Changing the way we work through digital thinking
The time to start thinking digitally is now

Emerging technologies like robotic process automation (RPA) and cognitive chatbots will likely take over many tasks that have traditionally been handled by humans. This will change the shape of the traditional workplace and increase competition.

In order for companies to thrive in this new model, they will likely need to balance these technologies and their human workforce to find an equilibrium where costs and menial tasks are reduced. People will need to be focused on cultivating relationships, closing deals, managing and leading teams, thinking and acting creatively, and driving innovation. Employing digital strategies will help prepare organizations for tomorrow’s changes, and the challenges and opportunities they will bring.
The workplace is changing

The workplace has undergone a massive shift in recent years, due to such factors as retiring baby boomers, the influx of tech-savvy millennials into the workforce, and new and emerging digital technologies that are disrupting business models and radically affecting the overall workplace experience.

As technologies become more advanced, and more accessible to the marketplace, RPA, chatbots, and artificial intelligence (AI) will likely become commonplace in the office. They may also start to take over tasks and jobs that have traditionally been filled by people—and this shift could happen sooner than many expect.

Reports on the number of jobs at risk vary. One study, produced by Oxford University, found that “47 percent of US employment is at risk, meaning that jobs could be automated over the next decade or two.”¹ The Economist reports that “the effect of today’s technology on tomorrow’s jobs will be immense—and no country is ready for it.”²

This means that jobs could be lost due to technological replacements and automation, and some industries have started feeling the effects more than others. Consider manufacturing, a sector that has experienced unprecedented downsizing in recent years, due primarily to the introduction of robotics.

Employment in manufacturing is at levels not seen since before the US entered World War II.³ Much of this is due to automation.

In 2016, Foxconn, a smartphone supplier in China, replaced 60,000 workers with robots, to name just one example.⁴

While jobs have been lost, productivity increased⁵—building the business case for widespread adoption of this kind of technology.

On top of the changes already witnessed, the pace of technological innovation continues to increase. The autonomous driverless cars developed by Google provide one example of how manual tasks in transport and logistics may soon be automated.⁶

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Because AI is not a single technology, but rather a collection of technologies that are applied to specific tasks, its effects will likely be felt unevenly throughout the economy.

Some work tasks will be more easily automated than others, and some jobs will be affected more than others.\footnote{7}

According to The Economist, “many of the jobs most at risk are lower down the ladder (logistics, haulage), whereas the skills that are least vulnerable to automation (creativity, managerial expertise) tend to be higher up.”\footnote{8} While this has been historically true, increasingly professional jobs, including call center and shared services employees, are at risk. No matter where an employee falls in this spectrum, there will be changes and adjustments that every organization will likely need to make to fit into this new model.
What does this mean for businesses and the workforce?

These changes will certainly affect employers, employees, and the market in general. The elimination of tedious, time-consuming tasks may mean layoffs for some. However, organizations that are forward, digital thinkers will likely innovate to keep their workforces largely intact. They may redistribute and reskill employees in order to bring positive growth and innovation to the business and workforce. Learning, development, and investments in training will be key to reconfiguring this changing workforce and to realizing future success.

Those organizations that don’t approach their strategy from a long-term perspective may find themselves in hot water down the line. Many organizations may get starry-eyed at the idea of fully automating their processes, but at some point, it becomes cost prohibitive to introduce robots and automation to every aspect of a business. Those that don’t retain their workers will likely find themselves competing for the very talent they let go when they realize, too late, that robots can’t—and shouldn’t—run an entire organization.

According to a White House 2016 AI Economy Report, “AI-driven automation will continue to create wealth and expand the American economy in the coming years, but, while many will benefit, that growth will not be costless and will be accompanied by changes in the skills that workers need to succeed in the economy, and structural changes in the economy. Aggressive policy action will be needed to help Americans who are disadvantaged by these changes and to ensure that the enormous benefits of AI and automation are developed by and available to all.”

With coordination between leading organizations and the government to help ensure economic stability, it’s hoped that the effects of this new way of working won’t mean catastrophic upheaval—instead leading to positive change for organizations and employees alike.

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The upside: A new, more innovative way of doing business

Change brings opportunity, and the dynamic task market resulting from automation could put power back into the hands of the people. There may be a dichotomy that arises as “greater penetration of robots into the economy affects wages and employment negatively because of a displacement effect (by directly displacing workers from tasks they were previously performing), but also positively because of a productivity effect (as other industries and/or tasks increase their demand for labor).”1 As people are laid off, productivity will continue to grow, creating new work opportunities that will increase the competition for talent.

