

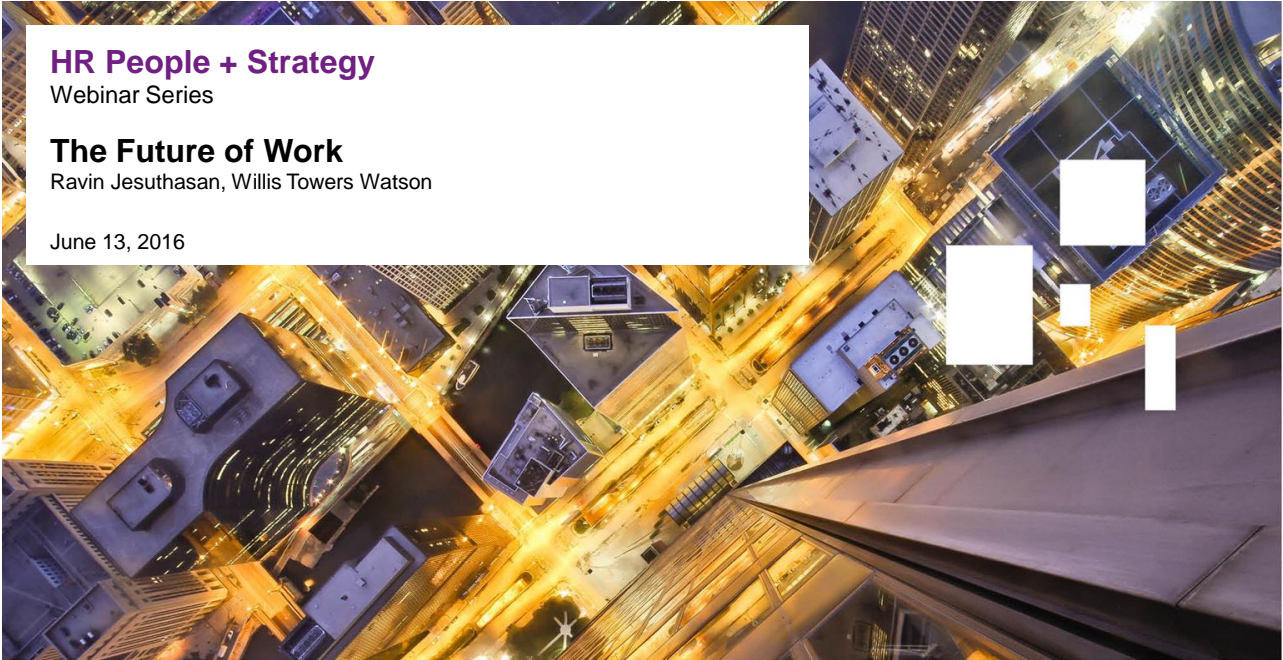
HR People + Strategy

Webinar Series

The Future of Work

Ravin Jesuthasan, Willis Towers Watson

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Today's Speaker



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What we'll cover today

- Revealing insights from recent research
- The implications for the future of work
- Scenarios and real world examples
- Audience polling and discussion

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We are at the beginning of a Fourth Industrial Revolution...



Today's realities

- Digital revolution
- Fusion of technologies is blurring lines between the physical, digital, and biological spheres
- Technological breakthroughs, such as artificial intelligence, robotics, the 'Internet of Things' (IoT)



Compared to previous industrial revolutions

- Disrupting almost every industry in every country
- Significant impact on work and jobs
 - Significant job creation to job displacement
 - Heightened labor productivity to widening skills gaps



