

Advisory Outlook



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The rise of automation

The idea of having the computer as a colleague that thinks for itself goes back to the roots of modern computing. In spite of the fact that these 'thinking machines' now play an integral part in every modern organisation, most people still see them as a future threat to the human race.

With the rise of automation and the use of Artificial Intelligence (AI), every business leader should be rethinking the role people play in the workplace. How to achieve the right mix of people and machines in the workplace is the critical talent question of our age and this is going to be an increasing area of concern for business leaders. There's no doubt that we're living through a time of profound change, one where technological development is forcing us to question what our place will be in the world – and what role humans will play in the workplace of the future.

Our 20th CEO Survey highlights that 52% of CEOs say they're exploring the benefits of humans and machines working together, and 39% are considering the impact of Artificial Intelligence on future skills needs. CEOs are concerned about the impact of a more digitalised world on their relationship with stakeholders; 69% felt this would have a negative impact on stakeholder trust in the next five years. This is a delicate balancing act for CEOs in every sector and region.

Man and Machines working together

The advent of artificial intelligence means we've got to the stage where machines can think – the one thing that set humans apart from every other creature on this planet. So where does that leave us?

The relentless march of automation will transform the role people play at work. Different skills will be needed, roles will disappear and others will evolve. Some organisations will need fewer people, but others will need more. Many more will need a different kind of people than the current workforce.

Our survey found that one in eight CEOs are already set to reduce headcount due to automation. Yet, the majority of CEOs still plan to increase headcount – 52% say they'll hire more people in the coming 12 months. Top of CEOs' talent wish list are those skills that can't be replicated by machines; innovation and creativity, adaptability, emotional intelligence and leadership. We will see a rebalancing of human capital as organisations adjust.

Success in an automated world will mean people and machines working together, rather than one replacing the other. Exceptional skills and leadership will be needed. However, 77% of CEOs say they see the availability of key skills as the biggest business threat.

As robotics becomes more important to the success of companies, humans will need to learn how to work with machines. Organisations need the right mixture of human and machine-based intelligence to respond to an

increasingly volatile global business world. Volume, volatility, velocity and veracity (the four Vs of information that'll shape the future of business) demand new skills that have eluded organisations that historically depended on humans.

Managers will need a new way to understand these assets. Already, organisations are under pressure to monitor and distill external data, leverage internal expertise in decision-making, and modify and update current systems. In such a demanding information environment, managers are beginning to offload cognitive responsibilities onto systems. In the near future, they'll move to overseeing the work of both humans and machines.

Todays in demand skills are exclusively human capabilities – adaptability, problem solving, creativity and leadership. Software cannot imitate passion, character or collaborative spirit. By marrying these skills with technology, innovation can thrive and organisations can succeed in competitive marketplaces.

How can Nigerian organisations respond?

No one can be sure how the world of work will evolve, so organisations must prepare for any scenario – and if the events of 2016 have taught us anything, it's that no scenario can be dismissed as too unlikely. The workplace model is fundamentally changing and navigating the changes is fraught with unintended consequences – as trailblazers for the new working structures built around the emerging gig economy have found out.

Forward looking businesses in Nigeria must begin to reflect on a number of issues which include:

- Does my organisation have the talent required to win in the digital machine age?
- Do we have a clearly articulated talent strategy?
- Do I have the right strategy to attract, engage and deploy the right talent?
- Do we have the right environment to deepen, nurture and retain this highly valued talent pool?
- Is my organisation's HR function talent-minded and ready to maximise performance in this man-machine world of work?

This is a critical moment for HR. But the challenge isn't necessarily about finding new and innovative ways of accessing the talent market; it's about using the full range of HR expertise and tools to identify skills gaps, anticipate needs, spot potential and build the workforce of the future.

CEOs have an enormous challenge ahead of them. It's the role of business leaders to protect and nurture the employee-employer relationship throughout this turbulent time. Without a clearly articulated way to do manage this vital relationship, organisations will struggle to find and keep the people they need. The challenge for CEOs is to show that in the technological age, humans are their priority.

We believe that there are five key areas that Nigerian business leaders should be working on to ensure their talent strategy is fit to meet the challenges ahead.

1. Firstly – **plan for multiple futures.** Scenario planning is a powerful tool to prepare your organisation for a future where no outcome can be safely dismissed as unlikely.
2. **Prepare your HR function for the recruitment challenge** – as our 20th CEO Survey highlights, people and skills are essential in the machine age and competition for good talent is intense.
3. The demand for soft skills is high; **nurturing them is a priority for your business,**
4. In addition to the above, ensure you **deliver the right experience for your people** – it's essential that each element of this is monitored and understood.
5. Finally, **work on trust - with a purpose.** Does your organisation have a clear purpose? And where does it fit into society?"

Getting set for the future

Our ability and willingness to learn new skills kept people employed during the industrial revolution and it's possible that we will prove equally adaptable during the technological revolution. Some jobs will disappear but others will be created. Nevertheless, the social consequences of automation, globalization and longevity are profound. Business leaders have to tread carefully to address the dangers of globalization and technology while capitalizing on the opportunities they bring.

Successfully navigating the road ahead will take action as well as words. It will mean investing in training, reskilling and education for those displaced by automation. It will mean embracing new working models and developing excellent performance management. It will mean making sure that diversity and inclusiveness statements are a reflection of the organisation, rather than empty promises. And it will mean protecting the human element in a world dominated by technology.

CEOs will be looking for support and guidance from HR as they find a way to exploit technology alongside humans to the best advantage in the workplace. That will mean finding, or creating people with the right skills and capabilities, while protecting the employer value proposition and building a trusting relationship with employees in an uncertain and complex world.

The workplace model is changing fundamentally and navigating the change is fraught with unintended consequences. Getting your people strategy right in a world where humans and machines work alongside each other will be the biggest challenge leaders will ever face and will also be an important differentiator in the market.

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