

FUTURE OF WORK IS NOW  
...AND WE BETTER DO  
SOMETHING ABOUT IT!

May 2019, Erik Staffeleu



# Future of Work: A tale of four interrelated transformations



## MACRO-LEVEL CHANGE

## FIRM-LEVEL CHANGE



### Technological Transformation

- AI / Automation next frontier for digital transformation
- New sources of value-creation
- Accelerating speed of adoption



### Societal Transformation

- Labour market impact
- Unequal distribution of wealth
- Social mobility and stability



### Human Transformation

- Shift in the mix of occupations & job migration
- Massive change in skill requirements
- Mindset change in management and development of people



### Organizational Transformation

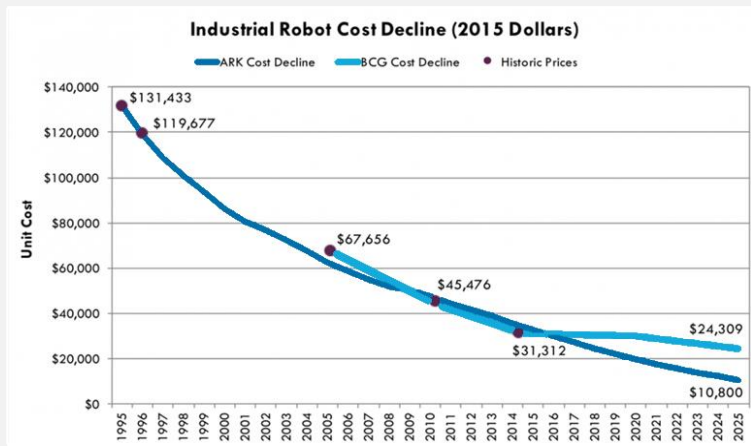
- Distributed intelligence: man/machine
- New ways of organizing work
- Adaptation of organizational structures



# From a technological transformation perspective, costs are decreasing while performance is increasing



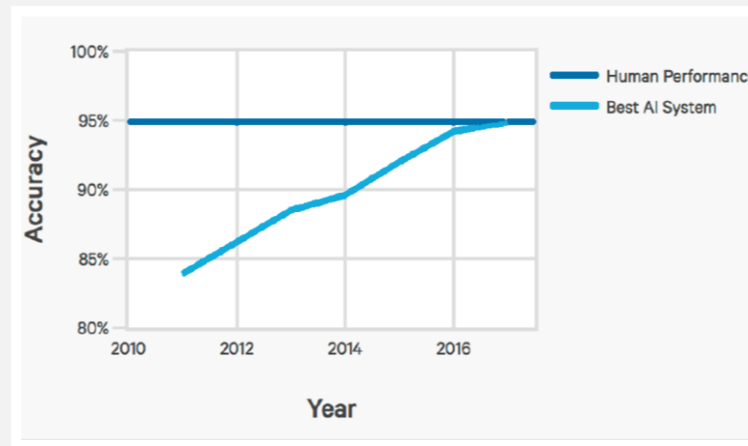
## Industrial robots' costs are fast declining while flexibility is increasing



### Buyers of the Bots<sup>1</sup>:

- China (30%)
- South Korea (14%)
- Japan (13%)
- USA (10%)
- Germany (7%)

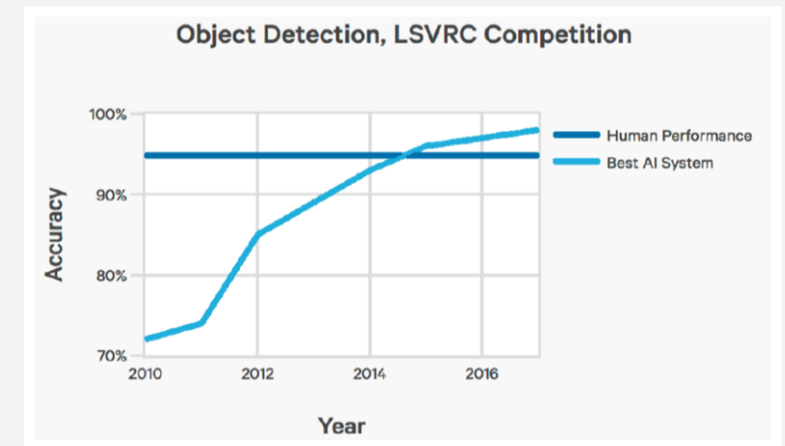
## Performance of AI systems to recognize speech from audio calls is now on par with humans



### Conversational Speech Recognition<sup>2</sup>:

- Switchboard HUB 5'00 Data Set
- Word error rate (WER)
- 5.1% WER is the bar for human performance

## Performance of AI systems in visual object detection is now better than human performance



### Object Detection<sup>3</sup>:

- Error rates for image labelling have fallen from 28.5% to below 2.5% since 2010
- LSVRC Competition: Large scale visual recognition challenge