In many industries and countries

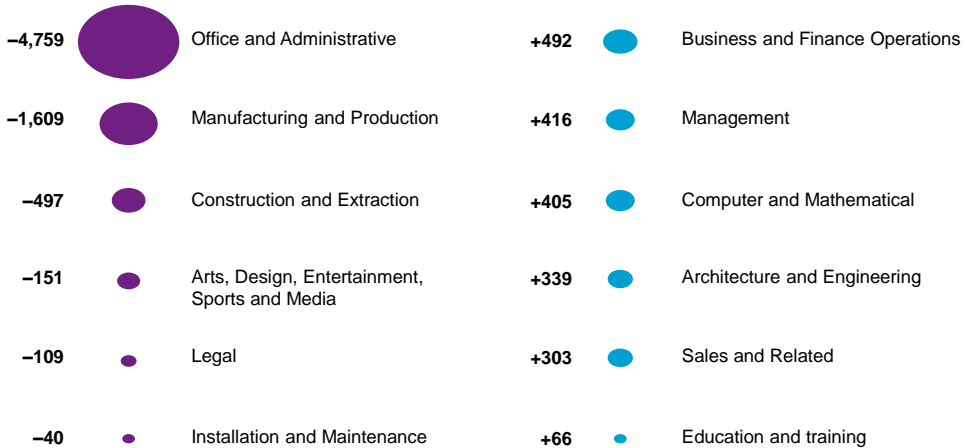
- The most in-demand occupations or specialties did not exist 10 or even 5 years ago
- 65% of children entering primary school today will ultimately end up working in completely new job types that don't yet exist

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The Fourth Industrial Revolution is revealing specific employment trends

Net employment by job, family 2015–2020
Employees (thousands, all focus countries)



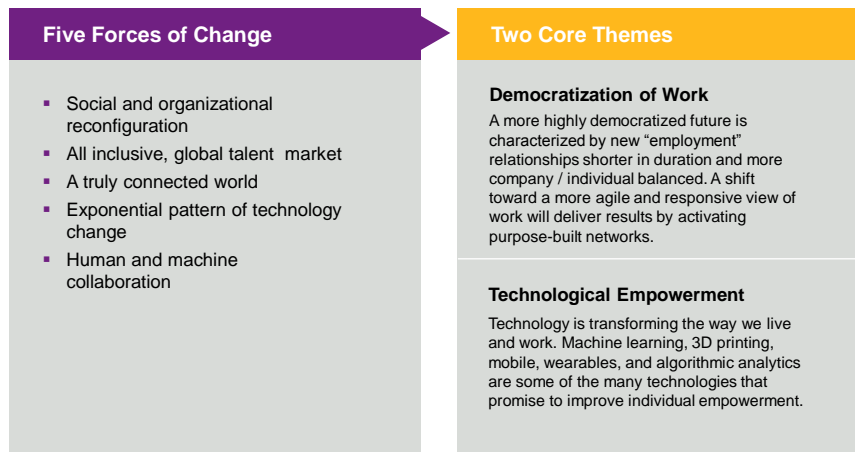
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There are Five Forces of Change in play which can be captured in two core themes

