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**The Future of Work for  
Enterprise/Shared Services:  
Human Capital Considerations**



# Introduction

The future of work is here and Enterprise Service Providers<sup>1</sup> are starting to recognize its implications. Disruptors, such as artificial intelligence (AI), automation, and digitization are impacting the future of work and how internal and external providers support their customers, the types of services they provide, and the workforce needed to enable their operations. These digital disruptors are enabling the rapid transformation of traditional enterprise/shared services from transactional processing to higher-value, knowledge-based business and advisory services. The future of work is providing Enterprise Service Providers the opportunity to use new tools to optimize performance, improve data management, reduce costs, and provide additional services and support that improve the customer's experience.



1. For this paper, Enterprise Service Provider refers to any of the following: intra-agency shared service providers, internally consolidated management and administration functions, cross-agency or designated shared service providers, or outsourced administrative providers.



The impact of the future of work for Enterprise Service Providers aligns to Deloitte's Point of View on the three dimensions of work:

Work – what work is being done and how, the workforce – who is doing the work, and the workplace – where work is being done and the cultural and environmental factors of the workplace.

This paper focuses on the workforce dimension and identifies how Enterprise Service Providers can respond to the human capital impacts of these disruptors

to drive their missions in a more effective and efficient manner.

Many federal agencies are starting to embrace the future of work, and according to the "Creating a Future-Forward Government" survey conducted by Deloitte and Federal Computer Week, 77% of survey-respondents' agencies are considering or using automation.<sup>2</sup> The work that Enterprise Service Providers perform is very amenable to automation and therefore these organizations are at the forefront and are taking steps to

address the future of work. The benefits of enterprise/shared services – improved efficiency, reduced cost, enhanced data for decision making, shifted resources to agency mission – can be taken to a new level through future of work digital solutions. This increase in benefits is significant, as it can enable the Enterprise Service Provider to achieve its work through less resourcing.

For more information, please read – [Digital automation tools – helping improve capacity and efficiency in shared services.](#)

<sup>2</sup> "Creating a Future-Forward Government", Deloitte 2018.

# Future of work trends

**Trend reports show that while public sector organizations recognize the disruptions of the future of work, they are not prepared to address the changing needs of their work and workforce. These trends<sup>3</sup> show:**

## **The way work is done is changing**

- 63% of public sector respondents say AI and cognitive technologies will have an impact on their workforce by 2020, yet only 31% say they use these technologies today<sup>4</sup>
- 63% of enterprise/shared service organizations across multiple industries say that they expect their organizations to increase the use of robotics<sup>5</sup>

## **The workforce is changing**

- A third of the federal workforce is eligible to retire, yet only 27% of federal agencies say they have a plan to attract top talent from outside the federal government<sup>6</sup>. This coupled with 37% of “Creating a Future-Forward Government” survey respondents citing inadequate staffing and lack of training as a challenge to modernization<sup>7</sup> shows the difficulties Enterprise Service Providers face when preparing for the future of work

## **These changes will require new skills**

- Leaders say they are placing a higher premium on essential human skills: 60% of leaders indicated complex problem solving; 46% cognitive abilities; 50% social skills<sup>8</sup>

## **These changes drive the need for a new approach to career models and workforce management**

- 79% of public sector respondents say they consider new career models important, yet only 7% say they are ready for the challenge<sup>9</sup>



3. “A government perspective: Human Capital Trends”, Deloitte 2018; <https://www2.deloitte.com/us/en/pages/public-sector/articles/human-capital-trends-government-perspective.html>.

4. Ibid.

5. “Global Shared Services: 2017 Survey Report”, Deloitte 2017; <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/process-and-operations/us-global-shared-services-report.pdf>.

6. <https://www.gao.gov/assets/680/670294.pdf>

7. “Creating a Future-Forward Government”, Deloitte 2018.