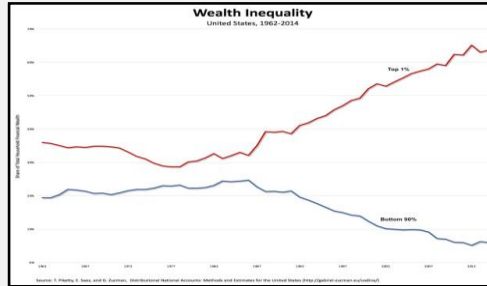
# Thereby, technological progress is creating unprecedented societal challenges



## Job Displacement



## Wealth Inequality



## Security



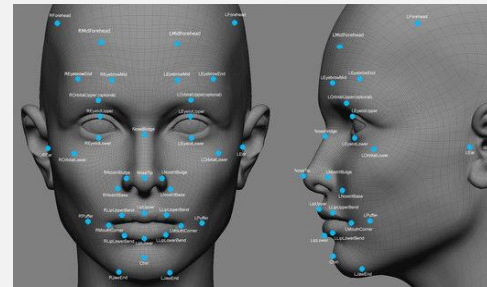
## Data/Algorithm Biases



## Wage distribution



## Privacy



- Increasing labour productivity
- High unemployment risks for non-skilled routine workers and those with lower level of education
- High percentage of households with a falling income
- Enlarged financial gap between the richest and the poorest



# Key implications for the Future of Work



**Speed of adoption of AI/  
Automation Technologies is  
critical(transition risk)**



**Impact on jobs/work**



**Continuing shift from  
labour to capital**

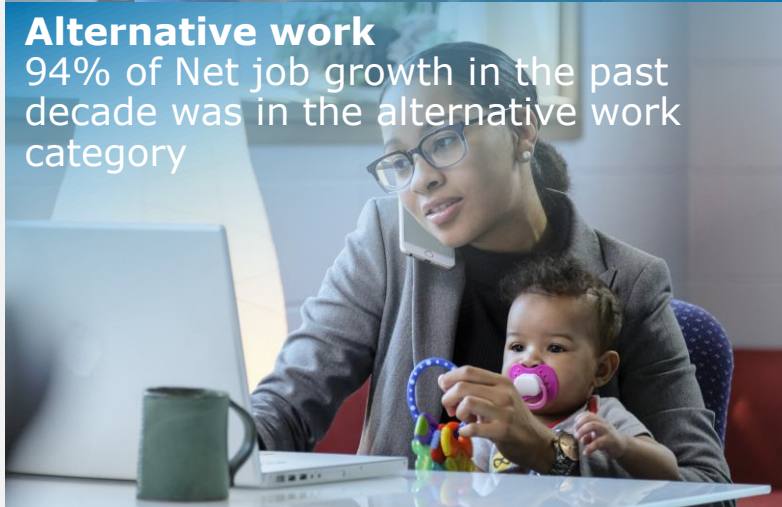




**WITH GREAT  
POWER COMES  
GREAT  
RESPONSIBILITY**



# Some strong underlying trends for the future of the human work





# Workforce migration will require a big mindset shift in how we reskill and develop people...



Human-centric Workforce Transition			
Learning & Development	Degree/ Qualification	vs	Lifelong/ Continuous Learning
	Specialization	vs	Hybridization (e.g. Marketing + AI)
	Training curricula	vs	Mass-Reskilling infrastructure
	Functional Content	vs	Human-intelligence based (e.g. creativity)
	Planned/ Supervised learning	vs	Self-directed Learning
HR/L&D Operations	HR Management	vs	Strategic workforce planning
	Standard sourcing	vs	Diversity sourcing
	Employee history	vs	People Analytics
	Appraisal/ Development Plan	vs	Personal learning journeys
	Full time employee focus	vs	Flexible capacity e.g. contingent workers





# Workforce transition has many flavours: Skills are the genome of work and key to future job migration

## Existing workforce skilling options



### Upskilling

*Learn new skills or technologies within a similar job (Upgrading)*



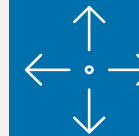
### Side-skilling

*Redefining / complementing skills to shift to new types of jobs (Job migration)*



### Multi-skilling

*Complementing existing skills with new ones to be able to perform several jobs (Flexibility) perform several*



### Outplacement

*Skills no longer required with low reskilling potential - Dismissal, voluntary redundancy, natural attrition, retirement...(Exit or build flexi-force)*

## External talent acquisition options



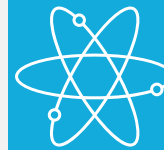
### Hiring

*Acquire individuals to match specific skills requirements*



### Acqui-hiring

*Acquire teams or buy small companies to access specific and rare skills*



### Dependent Flexi-force

*Access to known contractors, freelancers and/or ex-employees on a regular basis as flexible workforce extension*



