The Primacy of People in a Digital Age

By Frank Chen, Accenture Technology, Greater China Lead

An agile enterprise needs an agile workforce. Traditional organizational structures can no longer keep pace with changes in the digital age. Forward-looking companies realize that they can count on a digitally savvy workforce as a key competitive advantage. An agile workforce is quickly becoming the new norm for how businesses organize.

For business owners and executives, however, there is a more practical issue to consider: Are they ready to update their technologies and organizations to build an efficient and agile workforce? Are they willing to restructure their companies to become more creative and more capable of faster and better decision making to capture new growth opportunities ahead of competitors?

Based on the latest research and Accenture’s long-term industry insight, we believe it is time that businesses take immediate actions to recruit versatile and highly skilled talent. They should carry out training to accelerate the development of a digitally savvy workforce that is well-prepared to aggressively pursue business development.

A Double-Role Transition

The comprehensive digitalization of business has necessitated the transformation of enterprises for both organizations and employees. This strongly suggests that isolated, static workforce and management divisions will give way to more adaptable, project-focused organizations that are self-directed and self-regulating.

‘Digital aboriginals’ growing up in the network era will make such combinations and adjustments possible, undoubtedly posing challenges to the current norms of internal enterprise management. For smaller, less-prepared companies, work is divided into discrete categories, such as design, engineering, marketing, and sales. Training is often delivered on an ad hoc basis due to a lack of long-term planning. Workforce management tools are rare, and so too are official innovation teams. Instead, one or two staff members with loosely coordinated responsibilities are assigned to do the innovation tasks. These negative factors hinder business innovations and slow down an enterprise’s response to changes.

By comparison, an agile workforce will enjoy more freedom and flexibility in ways that encourage the enterprise to realize more of its human resources potential. Virtual Reality (VR) is one example of a trend that is poised to sweep broadly across the industrial landscape. At the Google I/O 2014 developer conference, Google released a VR platform called Google Cardboard, which became an instant success and attracted massive attention. Named for its fold-out cardboard viewer, a Google Cardboard headset is built from simple, low-cost components that turn a smartphone into a pair of 3D glasses. The platform was created by David Cox and Damien Henry, Google engineers at the Google Cultural Institute in Paris, as part of their 20 percent ‘Innovation Time Off’ project where Google engineers are encouraged to spend 20 percent of their work time on projects that interest them personally. For projects that appear feasible, Google will invest additional resources. This unsanctioned R&D model has proven its effectiveness more than once and includes products such as Google Now, Google News, and Google Maps.

Meanwhile, employees must continuously improve themselves since the freedom to innovate suggests the necessity of extending their cross-domain knowledge base and skill set. For example, it is advantageous if graphic designers also understand scripting languages such as HTML5 to successfully productize their ideas for networks and mobile devices. Similarly, outstanding sales personnel who understand data analytics are more likely to improve their sales performance. In a free working environment, employees can take a more proactive stance toward self-improvement through self-examination. By doing so, they have the potential of becoming the skilled, versatile professionals that are urgently needed by modern enterprises. In an era where a large proportion of skilled workers are freelancers, talented people are not bound to any specific position. This also allows enterprises to develop new strategies to fully utilize temporary sources of qualified talent that possess specific technical capabilities and other valuable experience at lower costs.

Of course, the blurring of industry borders and the continuous efforts of enterprises to build hybrid business ecosystems have been combined to various degrees and point to new paths for developing an agile workforce. For example, in 2015, TAG Heuer, a Swiss luxury watchmaker, released its first smart watch, engineered with Intel Inside® and powered by Android Wear. According to Bloomberg, TAG Heuer’s Connected Watch (priced at USD 1,500) received more than 100,000 orders from around the world. The development of this smart watch by a traditional mechanical watchmaker and a Silicon Valley tech giant exemplifies the type of successful cross-industry collaborations that we can expect to see.

Leaders are realizing that more fluid teams can become their new competitive advantages.

Current situations

- Isolated skill set is generally dictated by function (engineering, sales, marketing, design, etc.)
- There is no long-term training program, and training is provided on an ad hoc basis, lowering the investments of enterprises.
- Fragmented workforce management tools
- There is no formal innovation team, or innovation breaks out of the range of two people.
- There is a low level of cooperation across multiple industries, mainly state-owned enterprises.

In the future:

- Predictive analytics and active and adaptive human resource tools need to transform organizations into a data-driven basis.
- Rapid testing and new mechanisms allow employees to participate in innovation.
- In a low level of cooperation, static staff management is implemented centering on specific skills and functions.
-Fragmented workforce management tools need to be restructured.
- A project-based team emphasizes collaboration, agility, and skill sharing.
- Continuous training has become the core competency of enterprises.
- The workforce has been extended to include external talent, including freelancers and crowd-sourcing platforms.

Building a Digitally Savvy Workforce

In addition to upgrading their operational strategies, enterprises must restructure their operational organizations and establish new training systems and performance evaluation criteria. This shift will call for the adjustment and transformation of supporting mechanisms for collaboration and innovation, talent recruitment, development, and incentive programs. Enterprises must develop new workforce strategies, as follows:

- Skill gap analysis: Assign the HR department to review vacancies in the company and identify urgently needed talent.
- Training ability improvement strategy: Decide on investments in facilities, technologies, and labor required for unified and efficient employee training.
- Innovation incentive: Set up a mechanism to encourage employees to carry out unrestrained research in their fields of interest to encourage innovation.
- Management: Standardize the modes of cooperation between the company and third parties, including freelancers and contractors. Establish mechanisms for reallocating work between long-
and short-term employees, and communicate the mechanisms clearly.

