy to pay more for sought-after skills. However, the challenge comes when those skills are not available. Then the only option is to build.



3. Borrow - Cultivate communities of talent beyond the organisation.

The Borrow Solution: NextGen is the next big thing.

Only 32% of organisations will use contractors and other forms of alternative work models, even though 87% of workers say they are open to this NextGen work.

Digitisation has created new ways of working and new generations of workers who are increasingly open to flexible work approaches. Companies need to address the disconnect that currently exists by being more open to offering alternative ways of working to attract, retain and motivate NextGen workers.



4. Bridge - Help people move on or move up to new roles.

The Bridge Solution: Redeploy, reassign or release.

By 2020, **56%** of employers will create pathways for people to move around the business, or on to new opportunities outside of their organisations.

Bridging requires tools including assessment, big data and predictive performance to define adjacent skills, identify strengths and help workers create clear career paths. Companies need to treat workers fairly and ideally offer support to move on to new opportunities elsewhere if their skills are no longer required.

To download the full report please visit:

Humans Wanted: Robots Need You

Today's highly successful companies are not only tech-enabled, but do not forget the value of the human experience at key touch points.

AUDIENCE DISCUSSION:

FACILITATED BY JONAS PRISING AND MARK CAHILL (MANPOWERGROUP)

Humans to shape the outcome of tech

The discussion opened by focusing on the balance required between humans and technology moving forward. For artificial intelligence and automation to be embraced, widespread acceptance from individuals and society is necessary.

For example, while technology has developed driverless cars, significant societal shifts are still required before they are accepted as the norm and are part of our every-day lives. Public perception and social acceptance are critical significant influencers when it comes to adopting new technology. (It was suggested that only when it becomes socially unacceptable to drive your own car, such as when it is viewed as unsafe to do so, will driverless cars become fully adopted).

It was noted that much will depend, not on what tech can do, but on what humans are willing to let it do. Humans are the ones who will ultimately shape the outcome as to where technology can lead us and when we are ready to embrace change.

The increasing value of the human experience

Despite the indeterminable number of possibilities and opportunities that artificial intelligence and automation can offer organisations and consumers moving forward, the audience discussed the increasing value of human interaction. It was noted that today's highly successful companies are not only tech-enabled, but do not forget the value of the human experience at key touch points in relation to both internal operations and the consumer buying process.

In one attendee's organisation, their business case for Robotic Process Automation had been scaled back, despite cost savings being identified. One of the key factors behind this was the recognition that emotional decision making is required at various parts of the process.

Trust is another factor. Despite artificial intelligence being capable of making decisions instantly, people's mistrust of the decisions made can impact acceptance and adoption within organisations. Adding a human element into the judgement process (including intuition and emotional intelligence) can aid in this.

While virtual reality is increasingly being introduced to the buying process in many sectors, it was acknowledged that when it comes to significant transactions, many consumers prefer to be physically present to make final decisions and complete the process. The customer journey must therefore be shaped by the customer's needs, rather than an organisation's assumptions. The question was raised – will organisations of the future be able to charge more for human interaction versus an online process or virtual reality?

> Continued on the following page

Digital transformation - considerations and shifts required

The audience noted several considerations for organisations undergoing digital transformation. While not an exhaustive list, they illustrated the wide range of factors organisations must be aware of and take into account.

Diversity was put forward as one consideration when it comes to robotics programming. It was noted that organisations must be conscious of the risk of unconscious bias being built in.

To ensure the success of any organisational transformation programme, cultural change is needed. This is especially critical when it comes to digital transformation, where the accompanying significant cultural shifts must be carefully managed.

It was put forward that many HR functions will need to undergo fundamental changes in the way they develop employees and consider new ways of working. Different approaches were discussed – from placing more emphasis on career conversations to grow and develop talent internally, to bringing people in and offering training, before rotating them with other organisations that are aligned to the company's culture and values. Making use of shared office space with other companies to infuse new energy, learnings and a more collaborative focus was also discussed.

Another critical consideration is that of reskilling employees at scale. The audience discussed the value of skills adjacencies – the ability to identify particular skills that can be transferred and upskilled elsewhere. It was suggested that managing skills adjacencies will increasingly become part of the core HR function.

Challenging current educational structures

It was suggested that traditional education systems are not keeping pace with technological advancements and need to be challenged. It was put forward that when it comes to education, shared responsibility is vital. The government, employers and individuals themselves all have a role to play and all must accept some level of accountability.

While we have greater access to online learning and educational content than ever before, the actual number of people successfully completing courses is very low. Having teacher support available, however, makes a huge difference. The question was raised: to ensure we can adopt and adapt to the new world we are in, how do we make online education work at scale?

The need for employers to make it easier for people to develop their skills by making developmental programmes more accessible to greater numbers across all levels of an organisation was also noted, and an annual learning allowance was discussed.

