

The Future of Work is Human: Turning the Fear of Automation Into a Talent Revolution

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If there's one word sure to instill fear in the hearts of employees and business leaders alike, it's automation. It seems like everybody is talking about 'death by automation' and the potential mass displacement of jobs via rapid advancements in artificial intelligence (AI), machine learning, and robotics. Whilst we are certainly experiencing an unprecedented rate of technologically driven disruption, automation is nothing new, and recent predictions of 1 in 3 Australian jobs being lost to automation by 2030 appear overstated.

What is Automation?

Here at Gartner, we see automation as an umbrella term for a variety of strategies, skills, tools, and techniques that organizations are using to remove the need for labor and increase the predictability and reliability of products and services while reducing the cost of delivery. Whilst removing the need for labor is central to this definition, history shows that automation tends to change the nature of labor required (how we work) and, ultimately, produces more net jobs than it eliminates through the creation of new occupations and industries. This idea is certainly borne out in the results of our 2018 CEO 20 Pulse on the Future of Work. Whilst Chief Human Resources Officers (CHROs) believe that 14% of jobs across their organization are at risk of automation over the next 3 years, more than half are looking to increase the overall size of their workforce.

As a case in point, the AI and robotics market were \$10.7 billion in 2014. By 2020, that market is expected to reach \$153 billion and have \$14 trillion to \$33 trillion in disruptive impact. This is a huge emerging industry driving an insatiable appetite for technology skilled workers. The demand for technology skills is now pervasive across all industries and business functions. Between 2012 to 2016 there was a 53% rise in global demand for specific technology-based skills. The fastest-growing demand, however, was not for those workers who create the technology like coders and AI and robotics engineers. It was for skills related to exploiting technology and applying technology solutions to enhance business processes. This is an important distinction. Automation is not only creating new classes of work, it's changing the nature of how work is done and the skills necessary to deliver business impact. As automation gathers pace, people will find themselves increasingly working with and for 'thinking' machines. Whilst artificial intelligence generates most of the hype, the real force of change is coming from intelligent augmentation. For the foreseeable future, work will continue to revolve around human beings, and being human will be increasingly important at work. AI and smart machines will simply augment human aptitude and capabilities.

"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." — Alvin Tofer

The Return of the Artisan

Businesses are increasingly complex and the most successful employees are those who can work effectively on matrixed teams, identify patterns in business processes, and translate requirements into technology solutions. Rather than wiping out jobs en masse, automation is creating the need for employees to reinvent themselves and to be fluent in both technology and business. Traditional jobs requiring a narrow skillset will make way for less repetitive, non-routine work requiring complex problem solving, curiosity, foresight, empathy, resilience, and accelerated learning. As Daniel Pink argues in *Drive: The Surprising Truth About What Motivates Us*, human beings are intrinsically motivated by autonomy, mastery, and purpose. Free from the drudgery of routine, repetitive, and low-value administrative tasks, employees are likely to thrive in the non-routine, cognitive work that robots cannot perform. Even the hard technical skills like coding and software engineering are likely to be largely automated by 2027, meaning that creating, working with, and manipulating technology will be more intuitive and user-friendly. Artisan-like work is likely to emerge where an employee's unique fingerprints are all over the final output or product. Fueled by intelligent augmentation, digital assistants, and an increasingly flexible labor market (tech workers and professionals represent the fastest-growing segment of the contingent workforce in Australia), some are predicting a return to the world of work that existed before the industrial revolution depersonalized trades and crafts and separated the creation of labor into discrete tasks. This could see the rise of a new breed of fiercely independent, highly sought after professionals, intensely proud of what they do and what they create and pursuing the autonomy, mastery, and purpose that Dan Pink reminds us is integral to being human.

The Good News

Generally speaking, employees are both willing and able to make the transition to an increasingly automated future. The sheer popularity of consumer technology is our first clue. We already work with intelligent machines on a regular basis. Anyone who has used Google Maps watched Netflix or used Siri to look up a local restaurant is already interacting with AI. Our appetite for augmenting our personal lives with more and more sophisticated technology is only accelerating. My own children could use an iPad before they could walk or talk and my elderly parents regularly FaceTime us on their mobiles. It's only a matter of time before my kids are asking Siri via our HomePod to play their favorite YouTube clips on our internet-connected TV.