8. Ibid

9. Ibid

# Human capital impacts for enterprise service providers

The transition to the future of work requires Enterprise Service Providers to plan, organize, and operate differently. They should determine work that will be automated and plan how to organize the work to meet the evolving needs of their customers and changing workforce. The workforce will need to organize around new tasks, and this means that leadership should think through what their people need to be successful in their roles. This includes who comprises the Enterprise Service Provider workforce, how work is allocated, what skills are needed, and how the organization is structured. In the future, work will be accomplished very differently than it is today.

Enterprise Service Providers should consider the four following strategic steps to adapt their workforce to the future of work:

1. Create a Long-Term Roadmap
2. Design New Roles
3. Train Workers for New Roles
4. Manage the Staff of the Future

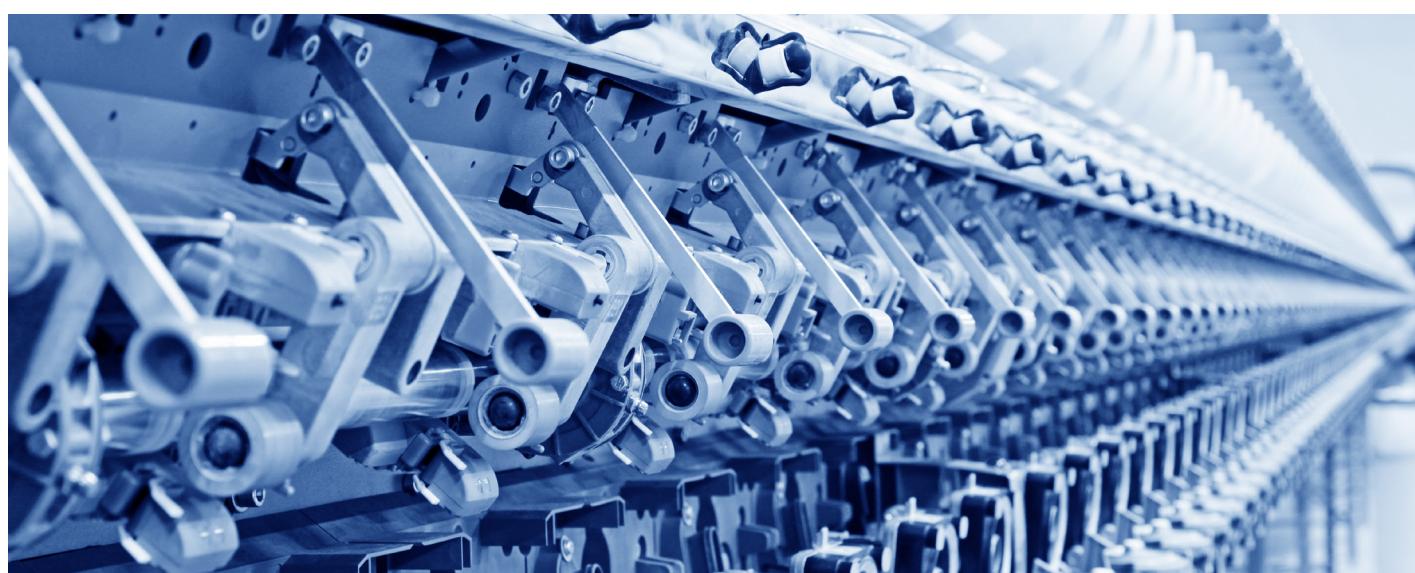
## 1. Create a Long-Term Roadmap

Many Enterprise Service Providers are currently conducting automation pilots to address operational and data issues or test the concept of automation. Conducting an automation pilot is a great way to start the journey towards the future of work, but to achieve the most powerful outcomes it is necessary to consider the impacts across the work, workforce, and workplace. From a workforce perspective, many of these pilots have freed up time for workers so they could address backlogs of transactions, perform critical tasks that they did not have time to perform previously, or spend more time on staff or personal development. However, the immediate benefits of expanding workforce capacity will not translate to the longer-term unless adequate planning has been completed, especially as Enterprise Service Providers begin to scale automation solutions.