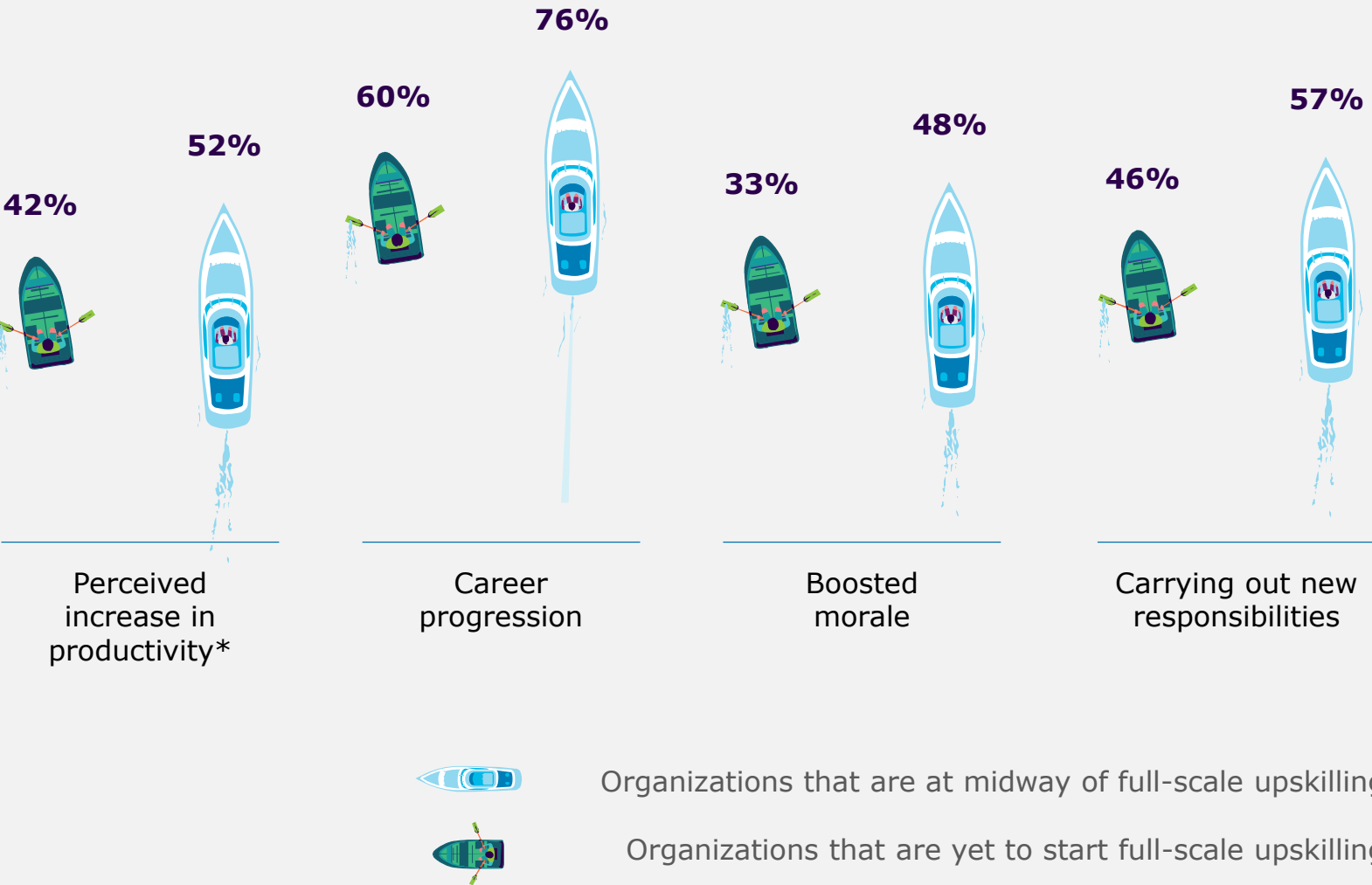
### Contract hiring / gig economy

*Ad-hoc on-demand access to external workers such as contractors, freelancers or temporary workers*





