Gearing for Growth:
The Acceleration of Commerce -
What does it mean for the Future of Work?

Outcomes report
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Welcome and context

In the context of the Fourth Industrial Revolution, the Future of Work (FOW) conversation forms an integral part of Deloitte and our clients’ digital revolution and transformation journeys. While organisations are transforming at different speeds, each organisation requires a clear strategy and a mandate that encompasses its approach to digital transformation.

Sihlalo Jordan, Deputy Chief Executive Officer, Deloitte Africa

In the age of digital technologies, automation, robotics and artificial intelligence (AI), a transformation strategy for the workforce, the work place and the type of jobs that need to be done is integral.

South Africa’s young workforce are fast adopters of technology.
Keynote Presentation:
The Acceleration of Commerce – What does it mean for the Future of Work?

Steven Hatfield, Global Future of Work Leader, Principal, Human Capital Executive Committee, Deloitte Consulting, LLP

The fast pace of technological advancement and increases in computing power are creating a whole new set of realities, ranging from jobs that did not exist 15 years ago, to the opportunity of a future that includes meaningful work for all.

Deloitte research has shown that:
- 4 in 10 global companies believe that automation will have a major impact on jobs
- 4 in 10 companies believe that face-to-face meetings will decrease in the next 3-5 years
- 7 in 10 companies believe that they need a different mix of talent in the future.

Organisations are not ready for this change:
- 17% of global executives report they are ready to manage a workforce of people, robots and AI working side by side
- 16% of organisations have a well-defined strategy to deal with a hybrid workforce
- Over half of companies have no programmes in place to build the skills of the future.

Given the pace of technological change, and more and more devices connecting and sharing information, organisations will have more data at their disposal, and available tools to take advantage of this data. Technologies and the ongoing shift in technological capabilities will enhance and increase the need for people to work in the online world.

As a clear gap exists between the future that organisations are aspiring to, and their readiness for it, there are seven realities that businesses, policymakers and responsible corporate citizens can and should act upon.
In Africa, the risk of job replacement by automation varies by country. Nigeria bears a 65% risk, South Africa 67%, and Ethiopia 85%. In most cases, countries most susceptible to automation have lower levels of GDP per capita. The reality is, however, that jobs are not being displaced. How tasks are done, as well as how and where work gets done, is radically changing. Two-thirds of global leaders believe that automated technology will be used to augment rather than replace the workforce. The introduction of AI and cognitive technologies will systemically change the world of work. Leading companies recognise that these technologies are most effective when they complement humans, and not replace them.

Global organisations are building integrated systems to analyse data. It is expected that by 2021/22 about 100 billion organisations will be interconnected. In South Africa, over 35 million interconnected items are expected to exist by 2021. With nine times more data generated in the past two years than in all of human history, this gives rise to a new breed of company – the exponential organisation. The exponential organisation leverages big data, mature and complex algorithms, as well as new and emerging tech, while tapping into talent on demand, outpacing traditional competitors.

The workforce of today has already moved beyond the enterprise, becoming a dynamic ecosystem. For example, Africa holds 10% of the world’s freelancers, estimated at 77 million globally; and Africa’s proportion continues to grow. Worldwide, organisations have an increasingly hybrid workforce, tapping into the gig economy worker. However, only 16% of global organisations surveyed have a well-defined strategy to deal with a hybrid workforce, and 31% of organisations do not assess or manage the performance of non-traditional employees (e.g., contractors, part-time employees, and freelancers).
Lifelong Reinvention

Automation will have a major impact on jobs, including 6% of global organisations are actively redesigning their workforce needs. Including 10% of workforce roles, but the majority are 70% of workers in businesses. The challenge lies in aligning skills and workforces to build the skills of the future, with the lifecycle of careers. As careers will last as long as 70 years, individuals must be able to pivot throughout this journey to align with evolving roles.