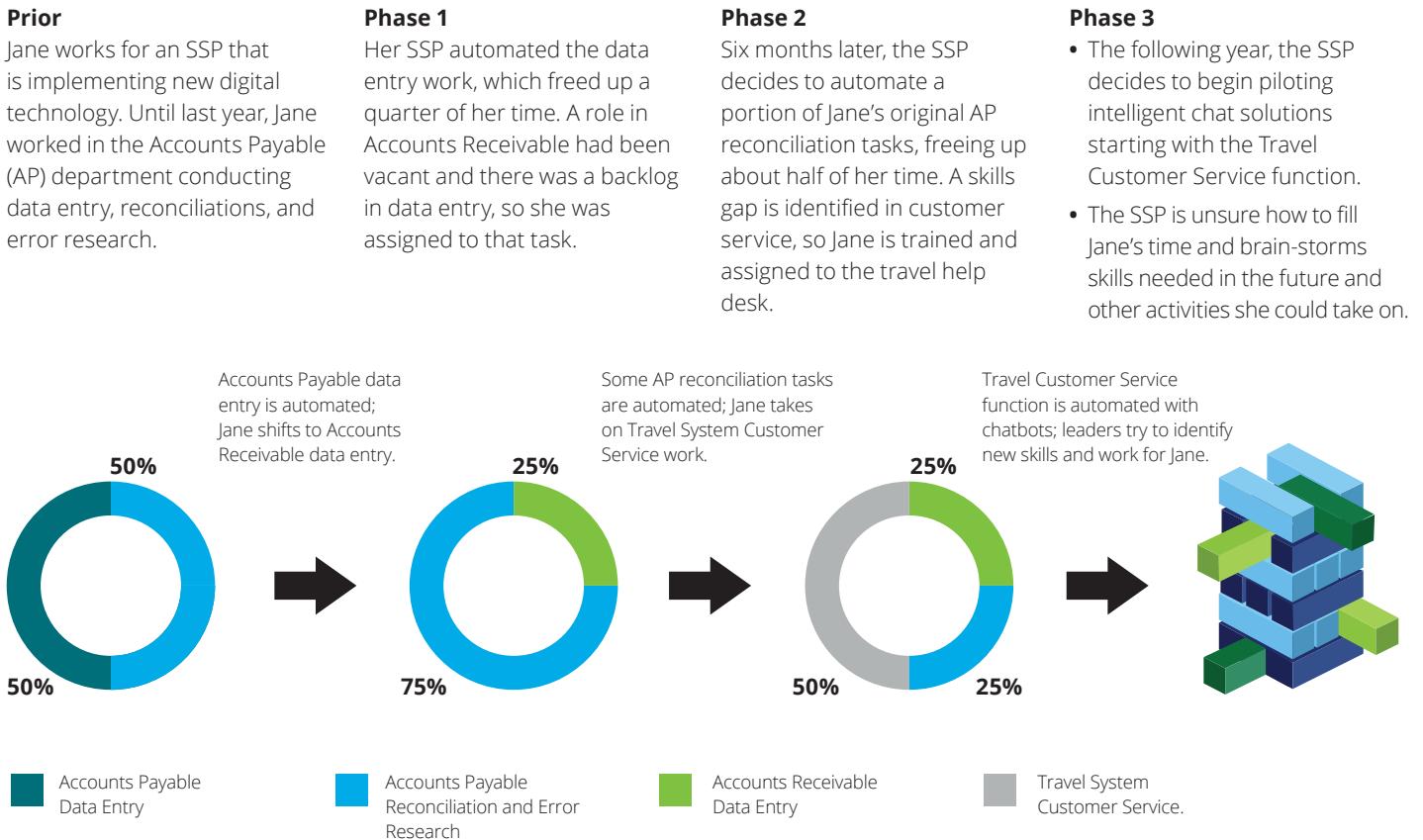
To be effective, Enterprise Service Providers should consider the following activities when composing their future workforce strategy:

- Dive deep into prioritized workforce segments to determine what work will start, stop, change, or continue based on in-flight automation initiatives
- Develop a comprehensive workforce strategy that addresses the work and skill that will be new, displaced, disrupted, and enduring in the future
- Explore the concept of the human-technology interface as automation occurs and workers increasingly work alongside machines

If any agency either is identifying and automating processes in an ad-hoc manner or is prioritizing the deployment of automations based on business need and feasibility only, there is likely to be a major disruption to the workforce. This approach does have some benefits, as it enables Enterprise Service Providers to implement lessons learned earlier in their automation efforts, and it allows for the rapidly evolving automation technology landscape to mature. However, the drawbacks of not looking holistically at the work, workforce, and workplace and executing strategically outweigh the benefits. The major drawback can be found in the human costs of automation, such as reskilling and re-engaging workers.



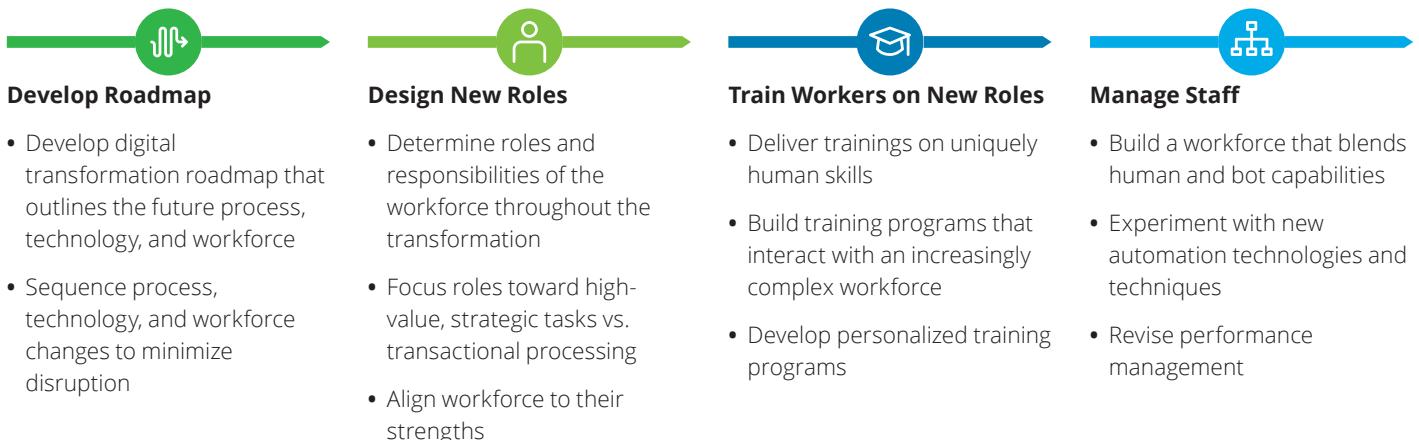
## ● Issue – Future of Work Impacts Enterprise/Shared Service Provider (SSP) Human Capital



## ● Impact – Performance and Workforce Disruption

- This approach presents challenges for Jane and for the SSP. Jane's job is constantly changing. Her performance and productivity are negatively impacted, and her role is no longer clear as she performs multiple pieces of multiple tasks in a non-integrated manner. Jane is unable to see a clear career path and she feels unsettled and disengaged in her role.
- This challenge does not end with Jane. Thousands of Janes can be impacted in this same way by automation. This makes an organization vulnerable when they implement automation at scale without giving proper attention to the new short- and long-term skills required, and to how their technology and people will interact.

