

The robots are coming: *Don't panic!*

Managing humans in an age of robots: the importance of integrating automation and people strategy

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The automation of work is well underway, and the implications for the global workforce will ultimately be enormous.

It is estimated that almost every role will be affected by automation, with perhaps 375m people globally needing to change their occupation as a result¹.

CEOs are responding accordingly: 66% see the skills gap caused by automation as a top ten organisational priority². 47% are already “deeply involved” in automation projects³.

As with many changes, organisations are nervous and uncertain: only 31% feel ready to address automation⁴, and most research shows a lack of consensus on what to do or how to manage the issue.

But the change will not take place overnight, nor does it need to be overwhelming.

Automation presents a significant opportunity: the chance not to do the same with less people, but to enable the same people to do more. More for your customers, your organisation, and for themselves.

This is because, overwhelmingly, automation affects processes, not jobs.

Understanding this, and ensuring your people strategy is aligned to your automation program, can help you make the most of your people - and deliver a significant competitive advantage.

This paper sets out some of the key considerations for your people strategy and implementation approach.

We hope you find it useful.

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The change will be less disruptive and more manageable than you might think

The pace of change has never been faster, and the tone of much of the writing on automation is urgent and forceful.

But pause and take a closer look at the data. Those 375m people who may – *may* – need to change occupation by 2030? That equates to 1 in 7 workers globally in 12 years' time. Look back at what you were doing in 2006, think about how different that was and how you managed that change.

1 in 7 workers globally will need to change occupation in 12 years' time

Likewise, of 271 occupations identified in 1950, only one was made obsolete by technology by 2010⁵. That's incredible when you think of the massive technological change in that era. (The occupation? Elevator operator.)

Another example? The widespread roll-out of ATMs in the late 1990s was followed by a 2% p.a. increase in bank branch staff from 2000-2015⁶.

This highlights a key point: automation freed up branch staff to focus on customer service, which drove increased demand – and better performance.

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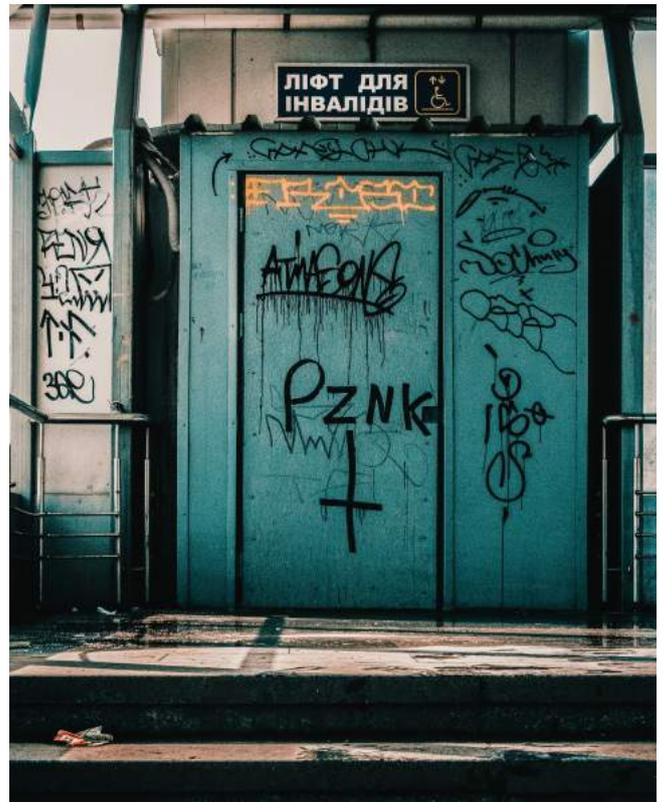
There are many reasons why there's a disconnect between the noise and the reality, but we will call out one of the most important – and misunderstood: automation affects processes, not jobs.

We are all affected by automation, but at a task, not a career, level. The way we do things looks different, as do the tools we use, but our occupations change much less.

Some jobs will go, some will appear – but, like the people who do them, the overwhelming majority will evolve and adapt.