Democratization of Work and Technological Empowerment

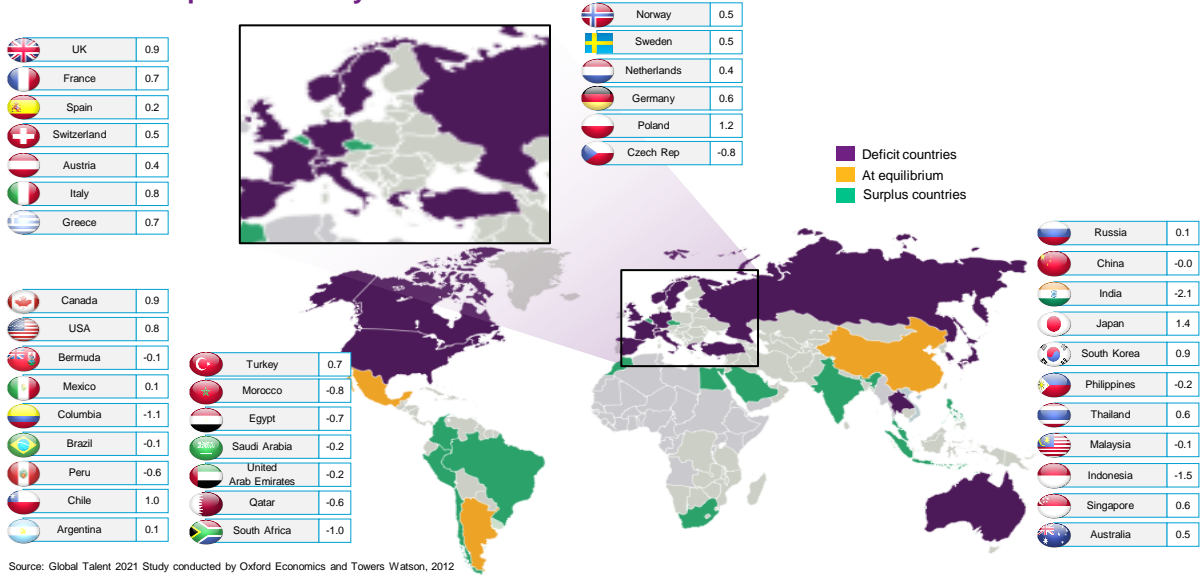


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Talent friction points in ten years



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The emerging “Robo-gig” economy

Technology, digital media and robotics are transforming work and jobs

Human & machine collaboration • A truly connected world

3.6BN

Mobile Users

38–40 million skilled worker deficit

90–95 million low-skilled worker surplus

Rapid increase digital robots and virtual personal assistants

850,000 Technologists on TopCoder.com (from 6k 10 years ago)

69% Use of digital media for work

\$2.7BN GDP boost by talent platforms in <10 years

41% of companies have contingent employees

77% of organizations list missing skills as the single biggest impediment to digital transformation

Social & organization reconfiguration • All inclusive global talent market

Sources: Digital Media & Society, World Economic Forum in collaboration with Towers Watson; Towers Watson Research; also reference McKinsey & Co

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The transformative impact of talent platforms

By 2025, online talent platforms could boost global GDP by \$2.7 trillion

Share of GDP increase by source, \$ trillion		\$2.7 trillion ¹	
Improved productivity	0.34	Better matches	
	0.29	Reduced informality	
Greater employment, 25 million additional FTEs ²	0.70	Faster matches	
	0.11	New matches	
Higher labor-force participation, 47 million additional FTEs ²	1.27	Work currently inactive people and increased hours for current part-timers	

Sources: McKinsey & Company

1. Figures do not sum to total, because of rounding.

2. Full-time equivalent

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POLLING QUESTION

Which of these statements are true for your organization?

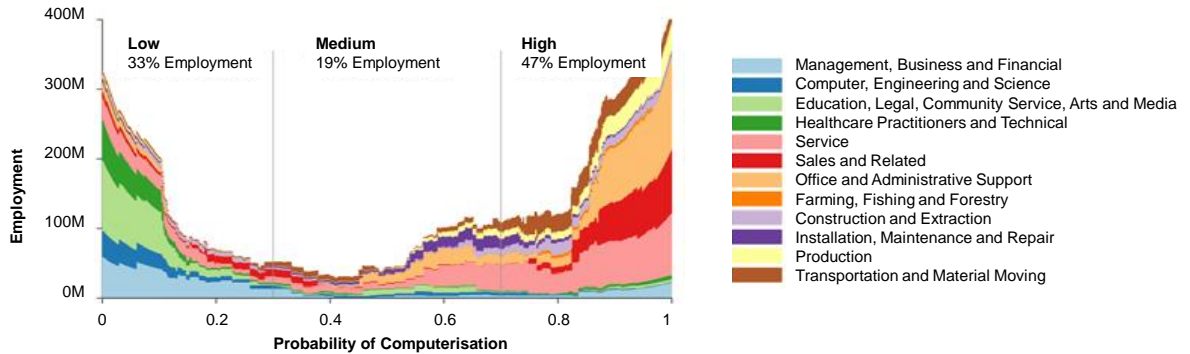


- A. Our organization is a place containing employees doing work
- B. Our organization organizes work and talent regardless of where that talent comes from or where the work is done

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Technology is transforming work and jobs



