The future of work: Debunking myths and navigating new realities

As workplace automation increasingly becomes the norm, myths about artificial intelligence (AI) and robotics are giving way to new realities of what it will take to engage and lead talent in an evolving work ecosystem.

The use of workplace automation is expected to nearly double in the next three years according to our 2017 Global Future of Work Survey. While survey respondents report that 12% of work is currently being done using AI and robotics versus just 7% three years ago, they anticipate that this figure will rise to 22% in the next three years.

With the surge in workplace automation, employers are moving beyond automation myths and stereotypes. A growing number recognize the need for breakthrough approaches in talent and rewards as well as leadership activities in order to optimally manage the many emerging work options ranging from contingent labor to automation. But few employers are fully prepared to implement the organizational changes required to meet this challenge.

The transformative role of automation

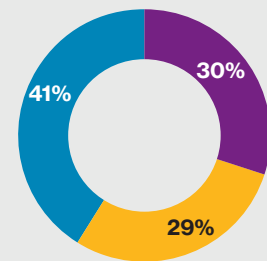**Myth:** Organizations use automation primarily to reduce costs and minimize errors.

New reality: Over half of employers (57%) say the key goal of automation is to augment human performance and productivity while a substantially smaller percentage say the goal is to reduce costs (24%) and avoid mistakes (15%).

Sixty-eight percent of companies indicate that they do not use automation to autonomously complete work *(Figure 1)*. Rather, 70% use AI and robotics somewhat or to a great extent to support humans in completing business processes.
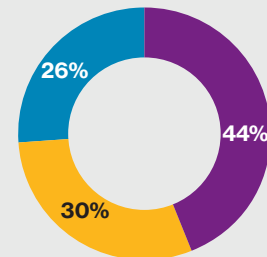
Automation now plays a more transformative role in the workplace — supporting not replacing talent, thus allowing workers more time to focus on higher-value activities (see sidebar on page 2).

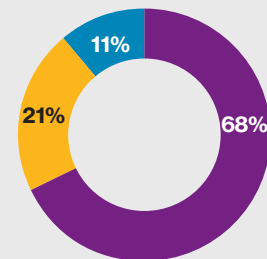Figure 1: **Automation and digitalization are used to support, not replace, humans**

Support humans completing business processes

- 30%
- 29%
- 41%

Take over some of the work found in jobs and business processes

- 44%
- 30%
- 26%

Autonomously complete work

- 68%
- 21%
- 11%

■ 1 – Not at all/2   ■ 3   ■ 4/5 – To a great extent

Willis Towers Watson

Workplace automation – the essentials

Workplace automation involves the use of various technologies – such as AI, robotics and machine learning — to automate processes and workplace activities. While many employers may have originally viewed automation primarily in the context of labor substitution, over half now say the key goal of automation is to augment human performance and productivity.

It's important to understand the three key automation technologies and the work for which each is best suited:

Enablers of work automation

Tasks	Routine, high-volume	Nonroutine, creative	Routine, interactive
Maturity	High	Emerging	Medium
Impact	Medium	High	High

Source: Willis Towers Watson

- **Robotic process automation (RPA).** The most mature of the three technologies, RPA, automates high-volume, low-complexity, routine business processes. Examples of these processes include tracking the status of a delivery, updating employee contact information or transferring data from one software program to another, such as from a spreadsheet to a client relationship management system.

- **Cognitive automation.** Cognitive automation, which includes AI and machine learning, is often used to augment or replace human capability in nonroutine, complex tasks, for instance, retail investment banking using AI to support portfolio management and executing market activity and trading more efficiently. This allows human portfolio managers to focus on more strategic and complex issues related to the investment portfolio.

- **Social robotics**. Social robotics combines physical equipment, AI, sensors and mobility, resulting in machines that interact with humans in the physical realm. Examples of social robots include driverless cars and autonomous drones.

Workplace automation can help employers get work done more efficiently and improve the utilization of talent by enabling human workers to focus on higher-value activities.

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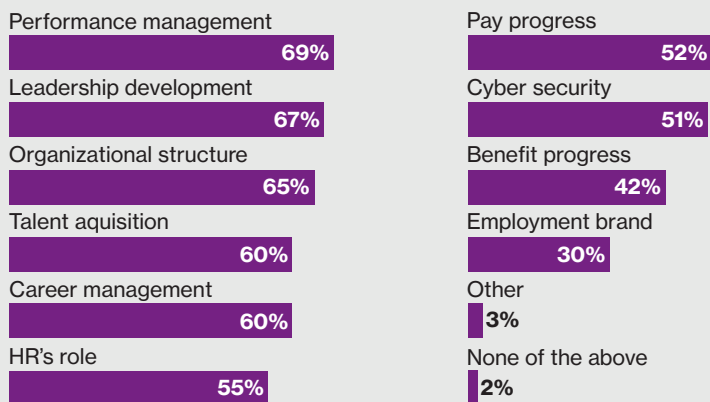
Needed: HR breakthroughs

Myth: Workplace automation is the exclusive domain of IT.