Many of these findings and predictions may seem daunting, but there are upsides to the changing nature of work. The way some jobs and tasks are performed today will certainly change, so organizations and employees will need to change with it.

For forward-thinking, digitally minded organizations, that will mean reallocating their workforces through learning and development. Employees and leaders will need to be willing and able to redefine roles through this restructuring, which will be made easier by investments in new technologies and automation.

As highlighted in the Oxford study, “As technology races ahead, low-skill workers will reallocate to tasks that are non-susceptible to computerization—i.e., tasks requiring creative and social intelligence. For workers to win the race, however, they will have to acquire creative and social skills.”1

As tedious work may be eliminated, there will be more opportunity to focus on activities like sales and customer relations. It will also free up time for innovation and creativity, and it will make strong leadership skills more essential and valuable than ever.
What should organizations do to adapt and begin to think digitally?

It’s important to acknowledge that digital means more than just implementing new tools and software. Technology alone does not translate to digital. Being digital is a mind-set shift that requires the raising of a collective “digital IQ”—where organizing, operating, and behaving in a culturally digital way becomes the real mark of a Digital Organization. This new organization is self-organizing, flexible, collaborative, innovative, and willing to experiment.

Technology is one enabler of digital. For companies to be digital, they should create a digital experience for the workforce by combining technology and other equally important factors, such as employee engagement and satisfaction, flexibility, development opportunity, agility, collaboration, and communication. And the list goes on.

Deloitte defines the Digital Organization as one that:

- Is willing to let leaders continuously disrupt and improve the organization in order to build a culture of innovation and sharing
- Has a set of talent practices that facilitate a new network-based organization—an approach that will likely be essential in successfully managing the workplace shift we’re facing

Human resources (HR) has a unique opportunity to lead the way, ultimately helping ensure greater success in the future model. By applying what Deloitte calls “Digital DNA,” an organization can identify where the business is successful and identify areas for improvement and where digital thinking can be applied.

“Organizational DNA” comprises the key traits and behaviors of the overall organizational environment that affect how it’s organized, how it operates, and how it behaves—essentially what makes a company and function unique. Digital DNA includes the characteristics of mature digital organizations, such as innovation, agility, collaboration, and willingness to disrupt. And it compares those characteristics to a business’s Organizational DNA criteria—its structure, technology, processes, culture, leadership, and rewards (to name a few)—to find areas where the business is performing well or where it could use some adjustments and improvements.

Companies that infuse key Digital DNA into the organization—through activating the key levers of the organization’s core DNA—can more effectively make the transition to “becoming” and ultimately “being” digital. Applying this framework can help digitally challenged organizations become more digitally mature. For already digitally mature organizations, this process can help identify why they are successful so their model can be re-created and maintained.

Becoming a digital organization requires a new approach

See differently

Think differently

Do differently

It’s that simple ... but it’s not easy.
A week before her first day, Jessica logs in to Company X’s ConnectMe onboarding tool. Rather than seeing a series of forms to fill out, Jessica is greeted by a chatbot. This chatbot asks some questions to learn more about Jessica’s lifestyle and preferences. Because the chatbot has access to all the documents and information that Jessica has already submitted, there’s no need to ask redundant questions (e.g., social security number, marriage status, etc.). Instead, the chatbot can focus on getting Jessica set up with her new laptop, completing open enrollment, creating Jessica’s Outlook account, and providing access to any shared folders Jessica may need.

In this example, HR’s digital thinking allowed Jessica to meet her new team and get started on her work on day one, rather than spending time on tedious paperwork. Digital thinking streamlined and improved the onboarding process, making it possible for Jessica to make an immediate and meaningful impact on the business.

Keeping employees engaged—and emphasizing opportunities to improve the overall experience—is important in driving loyalty and satisfaction, as well as results. A digital platform such as Deloitte’s ConnectMe™ can help the workforce access what they need, when and where they need it. A number of platforms incorporate robotics to engage the workforce in a high-quality way that hasn’t been possible in the past, given the limitations of manual structures.

Let’s examine a future scenario where we see how a digital platform can improve engagement and generate a positive outcome: Jessica is a new hire at Company X.
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John is a thought leader in Digital Human Capital. He leads Deloitte’s Digital HR offering and focuses on Digital Organization and Digital HR services. He began his consulting career in 1994 and is now an experienced Business Transformation Leader and Solution Architect. He currently helps companies define their digital ambitions; become more digitally mature through the application of Digital DNA; focus on customer centricity; and apply advanced technology through the lens of a next-generation business model to deliver sustainable organizational performance.
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Endnotes


5. “Most Americans unaware that as US manufacturing jobs have disappeared, output has grown,” Pew Research Center.


8. “Coming to an office near you,” The Economist.