Recognising this is the key to developing a people strategy that maximises the benefit and reduces the disruption of automation.

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Your approach: the why, what and when of automation

Effectively managing the people impact of automation relies on two things: a strategic framework and thoughtful implementation.

“ A quick scan of the internet will tell you *[you need]* empathy, problem-solving, collaboration and a learning mindset ”



Know your strategy

The whole organisation, not just a sub-set, should be clear on the automation strategy. Why you are automating (cost, value, service, speed) and what. There should be a clearly defined end state vision for the organisation and its people.

This should be supported by leadership alignment, customer engagement and employee commitment. The outcomes are a leadership group that can buy into and explain the strategy, customers who feel ownership of the process and employees who understand the future direction of the organisation.

Define the capabilities and who will need them

New processes, tasks and roles will need new skills. A quick scan of the internet will tell you these include empathy, problem-solving, collaboration and a learning mindset.

But the real value comes in a deeper, more bespoke process that helps you define the unique capabilities that will differentiate your organisation: Your leaders, different functions and different roles will all require some similar and some unique skills.

This vision is then integrated into the structure and roles of the organisation – if the nature of the work looks different then how does that affect individual roles, teams and the shape of the organisation?

The outcome is clarity on the shape and capability of your future-state organisation.

Mind the gap

The last step is understanding the size of the gap between current and future state. The key here is taking a data-driven approach: relying on gut feel and judgement can lead to bias, self-interest and poor outcomes.

An activity analysis can give useful detail into how jobs will be impacted. There may be existing assessment or performance data to help understand current capability, or a one-off activity may be needed. It is certainly a good time to start tracking staff sentiment towards automation and your handling of it.

Your picture of the current state then needs to be overlaid with the timeline and plan for automation. This is key in helping understand how long you have got to close the gap.

The four Rs of implementation: how to get there from here

R¹ Reskilling

62% of CEOs believe a quarter of their people will need to be retrained by 2023⁷.

Clarity on who needs what new skills – listen to your customers – should be followed by a review of the L&D strategy and model: what channels and tools will you use to build the required capabilities?

Timing is key – the speed of automation will drive this. Factor in employee turnover, budget effectively (including time as well as money) and consider what your managers will need to do differently to enable and lead the reskilling of their people.

“ Producing a slick strategy document with a design-heavy presentation to launch it is often the easy part. Organisations live or die by their ability to bring it to life and embed it across all levels of the organisation. ”

R² Recruitment

At some stage you'll almost certainly be hiring: 18% of CEOs believe this will form most of their approach, with another 41% backing an equal mix of hiring and retraining⁸.

This will mean refreshing the EVP and looking in different places for candidates, potentially using new tools to assess for different capabilities, reskilling to remove legacy bias in the process, and an overhaul of your onboarding process so that new hires know exactly who they are joining.

It may also mean changing the mix of contingent versus permanent staff.

R³ Retrenchment

It would be naïve to argue that such large-scale change will not include managing some employees who are unwilling or unable to adapt to the future.

Effective change management and an understanding of the timeline affecting individuals can help, as can support in reskilling for roles outside the organisation.

Partnerships with external bodies, peers and unions can also provide options.

R⁴ Reinforcement

Hiring and reskilling can be one-off activities, and your people strategy needs to be holistic to ensure the organisational change is reinforced in multiple ways.

This means effective change management: tackle people's fear of “being automated” and constantly track employee attitudes and engagement throughout.

Tweak promotion and succession planning processes to embed the future capabilities, review performance management models and enable job mobility.

About us: how we work with you

At Priestman Associates we partner with clients to create and deliver people strategies that maximise the benefits of automation.

The work looks different every time: for some clients it's a light-touch series of conversations and a validation of their plans, while others take a deeper dive approach – leadership alignment workshops, assessment of capability, engagement with customers.

Whatever the approach, the outcome is a constant: an organisation that has a clear automation people strategy, with leadership aligned behind it and a detailed plan to bring it to life.

If you have an automation program in place and are working through the people implications then get in touch: we'd love to talk and discuss ideas.