# Upskilling is worth it!

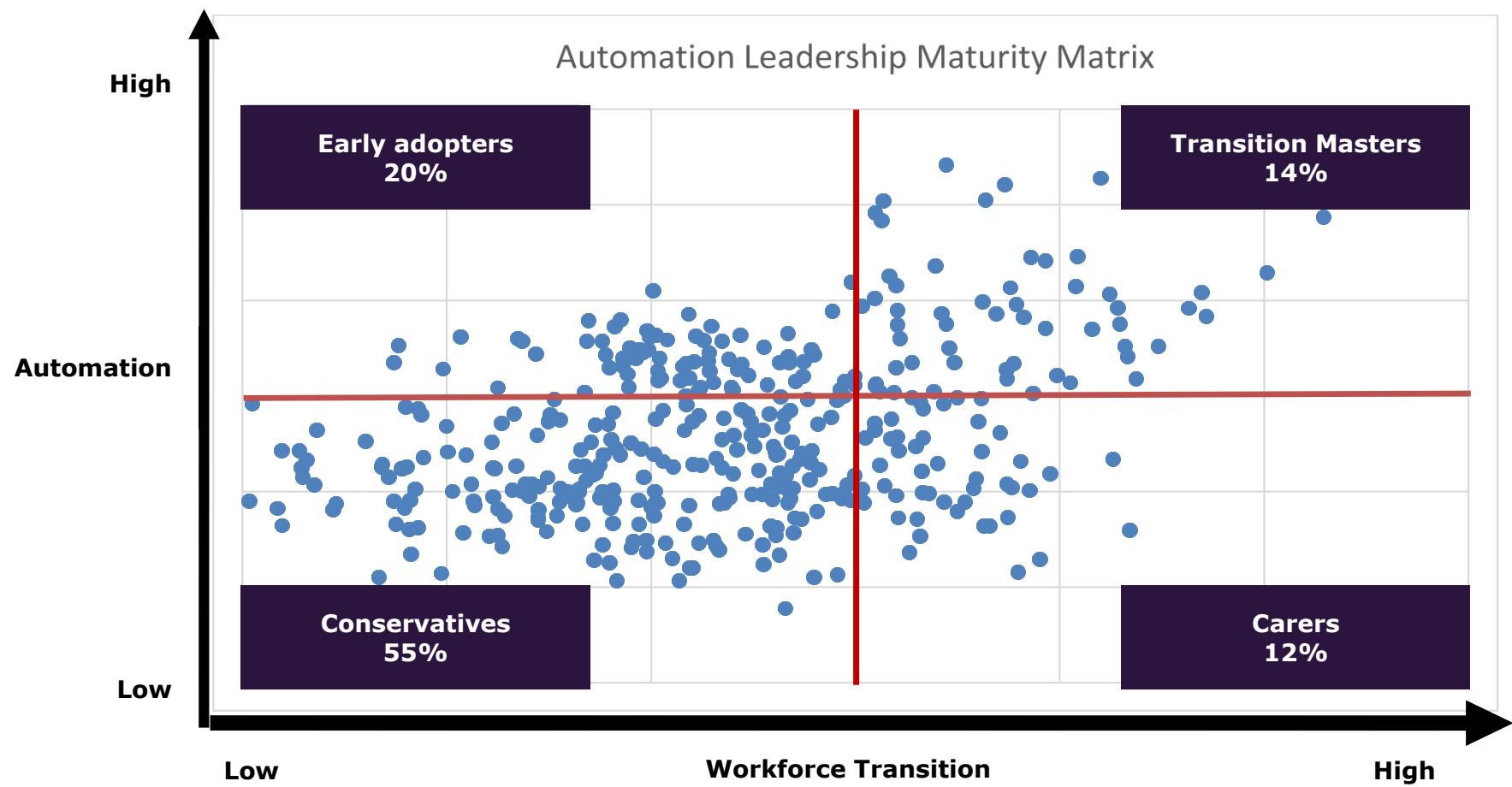


\*Employee view, Executive view: 35% vs 46%





However, the majority has not started their automation and upskilling initiatives yet





# We have seen that successful Transition Masters share 4 key aspects

A background image showing two children in go-karts on a paved track. The child in the foreground is wearing a red helmet and goggles, smiling and waving. The child in the background is wearing a blue helmet. The track is surrounded by trees and mountains under a clear sky.

# 1

**Measure/quantify impact of automation on the Workforce.**

# 2

**Build future relevant competencies.**

# 3

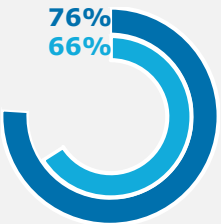
**Establish a culture of continuous learning and create a learner-centric environment.**

# 4

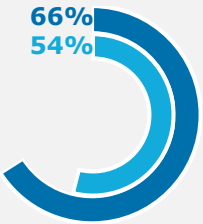
**Run a structured change program to ensure clear responsibilities and communication.**



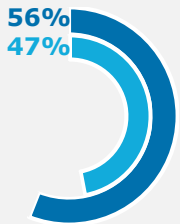
# Transition Masters quantify the impact of automation on the Workforce and predict the future...





We **quantify the impact** of automation **on our Workforce**.



We continuously **monitor industry and technology trends** to plan **future skill requirements**.



We closely collaborate with business stakeholders on **predicting future demand for skills** due to automation.

 Transition Master  
 Average Organization

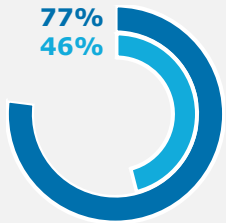


1

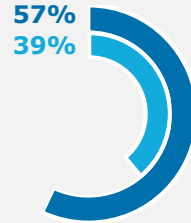
Measure/quantify impact of automation on the workforce.



# ...concentrate on building future relevant competencies



I have acquired skills that will make me **more employable** in the job market.



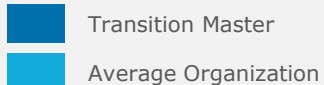
I can use the newly acquired skills to **handle my tasks more efficiently.**

## 60%

Of the Transition Masters noticed that employees are already able to **carry out new responsibilities.**

## 78%

Of the Transition Masters succeed at equipping employees with **future relevant competencies** to stay relevant in an automated world.