Source: Frey, C.B. and M.A. Osborne, "The Future of Employment: How Susceptible Are Jobs to Computerisation?", 17 September 2013

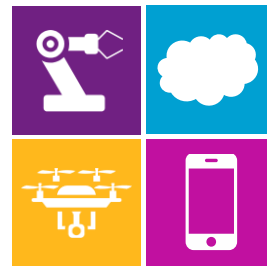
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Robotics combined with other tech bring a disruptive fusion

A combination of technologies will impact the workplace in unpredictable ways

- AI, actuators, sensors (Visual Simultaneous Localization and Mapping) and mobile fuse to make robots ubiquitous
- Robots come in many shapes: they walk, fly, swim, crawl, and roll on wheels
- Smartphones are becoming the "supercomputers" for programming household robots
- Shared learning in the cloud accelerates robot effectiveness and adaptability
- Collaborative robots working alongside humans
- Physically assistive robots for the elderly
- Neurally-controlled prostheses may become a new way for seamlessly interfacing with robots
- From doing dangerous and dirty work robots evolve towards doing accurate and patient work



Main source: Rodney Brooks, Panasonic Professor of Robotics at MIT

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Which of these skills is most important to your company?



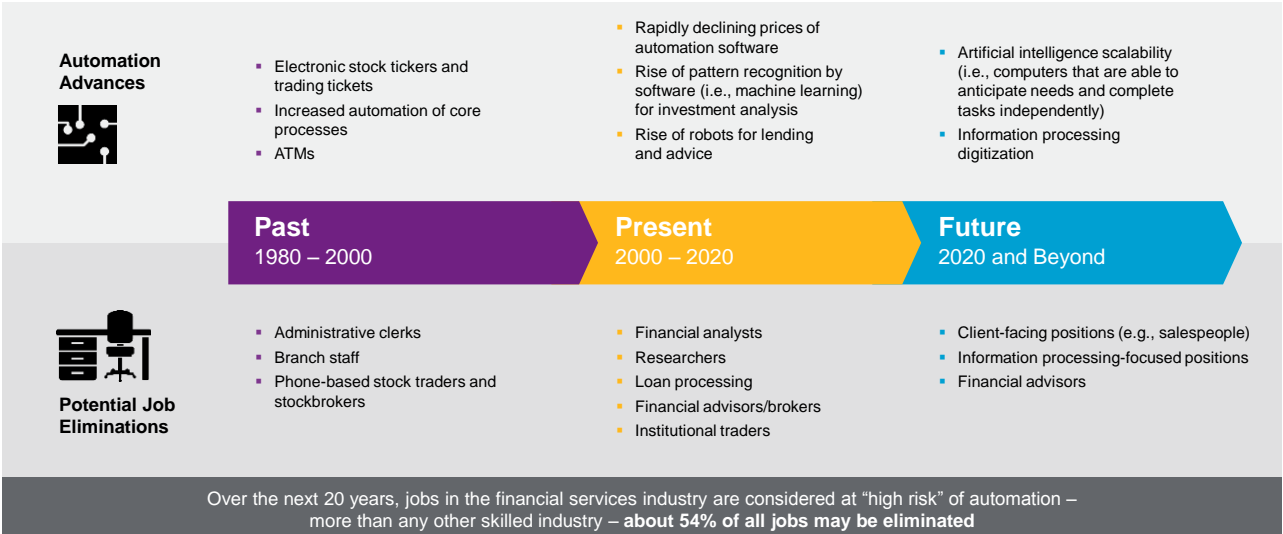
- A. Digital skills
- B. Agile thinking skills
- C. Interpersonal and communication skills
- D. Global operating skills
- E. All of the above

Are we approaching “peak human”?