Employees in Australia value work-life balance above all other EVP drivers and this increasingly manifests itself in a desire for knowledge workers to work flexibly and remotely, using their own, superior, consumer-grade laptops and tablets, free from the distractions and constant disruption of open-plan offices. Our research also shows that employees understand the need for life-long learning. They are highly motivated to acquire knowledge, learn new skills and develop in their jobs. Lack of career progression and development are consistently the top reasons employees cite for leaving their jobs. Furthermore, increasing workers' employability through new skills and growth experiences increases their engagement and loyalty. A somewhat counter-intuitive finding that is particularly true for millennials.

73% of CHROs agree that the technology that employees use to complete their work needs to change. Most CEOs and CHROs also believe there is a need to invest significantly more in training employees for future roles, increasing career mobility across the organization, and retraining employees at risk of redundancy. They also want to empower employees by giving them more autonomy to make business decisions and change how work is done. 58% of CHROs agree that employees should be given more flexibility to choose when, where, and how they do their work.

The Bad News

Despite the many challenges associated with automation, only 20% of CEOs and 10% of CHROs say they have an organizational strategy sufficient for dealing with potential automation risks. The most immediate threats are coming not from job displacement, but from the lack of critical technology talent needed to fuel digitalization efforts. 70% of the top 20 most in-demand skills in Australia are expressly technology-related and 90% of CHROs expect competition to increase over the next 12 months. Despite this demand, graduates from traditional technology-related degree programs remain underemployed pointing to a gap between what businesses are looking for in tech talent and how graduates are being prepared. Whilst recent changes to 457 visa restrictions may ease the pipeline challenges for start-ups, most Australian organizations are facing severe talent shortages that will limit innovation and growth potential. For example, there are only 3370 AI skilled workers in Australia, most of whom are located in Sydney. Yet the demand for AI talent across Australia has grown by more than 50 percent in the last 12 months. As the demand for technically skilled talent increases, so too will the cost. However, few businesses will be able to afford the ever-increasing wages and benefits required to attract this highly sort after talent.

What can organizations do?

Extensive strategic workforce planning will be required to determine the critical capabilities required for the future, the internal and external talent supply, and gaps that need to fill. Organizations can no longer

simply go to the market for the talent they need and throw money at them. A comprehensive Buy, Build, Borrow, and Bridge strategy will be required. In the short term, competition for specialist technology workers in AI, IoT, [Cyber Security](#), Cloud Computing, Machine Learning, etc. will intensify among all companies as they rush to digitalize. Above-market wages, bonuses, and sign-on fees are unlikely to be enough to cut through to in-demand workers with extensive choice. Employees are increasingly interested in the organization's culture - not so much free lunches, yoga classes, and bean bags but the quality of leadership, how a company treats staff, and their social and corporate reputation. Millennials expect CEOs to not only have opinions on social issues but to be activists for social change. In Australia, work-life balance (flexibility), location and respect beat out compensation as the top EVP attraction drivers. An attractive and well-articulated EVP can also save 15% on switching premiums - the compensation lift required to entice workers to join a new employer.

Buy: Recruiters will need to lift their game considerably, building up-to-date market intelligence, advanced sourcing skills, and the ability to coach candidates on their careers. The most sought-after candidates are bombarded by recruiters and increasingly becoming “digital deserters”, reducing their online presence—35% say they have made themselves harder to find (e.g., by changing privacy settings), and 28% report having deleted an online professional profile. Prospective candidates are increasingly cynical about the information employers provide and social networking and employer rating platforms have fundamentally altered candidate decision-making. Glassdoor attracts 30 million unique visitors per month and has grown the number of companies reviewed on its platform to half a million (from 340,000 just one year ago). Candidate decision-making is now 80% driven by unofficial information with a company's official LinkedIn presence, careers website, and social media campaign contributing a meager 20%.

Companies will also need to create an effortless candidate experience. Laborious application processes that force in-demand workers to submit resumes and go through multiple interviews and selection processes that bear little resemblance to the work needing to be done will be abandoned in favor of mobile-based, single-click options. Companies should deploy user-friendly, intuitive apps that guide candidates' decision-making and then make the application process as frictionless as possible to ensure they don't withdraw out of sheer frustration.