# 2

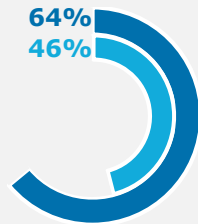
**Build future relevant competencies.**



# ...set up partnerships and timely run pilots to implement relevant skilling programs

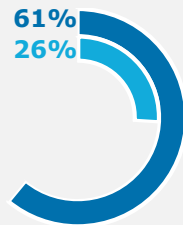
## Learner-centric means...

... Deliver **relevant** skilling programs.



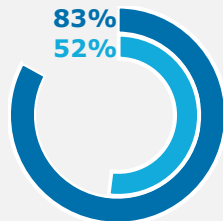
Our employees evaluate our current **skilling programs as relevant.**

... **Integrate** employees in (further) developing the skilling initiatives.

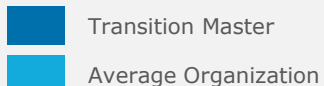


We have already run a **pilot of skilling initiatives** considering automation.

... **Rapidly deliver** skilling offers.



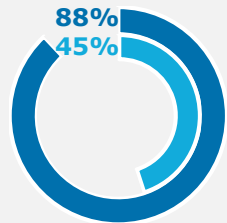
We have already set up **infrastructures and partnerships** for the skilling programs.



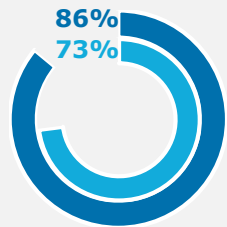
**Establish a culture of continuous learning and create a learner-centric environment.**



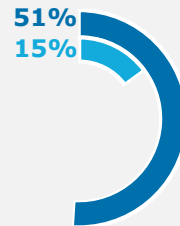
...regularly communicate  
and have clear  
responsibilities for their  
upskilling initiatives



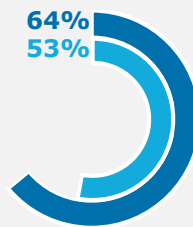
Our leadership **frequently communicates** with Workforce representatives on **automation initiatives**.



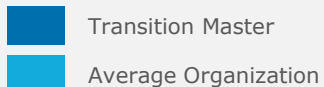
We have dedicated **roles and teams in HR** to take care of upskilling, multi-skilling, outplacement etc.



Our leadership **frequently communicates** with Workforce representatives on **organization's initiatives for skilling employees**.



We have appointed a **leader** responsible for skilling the Workforce to adapt to automation.