The Nimble Enterprise

The nimble enterprise is the enterprise of the future. It is more agile, routine based, and organised on global collaboration platforms. It is able to tap into the growing gig economy. Globally, on-demand platform workers are projected to increase from 3.2 million in 2015 to 9.2 million in 2021. Deloitte research has shown that 80% of global organisations are structuring their companies into a more networked team structure.

Ethics of Work and Society

About one-third of global CEOs rank “societal impact” as the most important factor their organisation uses to evaluate annual performance. Similarly, 88% of millennials believe that an organisation’s performance needs to be measured by their impact on their communities. Millennials who believe that their employer supports the local community are 38% more likely to stay with that employer for five years. And with a global workforce on demand, organisations have additional ethical responsibilities to consider.

Regulated Innovation

The pace of change experienced by businesses, startups, entrepreneurs, and gig workers requires working with policy makers to ensure that the regulatory environment “keeps up” and supports innovation. So too, workplace surveillance needs to be governed by strong laws and restrictions, particularly given the risks of data breaches and cybercrime.

In conclusion

The skills shortage in countries like South Africa, however, remains a challenge. 75% of South African companies admit that they are actively seeking foreign talent to fill their skills needs. Additionally, it is estimated that 20% of South African workers are mismatched in their jobs. In Africa, 15 million young people are expected to join the workforce each year for the next three decades, and 40% will not be working in jobs that currently exist. According to the World Economic Forum, online platforms could result in 861,000 jobs in South Africa by 2025.

Taking advantage of this opportunity in the continent will require connecting young people to online learning, and what this will require countries to rethink investment in education, and what sectors take precedence in the demand of the future. Rethinking national education curricula should also be coupled with the changing nature of education, and how sectors take precedence in the demands of the future. Rethinking national education curricula should also be coupled with the changing nature of education, and how sectors take precedence in the demands of the future. Rethinking national education curricula should also be coupled with the changing nature of education, and how sectors take precedence in the demands of the future.
Panel Discussion: The Acceleration of Commerce – What does it mean for the Future of Work?

Digitisation and transformation of organisations is occurring at a much faster pace than it was years ago. As a result the shift in the workplace is expected to change at a faster rate in future. The primary challenge of catching up with this transition lies with the education system that is geared towards analytical thinking and gives less attention to creative thinking. The system needs to prepare for digitisation by allowing individuals in the workplace and at school to utilise both analytical and creative methods.

Through global networks and supply chains, and by embracing the Fourth Industrial Revolution, Africans can remain relevant in times of change.
In order for Africa to move forward, various stakeholders, including government, businesses and labour, need to understand the influence of opening up the conversation and dealing with potential risks. This may create opportunity for Africa to adapt and become a technologically developed region.

Technological innovation is rapidly connecting people, despite protectionist stances towards human capital flows as seen with Brexit, for example, and even in South Africa. South Africa carries potential for innovative ideas, however, businesses are often more advanced than public policy and these businesses are not supported by regulation. Therefore, change in regulation will be required to fill the public policy gap.

Meaningful work and giving people a purpose will be at the centre of the Future of Work. Organisations need to take responsibility of the technological change by planning and creating a strategic workforce plan. Organisations too need to aim for creating experiences for employees that are going to service a different kind of customer in future.

The United Nations forecasts that in 2025, there will be more Africans than there will be Chinese. With this upcoming profound change, Africa needs new solutions to think about how the future will work. Ultimately, like many other societies, we want to be an idea-driven society; a society that not only leverages its natural resources wealth, but more importantly, its human capital wealth. This will need to be done by unlocking and commercialising viable ideas in a sustainable manner.

Meaningful work and giving people a purpose will be at the centre of the Future of Work.
Technology is moving at a fast pace and this raises some concern. Although people seem to be adjusting to the rate of change, policy makers, but also business, often find it challenging to keep up. Hence, C-suite executives often seek to improve efficiencies and reduce costs through headcount reduction.

The power of individuals is rising and humans have become the centre of the Future of Work. Thus, organisations need human resources at the core of their digital transformation strategies. This requires a different approach of thinking, acting and reacting.