



Integrating human and digital labor in a collaborative workplace

Perspectives

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Beyond the challenges involving redefined workforces and the application of new skills and a modern employee experience, today's HR leaders need to meet the arrival and proliferation of AI, robotics and machine learning (ML) head on.

But the extent to which these smart technologies will impact the workforce remains open to debate. As we've noted, about 60 percent of our HR survey respondents believe jobs will decline in number, while 62 percent of CEOs we surveyed expect AI and ML to drive up the number of jobs needing to be filled by humans.

Certainly, no one doubts AI and ML will have an immense, even historic, impact on workforces everywhere — with 42 percent in our HR survey agreeing it's the biggest challenge HR will face in the next five years. Of those HR leaders who are not planning to adopt any AI or ML anytime soon, half confirm they are not at all prepared and barely a third feel somewhat prepared. Fewer than one in 10 feel prepared or very prepared for the changes to come.

So what's holding HR back from taking the leap?

According to HR leaders, HR functions who are currently undergoing — or have recently completed — a digital transformation consider capability (51 percent) and capacity (43 percent) to be the key barriers to transcending the initial phases of transformation. Similarly, most CIOs view internal skills as a barrier, with 65 percent in our 2018 CIO Survey citing "a lack of people with the right skills" for preventing their IT organization from keeping up with the pace of change.

Leading HR organizations, however, are losing little time in both understanding the emerging role of digital labor and actively planning how best to integrate digital and human labor within their workforce.

Automating high-volume, repetitive, rules-based tasks using digital labor will free up employees to focus on work that's more strategic and of higher value to the overall business. And with machines needing less supervision and oversight, management will also be free to increase its focus on business efficiency, performance and competitiveness — including customer service.

"The key is to get people skilled so that they are digitally enabled to serve customers," says Natasha Adams, Chief People Officer at Tesco PLC, a British multinational grocery and general merchandise retailer. "People will always play a big part in retail."

HR leaders in the know are making sure their business leaders understand what lies ahead — and what the business will need to look like in the very near future to exploit the full potential of integrated workforces and the new division of labor.

"HR leaders are in the unique position of being able to lead the business conversation on how the world of work is taking shape in the 21st century. But you cannot occupy that space with other business leaders without a deep comprehension of the technology involved," says Susan Ferrier, Global Head of People for KPMG. She states that the positive business impact of digital transformation is magnified with a strong, digitally savvy and influential HR function.

"As a senior HR leader, you need a loud voice, both internal and in the external world, to help design this future. You need to work hard to build a reputation that is founded in generating insight and positive business impact so that you can advocate a position and influence others. That's hard to do if you are working behind the scenes and not always seen to be at the front line of business decision making," she adds.

Ferrier notes that a lack of a strong new HR voice for the ages may explain the slight disconnect involving HR's self-perception as a core value driver (40 percent) versus just 24 percent of CEOs viewing their workforce/HR capabilities as highly effective.

In today's digital world with its myriad of complex people challenges, HR needs to be seen as a function that is taking the lead on understanding what makes people tick and what culture helps people and organizations thrive so that we create places of work that are a true augmentation of human capability with technology.

*The excerpt was taken from the publication entitled *The future of HR 2019: In the Know or in the No.**

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