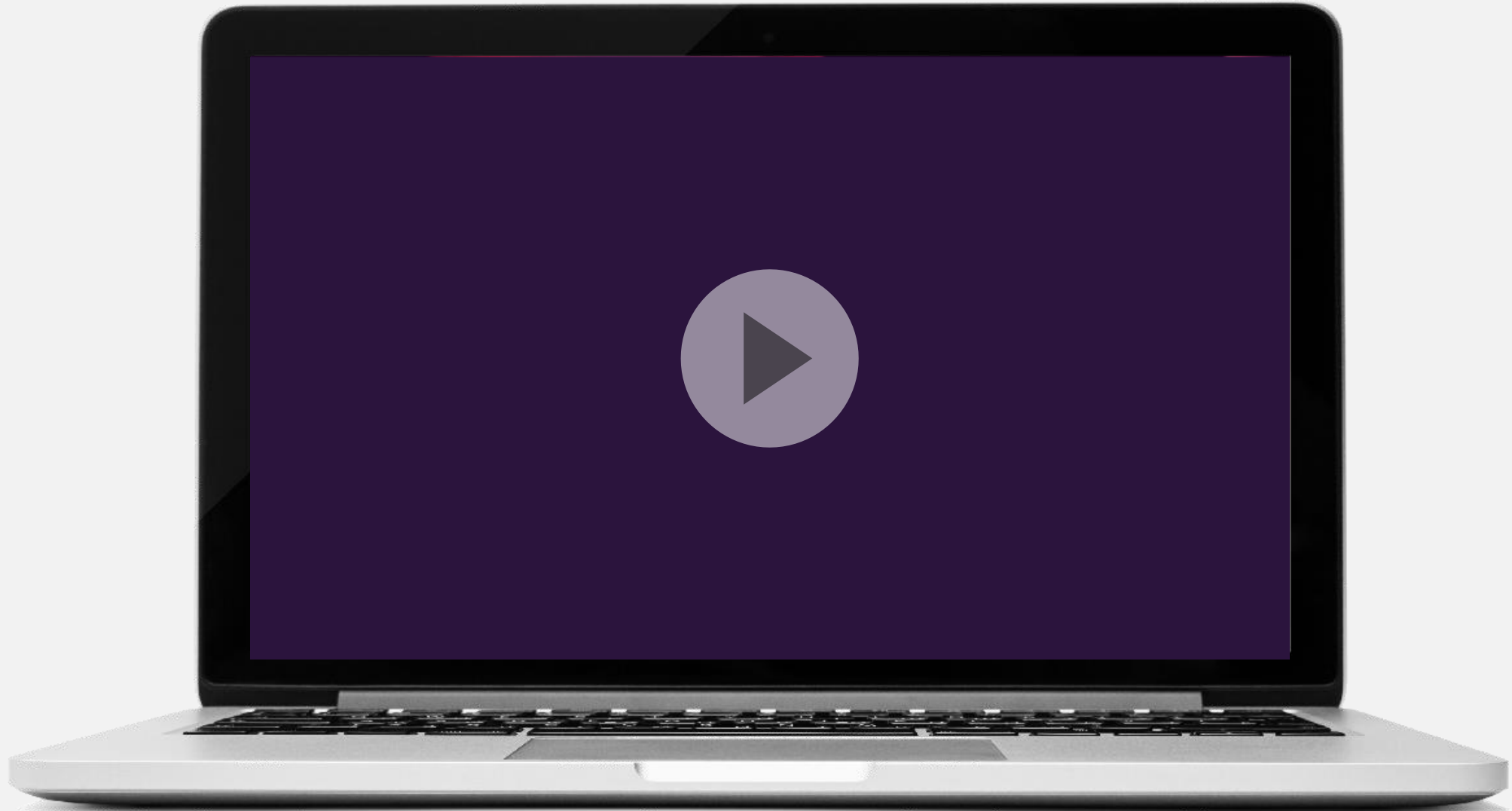


4

Run a structured change  
program to ensure clear  
responsibilities and  
communication.



# AT&T entering the final straight to become a Transition Master







**YES, EXCESSIVE AUTOMATION AT  
TESLA WAS A MISTAKE. TO BE  
PRECISE, MY MISTAKE. HUMANS  
ARE UNDERRATED.**

Elon Musk in a CBS interview on the delays in  
manufacturing of Tesla's model 3 sedan.





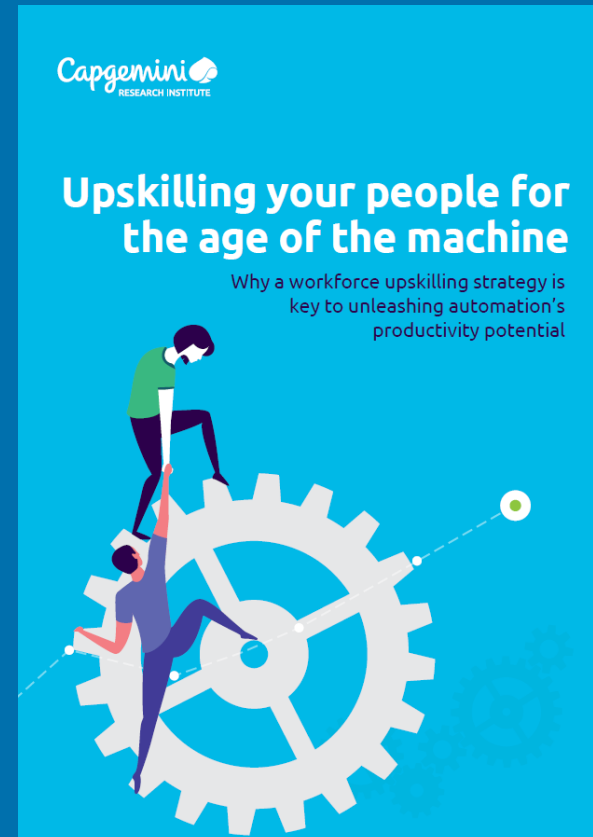
# THANK YOU!



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**People matter, results count.**

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# Make your workforce transition a success with us



We enable our clients to make **data-driven decisions** on their **technology and people strategy** while considering local data regulations.



With a **network of technology and industry experts**, we **validate our clients' transformation** agenda based on industry trends and market needs.



Together with our clients we analyze key stakeholders early in the process and **set up a governance** that ensure **fast decision-making** and project progress.

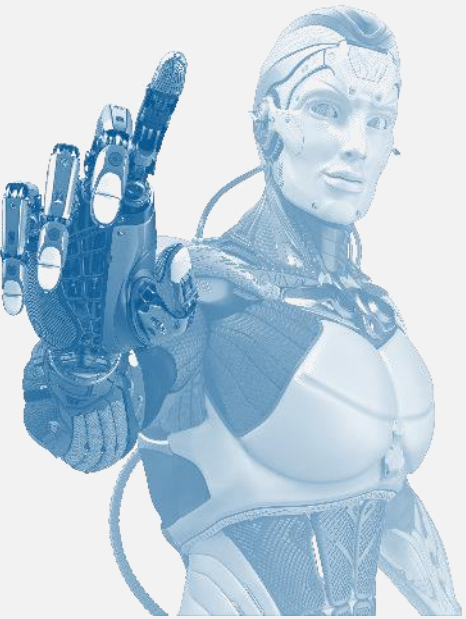


We help our clients to **align their technology and people initiatives, involve top management**, and create **HR buy-in**.