## ● Solution – Strategic Steps to Adapt the Workforce to the Future of Work



## 2. Design New Roles

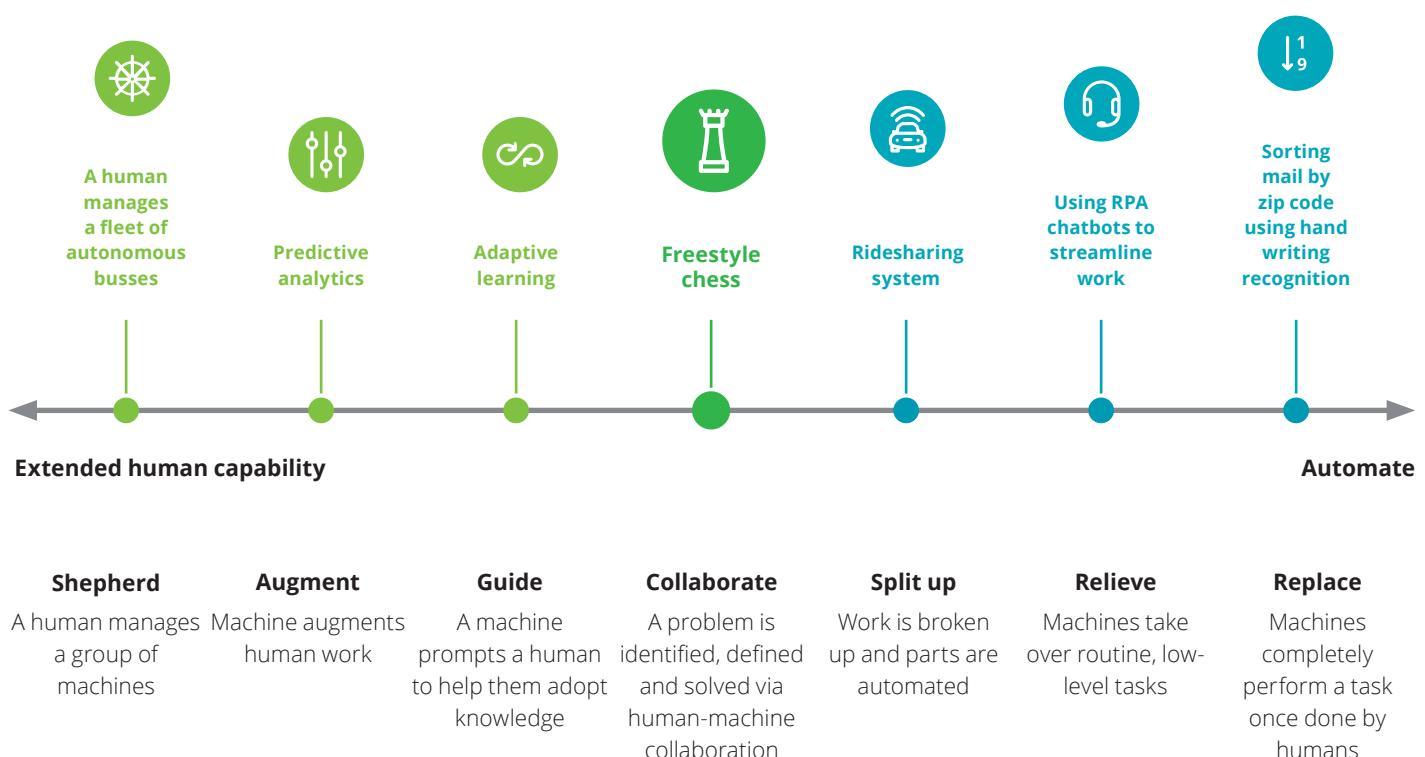
During this phase it is critical to remember that the future of work is not human vs. machine, but a blended human-bot workforce with various levels of integration. The continuum in the graphic below illustrates this process with more human-intensive tasks on the left (e.g., a human managing a fleet of autonomous buses) and machine-intensive on the right (e.g., a machine replacing humans by sorting mail by zip code using handwriting recognition). Enterprise Service Providers can consider establishing a Digital Management Office to help them think through and manage the implications of a blended human-bot workforce and the reality that some roles that exist today may not exist in the future