And if you're particularly proud of something you've done, or want to share some insights then drop us a line too. We're passionate about learning new things, and always keen to connect with like-minded people.

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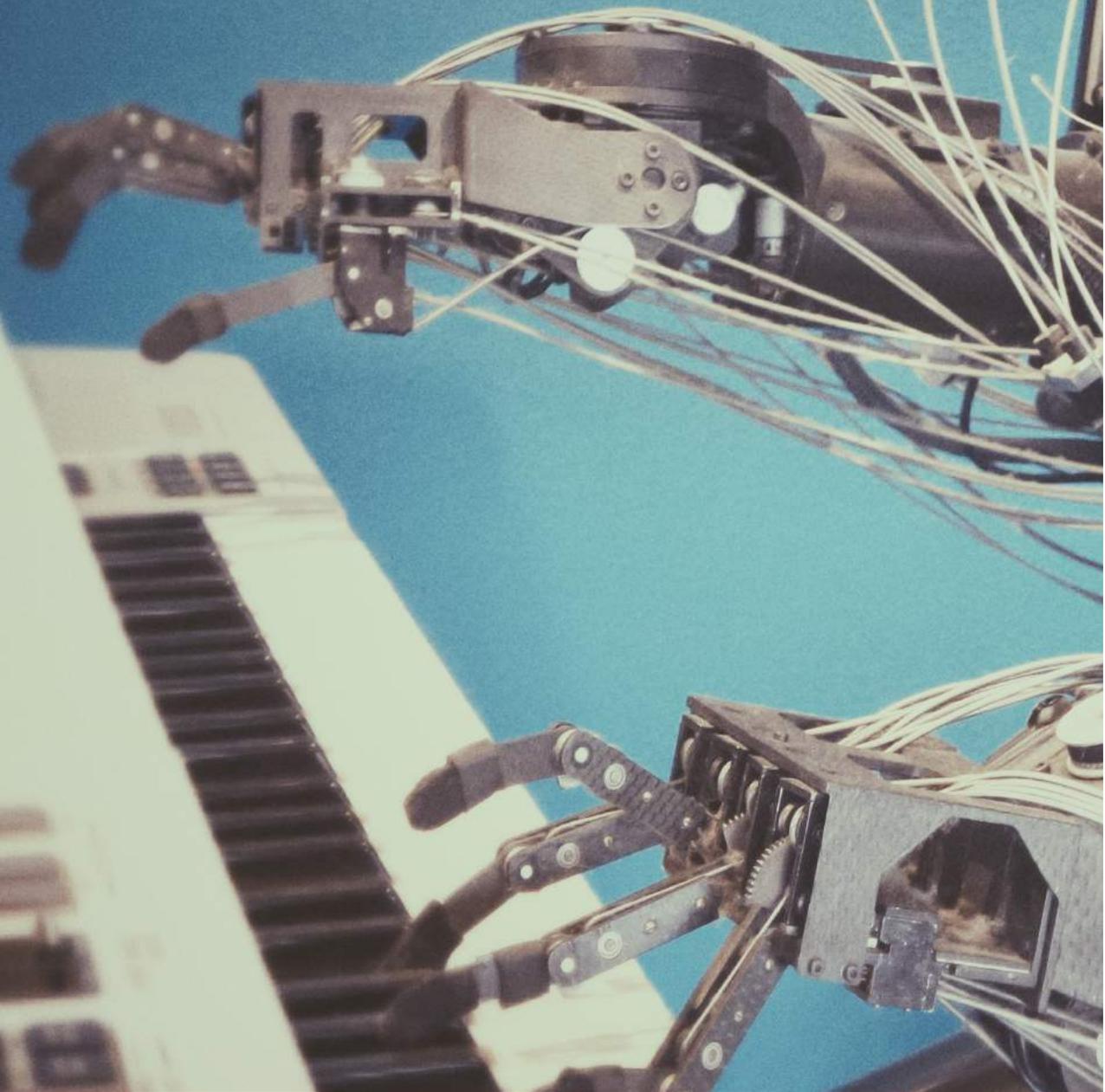


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