# We follow a human-centered and iterative approach to successfully master the workforce transition

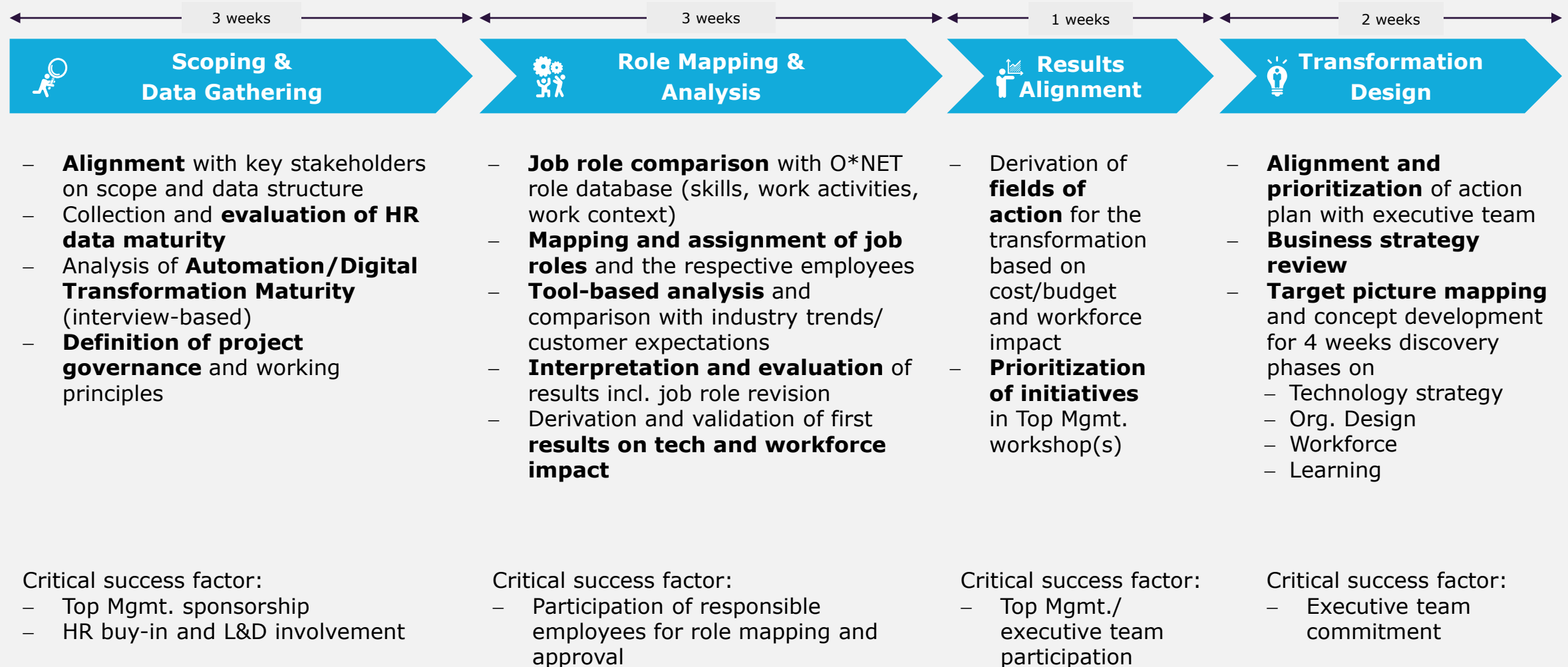


Skilling and Workforce transition approach aligned with business strategy





# How to get started? Develop a people business case!





# How we gather insights? We use Faethm to identify key technologies and analyse their impact



Globally unique SaaS platform launched in October 2017

## Vision

Providing a tool for everyone to understand the supply and demand of jobs and skills in the future to structure, size and equip their workforces for the work and opportunities that new technologies create.