New reality: More than half of employers say it will take breakthrough approaches in HR's role in order to meet the challenges of automation and digitalization. Our findings also reveal that innovative change is required in key talent and reward areas.

Almost 70% of respondents point to the need for breakthrough approaches in performance management, perhaps highlighting the difficulty of setting goals and accountability for a diverse, global workforce that includes contingent labor even as work requirements are changing *(Figure 2)*. Other areas in need of innovative approaches include leadership development, talent acquisition, organizational structure and career management.

Figure 2: **Breakthrough approaches are needed in critical talent and reward areas, as well as leadership, as a result of automation**

Performance management	69%
Leadership development	67%
Organizational structure	65%
Talent aquisition	60%
Career management	60%
HR's role	55%

Pay progress	52%
Cyber security	51%
Benefit progress	42%
Employment brand	30%
Other	3%
None of the above	2%

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These breakthrough changes call for a new type of leadership. And nearly two-thirds of employers expect leader and manager activities to change over the next three years. In particular, respondents say that managers (64%) and leaders (65%) will have a critical role to play in communicating and leading change around the new combinations of human and automated workers. In addition, 62% indicate that it will be important for leaders to measure performance, productivity and outcomes on a more frequent basis in the next three years.

How far along are HR functions in the organizational change journey that automation and digitalization require? On average, fewer than 5% say they are fully prepared for the shifting requirements in any particular area. Some HR functions have started to take action and roughly a third report being somewhat prepared to:

- Identify emerging skills required for the business (32%).
- Address talent deficits through workforce planning and action (31%).
- Match talent to new work requirements (29%).

Additionally, close to a quarter plan to take action this year to prepare for the future in the following areas:

- Address talent deficits through workforce planning and action (26%).
- Enable careers based on a more agile and flattened structure (24%).
- Reconfigure Total Rewards (23%).
- Assess talent to identify "skill and will" gaps (23%).

However, a significant percentage of HR functions have considerable work to do in two key areas:

- 35% of employers report being unprepared when it comes to **deconstructing jobs and identifying which tasks can best be performed by automation** (AI, robotics, etc.).
- 38% say they are unprepared to *identify **reskilling pathways*** for talent whose work is being affected by automation.

It's critical for employers to address these issues in order to fully automate their work, adequately understand the new work requirements and address skill gaps.

A complex work environment

Myth: Workplace automation will have a largely negative impact on workers and jobs.

New reality: Automation will result in new combinations of work, talent, skill requirements and work relationships involving a range of workers from full-time equivalent employees to contingents.

Our findings uncover several interesting dichotomies in this complex work environment. One out of four (27%) organizations are redesigning jobs today to require more skills as a result of automation. That percentage is likely to increase to two out of five (45%) over the next three years. At the same time, similar percentages of organizations are redesigning or will redesign jobs to require fewer skills now (25%) and over the next three years (42%) *(Figure 3)*.

In addition, automation will contribute to job losses as well as gains across different categories of workers. While 19% of respondents say automation currently enables or requires them to use more nonemployee talent, such as free agents or contractors, half expect this to be the case in the next three years. Overall, roughly half of employers (49%) believe they will require fewer employees in the next three years as a result of automation compared with 27% of organizations that say that is true today.

Among the positive effects of automation is increased work flexibility in terms of how and where works gets done. While over half of respondents (51%) report that automation is currently enabling them to increase work flexibility (e.g., scheduled hours) to get work done, this figure is expected to rise to 68% in three years. And
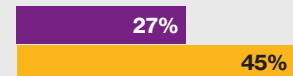
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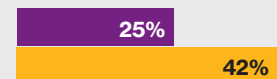
Figure 3: **Impact of automation**

Requiring us to pay more for employees with certain skill sets
- 59% (Today)
- 62% (In three years)

Changing the way we design jobs so they can be done by employees with *more* skills
- 27% (Today)
- 45% (In three years)

Changing the way we design jobs so they can be done by employees with *lower* skills
- 25% (Today)
- 42% (In three years)

■ Today ■ In three years

while half of respondents also indicate that automation allows work to be deployed to other locations, it's anticipated that this percentage will increase to 67% over the next three years.

Valuing and engaging contingent workers

Myth: Contingent workers are disengaged and not committed to your organization's success.