- **Pilot program**: Set up a project to pilot the formation of an agile workforce. Give the team sufficient autonomy and certain resources to help them achieve set objectives. After the pilot program is concluded, summarize the experience and use the project as a reference for subsequent formal implementation of the agile workforce strategy.

In the long term, an enterprise transformation plan will likely include a new training strategy, identification of urgently needed skills, and delivery of training to existing employees. Through these efforts, the enterprise will decide which training sources — training institutions, large open network courses, personalized training — are most effective for company employees. The enterprise will then make specific plans to create an agile workforce in all business areas. Based on the lessons learned in the pilot project and feedback from the parties involved, the enterprise can then take measures to improve the effectiveness of subsequent operations. In addition, the enterprise should encourage the use of data analytics by the HR department to establish a joint team of HR and data experts to further research the company’s human resource requirements. The results will help optimize work related to employee evaluation, promotion, recruitment, as well as talent acquisition and retention.

Moreover, the enterprise will be applying predictive analytics in particular fields (for example, promotion or recruitment) as outlined in the employee management strategy.

Training will become a core competitive feature. Enterprises must establish digital training platforms that combine network-based teaching into single-course systems. Most Chinese enterprises have realized that employee training and the introduction of new technologies are equally important. Some enterprises now actively pursue innovative methods and technologies such as virtual worlds, adaptive learning solutions, augmentation technologies, and crowdsourcing to deliver better training to their employees. More than 70 percent of Chinese enterprises say they are considering software automation and cognitive computing solutions to improve the overall competence of their employees, which is higher than the global average of 51 percent.

**Getting the Most from Manager-Machine Collaboration**

Because the learning capabilities of machines are continuously improving, multiplying the value created by employees and machines has become a key objective of organizational transformation. An Accenture survey of more than 1,700 managers in 14 countries showed that 84 percent of respondents believe their effectiveness and job satisfaction will increase with the use of intelligent machines. In the future, machines with cognitive and deep-learning capabilities will take over a number of management responsibilities that now consume huge amounts of time and energy. These tasks include planning and coordination, information processing, performance tracking, routine repetitive work, and resource allocation.

Resistance to change, however, is typical among managers. Over one-third of managers fear that machines will take their jobs. Attitudes toward machines vary among industries. For example, in electronics and high-tech, 50 percent of managers strongly or partially agree that intelligent systems are a threat to their job security, compared with 25 percent in the transport industry. Managers in the high-tech industry have the highest expectations for the performance of cognitive computing platforms.

Intelligent machines could help department heads by taking over routine and time-consuming tasks such as management and financial reporting that will allow managers to spend more time on strategic planning or the development of new products and services. In manager-machine collaboration, cognitive computing applications are expected to help improve the capabilities of individual managers to leverage their unique philosophies and communication skills. The survey reveals that 42 percent of managers believe their roles will require a deeper understanding of digital technology in five years, but only about 20 percent of them believe this about social networking, people development and coaching, and collaboration.

Enterprises with ingrained mindsets and complex organizations are often willing to adopt a new approach. One private sector example is Amazon Kindle’s Mayday feature. The ‘Mayday’ button connects users with customer support representatives directly from their tablet. On average, an Amazon representative will respond within 10 seconds. Telstra, Australia’s largest telecommunications company, announced a massive ‘Digital First’ initiative that automates all repetitive and administrative tasks in order to give employees the time and space for more meaningful interactions with customers.

Far from killing jobs and creating a dehumanized future, digital technology has the potential to continue becoming an important driver for more attentive services. Specifically, digital technology allows employees to take greater advantage of their unique strengths to create more value for their customers. Enterprises have come to realize that digital online interactions cannot completely replace human customer service — and that providing personalized services beyond customer expectations requires digital technologies, such as Big Data collection and analytics, to mine customer insights and apply the results by devising better services. For example, along with helping customers resolve immediate issues, banks expect customer service personnel to provide wealth management advice based on their financial conditions and even offer value-added consulting services in areas that include home buying, medical care, education, and travel.

More important than the levels of digitalization are the employees who deliver services to customers. Apple fans are not strangers to the success of the Genius Bar, and the engineers who provide customer service at the Genius Bar enjoy a sense of achievement. BMW has begun a similar program called ‘BMW Genius Everywhere.’

Having intelligent machines perform specific jobs is just one example of Artificial Intelligence (AI) in business applications. Leaders and managers must consider an array of well-focused attempts to decide which functions are the most effective for discovering the opportunities with the greatest value. For CEOs, manager-machine cooperation is not merely about automated work or improvements in manager performance. Rather than expecting machines to make decisions independently, the goal of executives must be to combine the experience and intuition of their people with the strengths of intelligent machines.

In this time of transformation, business leaders must remain people oriented. They need to establish cultures that feature initiative, trust, and collaboration. Only in such environments can the full potential of the entire workforce be realized.