## Mission

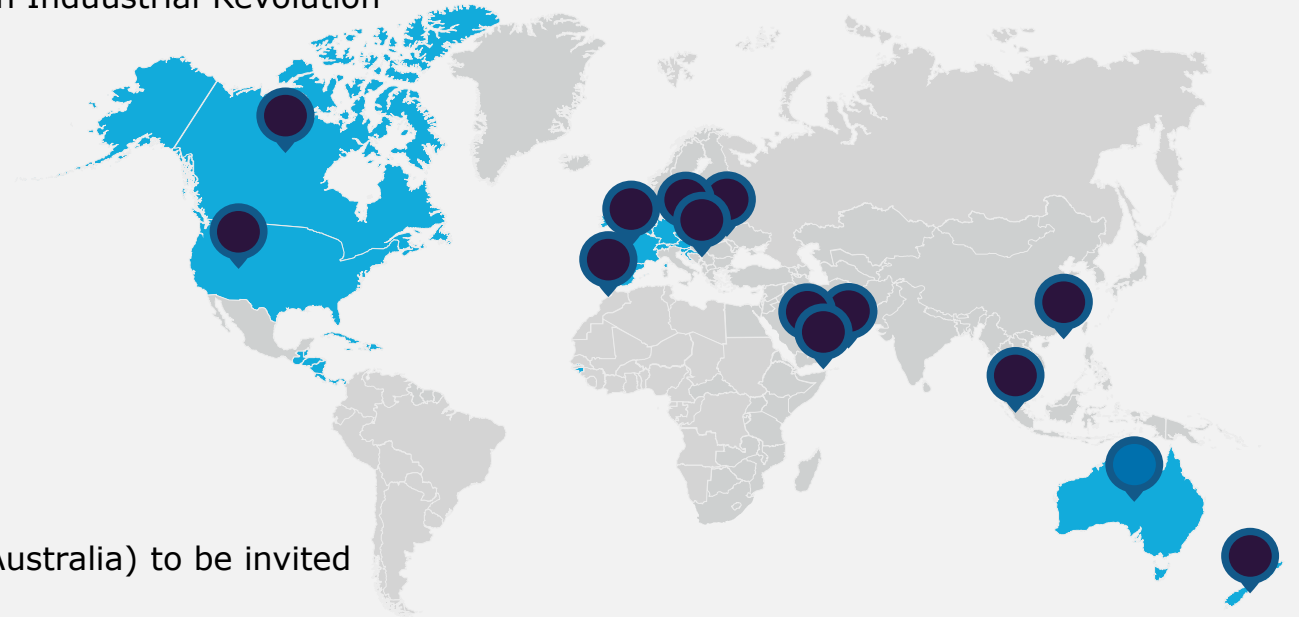
Be the world's data source for the the Fourth Industrial Revolution and the Future of Work.

## Industries

- Financial Services • Heavy Manufacturing
- Healthcare • Food & Beverages • Energy
- Professional Services • Construction
- Technology • Airlines • Mining • Retail
- Media • Automotive • Education
- Charity • Telecoms • Government

## Achievement

16th company globally (2nd in Asia, 1st in Australia) to be invited to be a Member of the World Economic Forum's Centre for the Fourth Industrial Revolution.





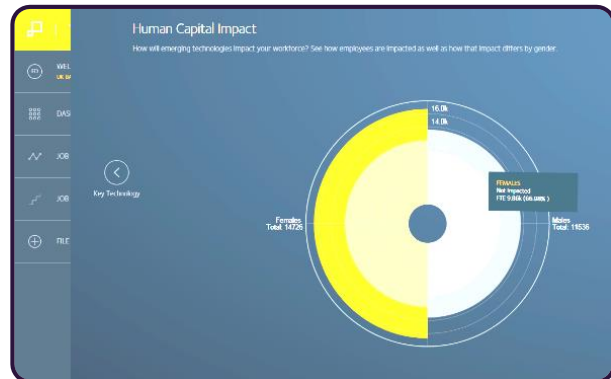
# The tool outlines employees that will be impacted most by technology adoption

## People Impact Analysis

**Our insights allow companies to stay ahead of the automation impacts by ...**

### ... preparing employees for change!

- Identify employees and communities at risk
- Prepare for potential public relations effects
- Manage communications about tech driven-change



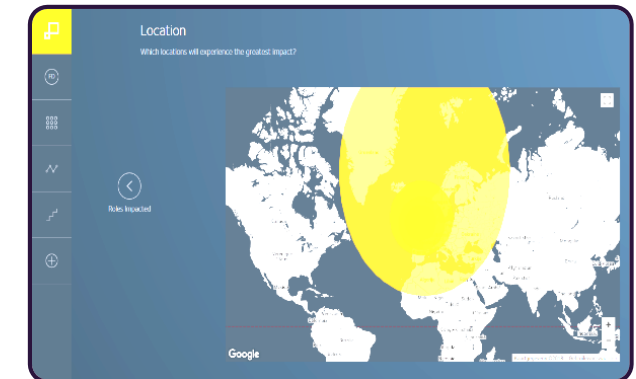
### ... recruiting for the future!

- Identify highly impacted roles and deprioritize recruiting
- Focus hiring efforts in teams and roles with longevity
- Start planning for redeployment with the Job Corridor



### ... creating location strategies!

- Identify the locations with the largest impacts
- Determine relocation opportunities
- Procure the right real estate for future needs







# The tool enables for scenario planning and delivers organizational-specific predictions

## Technology Automation Roadmap

### Build a business case for investment

- Discover **cost savings** from implementing technology within your company
- Identify business units with the greatest **potential** for automation
- Target technologies for **investment**
- Create a roadmap with **financial impacts** over time

### Validate roadmaps

- Scenario model** and assess the impacts of planned technology implementation
- Validate existing **financial forecasts**
- View entire technology landscape and **reprioritize deployment** plans accordingly
- Plan and budget** the operational and organizational aspects of transformation
- Identify how your company will **respond to the acceleration** of tech innovation