Machine Learning and AI have come of age, and scale, thanks to the cloud

	<p>More affordable and better care – but fewer doctors?</p> <p>IBM Watson successful diagnosis rate for lung cancer is 90% compared to 50% for human doctors</p>
	<p>Robo-advisers replace humans in banking</p> <p>RBS announces the shedding of 550 jobs, to be replaced by roboadvisers in order to cut costs</p>
	<p>AlphaGo beats world champion at Go</p> <p>Self-learning algorithms can improve their performance over time, and be applied to any complex cognitive problem (e.g. language translation)</p>

The impact of automation and digitization on Financial Services

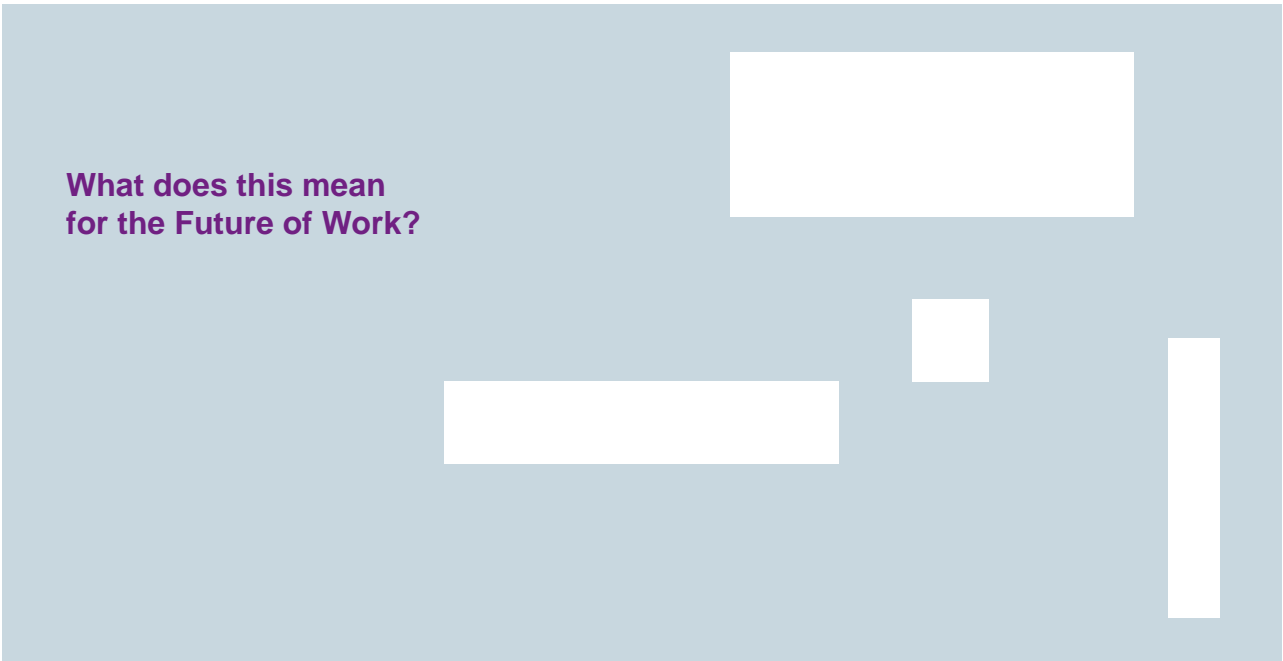


Source: "The Robots are Coming for Wall Street", *The New York Times Magazine*, Nathaniel Popper

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What does this mean for the Future of Work?