Build: L&D functions will need to reinvent themselves and drive a culture of continuous learning across the organization. Employees will need to know what capabilities will be required in the future and how those new skills will help them develop in their careers. This will require a level of transparency from organizations that they might not be comfortable with but getting this right will be critical. As a case in point, Aviva, a UK-based financial services company recently went out to their workforce and asked them what aspects of their work could and should be automated. Workers at increased risk of their jobs being largely automated are given the opportunity to retrain in the skills needed for the future.

Development, particularly in technology skills, will need to be bite-sized, delivered in real-time, and deployed in such a way that today's digital learners can engage when, where, and how they want. In addition to technology skills, organizations will need to focus on building the future-proof cognitive skills needed to support intelligent augmentation - foresight, curiosity, growth mindset, agility, managing complexity, design thinking, and social awareness. This will need to be delivered on the job and embedded into existing workflows.

Borrow: As organizational refugees continue to leave employers for the flexibility, variety, and security (ironically, self-employed gig workers report higher levels of job satisfaction and security than permanent employees) offered by the gig economy, employers will need a dedicated contingent workforce strategy. Contracting arrangements will need to be simplified and streamlined so it becomes easier to engage contingent talent. Many large organizations in Australia currently take upwards of ninety days to get a contractor up and running. The days of treating contractors differently from permanent employees are also numbered. Workers across the board want to be connected to the culture and purpose of the organizations that employ them. They want to connect with peers and develop and learn skills that enhance their career prospects. Organizations who want access to the best contingent talent in the market should consider engaging with them more purposefully and extending elements of the EVP such as rewards and recognition, training, and career development.

Bridge: Technology-skilled workers are already difficult to find and demand is set to soar over the coming years. Couple this with the increased need for all employees to have technology skills and an organization's bridging strategy is quickly becoming the most important to get right. To address critical skill gaps many progressive organizations are proactively helping current employees develop the right skills to align personal growth plans with organizational needs. Instead of promoting a vertical career track, they adapt their career frameworks to support lateral training and movement. These organizations essentially encourage a growth-based career culture where employee movements are focused on acquiring new skills and capabilities through strategic bridging moves across groups and functions. Take the banking industry, for example. As more customers abandon branches in favor of online banking, the need for tellers will steadily decrease. At the same time, the demand for technically skilled workers, analysts, and cyber security will increase to serve an increasingly digitalized customer base. Tellers have many of the underlying capabilities to thrive in the new digital environment - problem-solving, attention to detail, advanced numeracy, customer service skills, and the ability to maintain attention over long periods. They also understand the bank's processes, culture, and customers. In other words, with a little technology upskilling they could make fine business analysts. With some intensive training, they could become the cyber security and AI workers so desperately needed. However, and this is an important caveat, organizations will need to provide the flexibility, time, and cognitive space for their employees to acquire these new skills. If we expect them to do this in their own time and at their own expense, it simply will not happen.

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The future of work is now. The fourth industrial revolution is already underway and it won't be long before the full impact of accelerated automation hits every business. Relying on outdated workforce models and traditional build and buy strategies for critical talent will prove too costly, inefficient, and slow for organizations to transition to an automated future. It will place not only their growth strategies at risk but their very survival. There's a disruptive Uber, Netflix, and Amazon coming for every organization. Use automation as an opportunity to revolutionize your talent strategy and you might just find yourself thriving in the new digital world where the future of work is distinctly human.

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About Aaron McEwan

Aaron McEwan is the Advisory Leader for CEB, now Gartner's HR Practice in Australia and New Zealand. A Coaching Psychologist, top 100 global HR influencer, and technology enthusiast with more than 20 years of HR consulting experience, he is dedicated to advancing the science and practice of talent management. Aaron is also a singer/songwriter, author, public speaker, skier, cyclist, and father of two amazing little humans.

You can hear Aaron speak about the Future of Work and other HR topics at ReimagineHR on 14th and 15th May in Sydney: <https://www.gartner.com/events/apac/hr#>

<https://thehumancapitalhub.com/articles/the-future-of-work-is-human-turning-the-fear-of-automation-into-a-talent-revolution>