The apprenticeship levy was highlighted as a potential way to shift traditional educational structures, with France and Singapore being cited as examples where employers have a legal obligation to provide skills development plans or training via personal training accounts. At

> Continued on the following page

In helping people create paths for learning and employment for life, employers need to encourage and actively support a learning mindset.

the same time, it was acknowledged that the current apprenticeship levy structure has some rigidity and a significant amount of funding is currently underutilised. Yet the levy could offer a great way for industry to influence what is being taught.

It was suggested that Europe is well placed in making the shift to the digital age, with structures already in place to invest in training. With the option for UK employers to offer apprenticeships to employees of all ages and at any level who are taking on new roles or require new knowledge and skills, this could potentially open the way for more to benefit from structured learning and development opportunities.

Preparing for future skills requirements: creating cultures of learnability

Accessing the necessary skills to move organisations and sectors forward was acknowledged as a challenge shared by all attendees, including those from companies who have already adopted a culture of automation. To assist in filling skills gaps, while also ensuring diversity, attendees discussed the need to widen the talent pool. Talent attraction should include those from non-traditional backgrounds with a focus, not just on technical skills, but on those with 'power' or people skills.

As we do not yet know exactly what many jobs of the future will look like and what skills will be required, the need to hire based on a learning mindset and a desire to continue learning to remain employable (learnability) will become even more crucial.

It was noted that a very different outlook is required to move from a focus on a 'career for life' to that of 'employment for life.' With most labour markets being structured around employment security, a significant switch is needed to structure them around employability. It was proposed that employers must place greater emphasis on helping move away from a 'career for life' mindset and accept the need for everyone, regardless of their role, to be willing to adapt and learn new skills.

In helping people create paths for learning and employment for life, employers need to encourage and actively support a learning mindset. To create cultures of learnability and environments that foster curiosity and a drive to learn, this must be led from the top.

It was suggested that the next evolution in education will require employers to offer shorter bursts of on-the-job and experiential training. To encourage continuous learning throughout an individual's life, the option of stackable credentials was discussed. These offer a clear sequence of coursework or other credentials that support the development of skills, helping individuals to maintain their employability as they progress within or move into new career pathways.

CONCLUSION

Technology is transforming the way we live, work and lead – calling for new thinking and new ways of doing things. As digitisation transforms organisations, skills needs are rapidly changing and companies are struggling to find the talent they need. In the Skills Revolution, the best blend of high-tech and high-touch will be the combination of human strengths with technical and digital fluency. Helping people upskill and future-proof themselves will be the defining challenge of our time.

Today, more than ever, having the desire and ability to continually grow and adapt one's skill set is essential. This allows individuals to become more employable for the long-term; and it allows organisations to ensure their workforce is equipped with the skills it needs, no matter how much their requirements change in the years to come. Fostering a culture of learnability that encourages workers to upskill, reskill and adapt is best achieved through a consistent, intentional commitment to continuous learning.

Wherever companies are on their digital journey, they need to be more agile to unleash human potential, develop skilled talent and pair it with the best technology. Forward-thinking organisations must plan ahead to be prepared for all eventualities, including future skill requirements and new workforce structures. Yet, in our digital era, human strengths, human ingenuity and human capital play a more important role than ever before. With the right skills mix, people can augment, rather than compete, with technology.

7 WAYS TO ENSURE HUMANS CAN AUGMENT TECHNOLOGY





3. UNDERSTAND WHAT YOUR WORKFORCE WANTS

Companies must harness NextGen work models, including contract, part-time and temporary work to attract and retain the best skills – because 87% of workers want that.



11 The role of HR needs to continue to evolve to help organisations drive growth and profitability. We need a new talent strategy to help all companies integrate automation with human skills. Companies can no longer be purely consumers of work. They need to be builders of talent cycles, helping people develop their resilience and ability to move from this role to that. In the Skills $Revolution, this \ is \ how \ people \ will \ augment \ robots$ rather than be replaced by them. 🗾

Mara Swan

EVP GLOBAL STRATEGY AND TALENT, MANPOWERGROUP



5. TAILOR TRAINING

Companies must replace one-size-fits-all approaches to training with focused strategies and guidance to develop critical, in-demand skills for their workforce.



6. BET ON SOFT SKILLS

Organisations should fine-tune talent strategies to account for the fact that human skills are harder to develop than technical skills.



7. ENABLE HUMANS TO AUGMENT TECHNOLOGY

Companies must continuously upskill their workers and create talent. They must assess and re-evaluate the skills they need to ensure human talent complements automation



READ MORE

Learn about a ground-breaking initiative to address the challenges of reskilling and upskilling:

A unique solution to help technology-driven industries harness the Skills Revolution

Experis Academy Italy leads the way in driving open innovation on human capital

ADDITIONAL READING

Humans Wanted: Robots Need You

Stefano Scabbio on Skills Adjacencies

Three Ways to Unlock the Potential of the Apprenticeship Levy

5 Ways Employers Can Better Harness Non-Traditional Employment Models