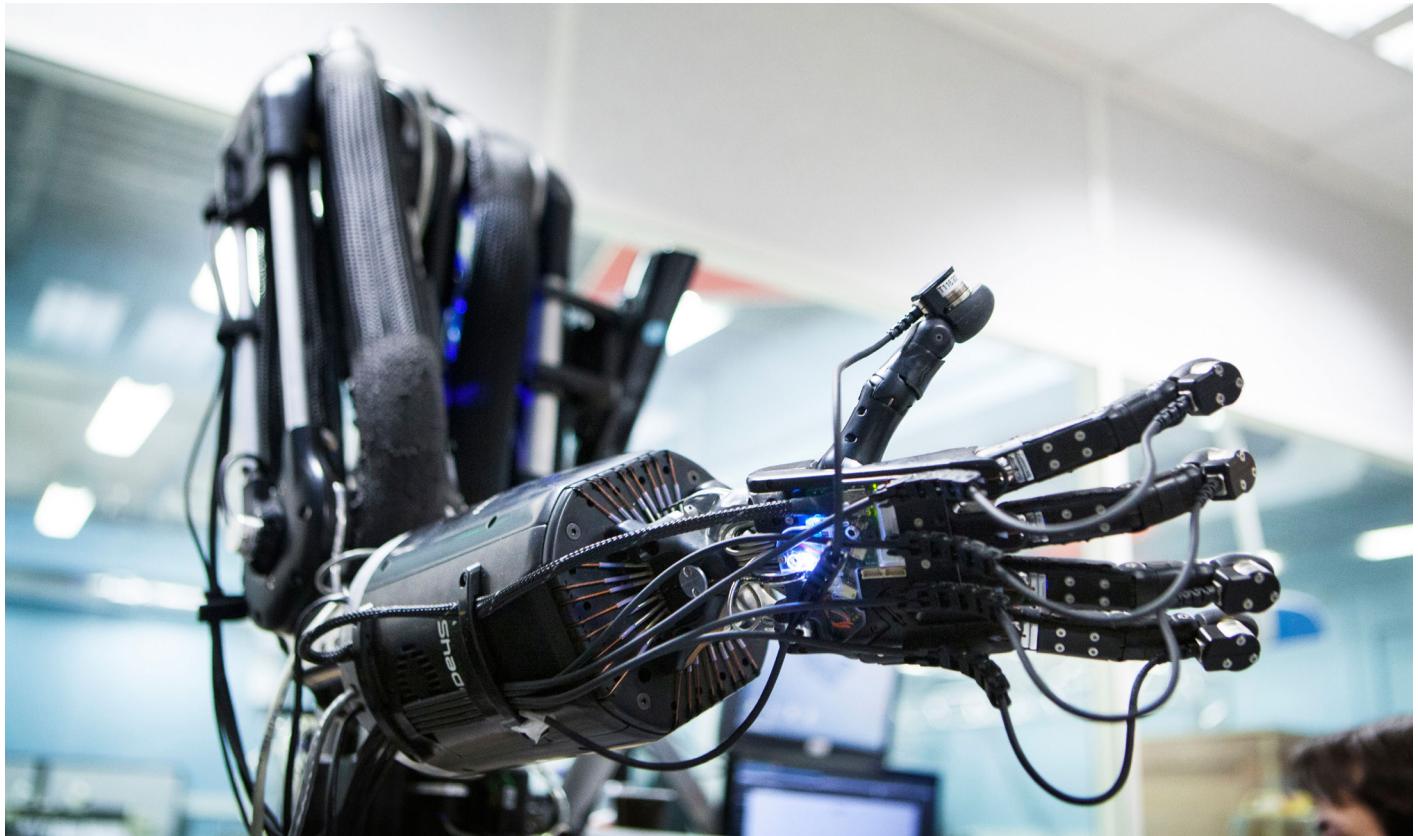
while new roles in the future may not exist today. A Digital Management Office can help with training and establishing job responsibilities for the human workers who are in charge of building, maintaining, and performing quality controls on the work of the bots.