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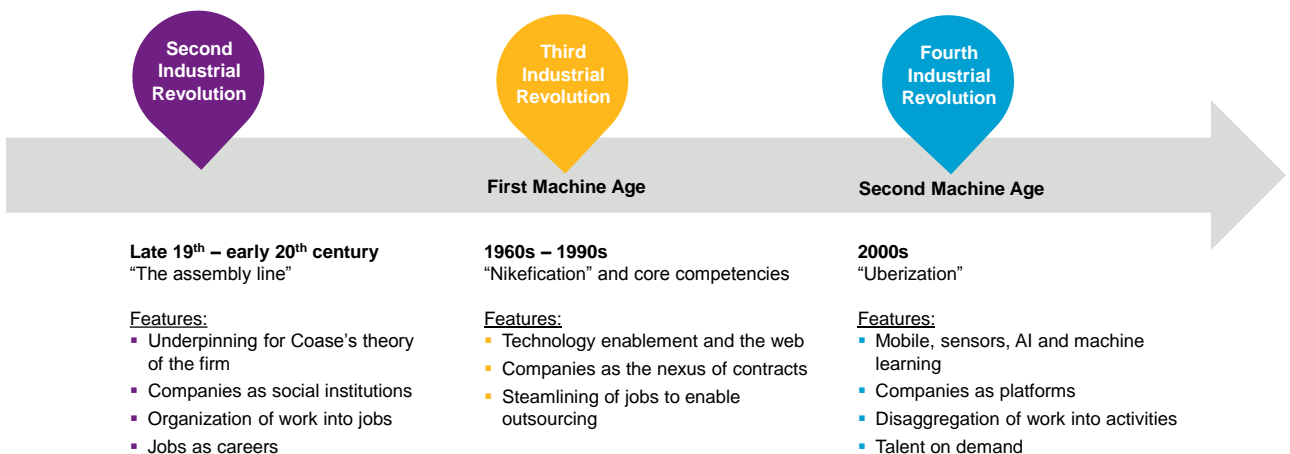
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A challenge to our core beliefs about the organization

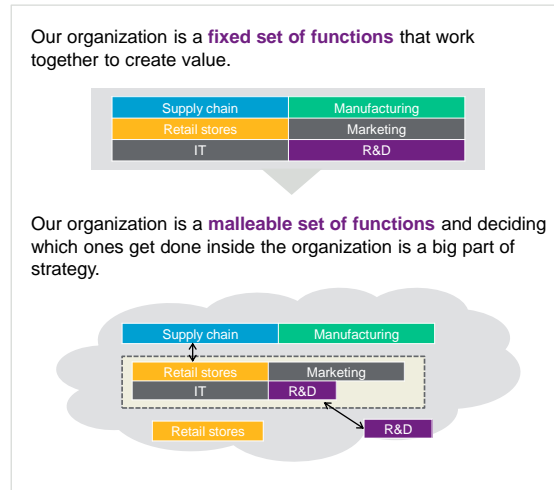
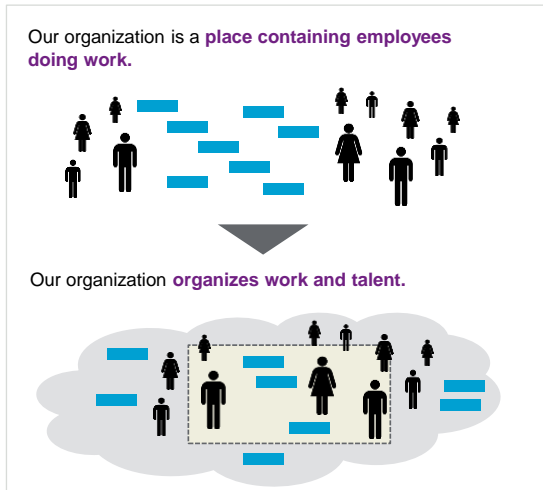
“Outside the firm, price movements direct production, which is co-ordinated through a series of exchange transactions in the market,” Coase writes. “Within a firm, these market transactions are eliminated and, in place of the complicated market structure with exchange transactions, is substituted the entrepreneur co-ordinator, who directs production.”

– Ronald Coase, *The Nature of The Firm*, 1937

Industrial revolutions and work



This will require a fundamental paradigm shift in how work and our organizations are organized



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POLLING QUESTION

What are the most significant impediments to your use of non-employee talent?