New reality: While in the past, employers may have regarded contingent workers as a cost play and part of a purely transactional relationship, today many recognize the value that contingent workers contribute to their organization.

About half of employers say that contingent workers are just as likely to put in extra effort as full-time employees *(Figure 4)*. This figure rises to 56% for part-timers and 55% for free agents. In fact, one-fifth of survey respondents indicate that free agent workers are more likely to expend discretionary effort than employees in full-time positions.
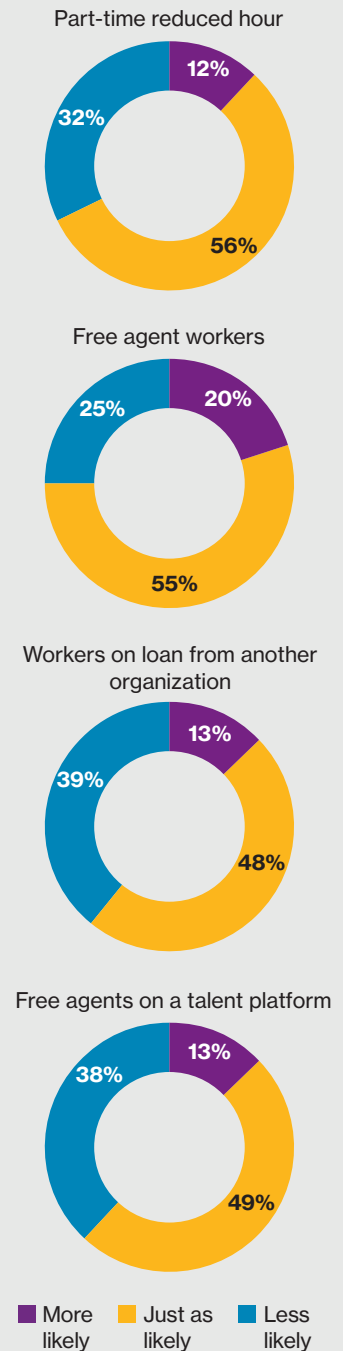
Additionally, over half of employers believe that these workers are just as likely to recommend their organization as full-time employees. Therefore, it's essential and possible for leaders and managers to engage all types of talent in their work ecosystem. Moreover, those organizations that might have been reluctant to use nonemployee talent in instances requiring discretionary effort or where brand considerations might come into play should consider reevaluating their decisions.

But how do organizations begin to boost contingent worker engagement? The evolution of reward programs may help. Currently, there is a strong emphasis on offering learning and development opportunities to contingents, with almost half of organizations (47%) providing these types of programs.

A significant number of organizations plan to expand the reward programs provided to contingent workers. In the next three years, nearly half of employers (45%) are considering offering recognition programs to free agent workers while 41% expect to provide access to health and wellness programs such as gym memberships and fitness consultations. And a significant percentage (36%) is considering offering health and wellness benefits (e.g., sponsor/access to medical or dental coverages).

Further, according to related Willis Towers Watson research on the drivers of contingent worker engagement, contingents are looking to work for socially responsible organizations whose leaders take a strong interest in people-related

Figure 4: **Commitment to organization success**

Part-time reduced hour

12%
32%
56%

Free agent workers

20%
25%
55%

Workers on loan from another organization

13%
39%
48%

Free agents on a talent platform

13%
38%
49%

■ More likely　■ Just as likely　■ Less likely

concerns. They also value organizations with a strong performance focus that provide ongoing performance feedback and work opportunities that enhance their expertise. Lastly, a workplace that promotes knowledge sharing, collaboration and open discussion is also key to engaging contingent workers.

Charting a clear course of action

Moving beyond workplace automation myths will help your organization better understand the many emerging options for getting work done, and identify the optimal combinations of human talent and automation. The following steps can help you chart a clear course of action.

Understand how technology and automation impact work

- Assess how work can be deconstructed and reconstructed to be done in a more efficient and effective way. Identify and evaluate the various work options in your work ecosystem ranging from AI and robotics to contingent labor.

Define the re-skilling pathways

- Based on the new requirements for work, identify the skills your organization will need.
- Determine where skills create career and pay movement.

Lead the change and engage around the new ways of working

- Define and deliver a talent value proposition that takes into account all workers – employees and nonemployees.
- Build HR capabilities required to re-architect work and manage role change.
- Equip leaders and managers with the resources to navigate and lead the change.

About the survey

Our Global Future of Work Survey was fielded in October and November 2017 in 38 countries. It includes responses from over 900 participating organizations. The participants represent a wide range of industries and geographic regions.

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About Willis Towers Watson

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