Through employee-centered job redesign, Enterprise Service Providers are more likely to achieve buy-in from their workers because they are involved in the change process.

Unlike traditional job redesign, in employee-centered job redesign the workforce plays an integral role in identifying what their jobs could look like in the future.

The workforce's input is critical in understanding what higher-value work they could be doing instead of their routine, repetitive work activities, and workers' involvement helps them understand that their job is not being eliminated but that it is changing to focus on more strategic, value-add, and human work. Additionally, this supports workforce alignment to activities that employees are interested in and that utilize their strengths, thus achieving a higher-performing workforce.





### 3. Train Workers for New Roles

Some Enterprise Service Provider staff will be reskilled in essential human skills, such as decision making and influencing others as well as domain knowledge (e.g., accounts payable, human resource benefits), technical skills, and how to work with and optimize the digital technologies that are now part of their work. Many staff that were previously performing transactional activities such as data entry or error research will require new skills for their new work. In addition, the new work and workforce will bring new supervisory roles and managers will need to be trained

on basic managerial and leadership skills as well as learn how to manage a blended human-technology workforce. Enterprise Service Providers should identify the critical skills necessary for the new roles, identify the gaps between current skills and the skills needed in the future, and develop a training plan that incorporates both traditional and new methods of learning.

Enterprise Service Providers can augment existing training programs with high-tech, personalized learning. Digitally enabled learning systems and cognitive virtual coaches and chat bots can deliver bite-sized, iterative learning opportunities for workers to practice and apply new

skills just-in-time. These shorter, digitally-enabled trainings will enable workers to gain targeted, personalized skills, practice them shortly after learning them, and then apply them on-the-job. Other digital learning opportunities, such as virtual reality and AI, can increase employee engagement, extend the range of learning through smart devices, and provide continuous, tailored training in a scalable manner.

The Enterprise Service Provider workforce will require new methods of training that enable them to build their knowledge and skills constantly by supporting the learning needs of the future of work.

#### 4. Manage the Staff of the Future

Enterprise Service Providers should rethink how they:

- **Build and manage a blended workforce of the future.** Leaders will need to manage a blended workforce of human and digital workers. Human workers will need to be focused on problem-solving, providing customer support, and performing quality control for the results of digital workers. Additionally, human workers will be needed to apply their knowledge and skills in multiple areas, on a short-term basis, instead of a singular transactional area for an extended period of time. To manage these workers effectively, Enterprise Service Providers will need to ensure performance management and cultural changes embrace these new approaches.

• **Allow experimentation.** Some of the new roles may need to have an initial learning period, which requires a new tolerance for experimentation. This can be shown through a variety of means, such as adding an experimentation section to employees' annual performance objectives or giving managers leeway when evaluating employees whose jobs have changed significantly. Managers can also encourage a culture of experimentation by allowing failures if they drive learning and were well-executed.

• **Revise performance management.** Some staff that performed largely transactional tasks, which were subsequently automated, were previously measured on efficiency (e.g., number of forms processed). These employees and positions will need new

goals and performance expectations as they use more essential human skills. Both managers and employees will need guidance as they switch to new metrics, adjust to ambiguity, and are measured on different criteria such as outcomes rather than outputs.

• **Develop and enable a culture of collaboration.** Much of the new work will require essential human skills as workers perform more knowledge-based and customer-facing services. While a need for collaboration is not new, workers performing these new roles will need to collaborate more both within their Enterprise Service Provider as well as with those within their broader agencies.



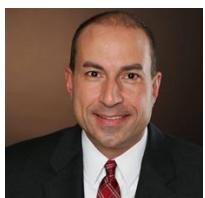
# Conclusion

The future of work offers a great opportunity for Enterprise Service Providers to increase their value. Enterprise Service Providers can fully harness the potential of automation only if they purposely think through the human implications of digital disruptors. By planning for the human side of automation, Enterprise Service Providers can combine the efficiencies of automation with an engaged, empowered workforce to provide high-value, best-in-class services.

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