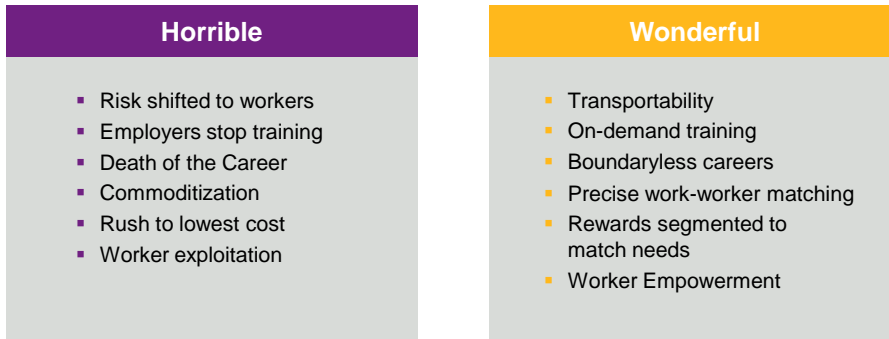


- A. Lack of consistent governance over all types of labor
- B. Concerns over regulation / liability
- C. Lack of leader awareness / capability
- D. Lack of infrastructure to consistently attract and manage such talent
- E. We don't need non-employee talent

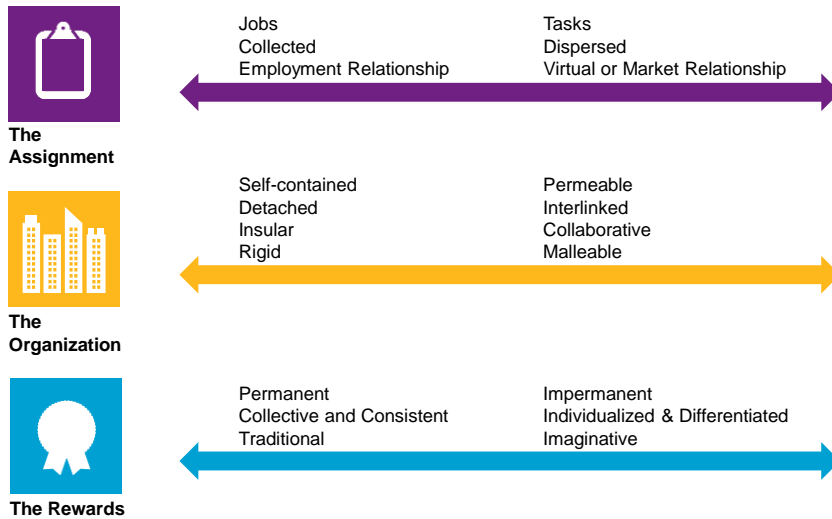
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New work: Horrible or wonderful?



Lead the Work Map



Source: John Boudreau, Ravin Jesuthasan and David Creelman

Insurance industry

The organization

Background:

Insurers are faced with tough new business, investment and regulatory environments that are emerging from the financial crisis.

Broader challenges including demographic shifts, the rise in power of the emerging markets, and changing customer behavior are causing the transformation from a product-centric to a customer-centric market.

Business Case:

- Acting on customer insights and harnessing the power of big data and social media will create competitive advantages. However, this transition will require employees with completely new skill sets.
- **How can this sector compete with other industries for highly prized digital talent?**

The Solution:

By first segmenting the workforce and then viewing the organization's boundaries as permeable, the sector will be able to collaborate with others to meet the demands of its evolving marketplace.

Accomplishments

- ✓ Organizations that segment their population and take on creative approaches to resourcing work will be far more capable of meeting their talent needs
- ✓ By focusing on their core strengths and leveraging "non-competitive relationships" the sector can collaborate with others for mutual benefit
- ✓ Talent from outside the organization brings more than just technical skills, they inject diversity of thought

Your organization's work done by another employer's talent

- Siemens creates a hearing aid for kids
- Where is the best talent that understands how to engage children with a product....Disney
- Siemens uses Disney employees to create a hearing-aid comic book



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The Siemens “Disney Kit”

The Disney Kit

The Disney Kit for younger children includes a cuddly Mickey Mouse® and storybook. Reading and playing with Mickey helps younger kids gain confidence in their hearing aids. And to keep their hearing aids in peak condition, the kit also provides all the maintenance essentials parents need, like a battery tester, drying set, listening stethoset and a cleaning tool.



Questions

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