



PUTTING TRUST TO WORK

Decoding organizational DNA
in aerospace and defense

Trust is the currency of the aerospace and defense industry. It fuels growth and underpins responsible innovation. But market developments, instances of privacy leaks and perceived missteps with innovative technologies are eroding the public's digital trust in businesses and governments. The aerospace and defense industry is changing at an unprecedented rate and must reinforce trust and transparency to thrive in the digital economy, and that begins with employee trust. As aerospace and defense companies begin to use workforce data at scale, employee trust will be imperative to unlocking the growth that this data offers.

The opportunity that workforce data holds

New sources of data—from employee work applications and smart sensors, to video or voice recordings and wearables—can be converted into automated actions and insights for decision making by applying analytics, artificial intelligence or human judgment. A deep understanding of workplace data has the power to improve innovation, agility, cybersecurity and increase employee performance and engagement. But, according to Accenture research more responsible use of workforce data is required to strengthen employee trust and unlock growth.

Nearly 90% of aerospace and defense leaders recognize that new technologies and sources of workplace data can be used to unlock value that is currently “trapped” in the enterprise. And 86% say such technologies and data will transform the agility and efficiency of the business. Leaders expect to see value from workforce productivity and performance improvement, employee engagement, retention, development and career growth, and by placing the right people in the right roles.

Recognizing the opportunity in front of them, more than three quarters of companies (76%) are already using new technologies and sources of workplace data to a large or significant extent to increase their competitive advantage and improve performance. Yet only 24% of aerospace and defense leaders are very confident that they are using the data responsibly.

Workers are cautious. More than half (60%) think that the use of new sources of workforce data risks damaging trust, and 52% would strongly resist their organization collecting new sources of data on them and their work. However, 96% are open to the collection of data on them and their work if it improves their performance or wellbeing or provides other personal benefits.

This suggests that while capabilities exist to capture workforce data and employees are open to this concept, organizations are struggling to harness the true value of the responsible use of workplace data. Strengthening employee trust is paramount to unlocking value and improving personal and professional performance.

What's at stake

Accenture studied the factors that employees say most influence their level of trust in their organizations and modeled these statistics to reveal the financial impact of responsible or irresponsible data strategies. If aerospace and defense companies adopt irresponsible strategies, they risk losing 8.3% from future revenue growth. However, if they adopt responsible strategies, the trust dividend could be worth as much as an 8.8% boost to future revenue growth. The value at stake between these divergent situations adds up to US\$104 Billion in annual global industry revenues.

Some companies are leaving value on the table with deliberate hesitation due to employee sensitivities; others risk damaging employee trust by pressing ahead too swiftly without measures for responsibility and transparency. Only 14% of aerospace and defense leaders say that employee concerns are holding them back from investing in technologies that collect workforce data, whilst 50% are investing anyway while figuring out how to do so responsibly as potential issues are realized.

As they determine their workforce data and employee trust strategies, aerospace and defense companies have considerable value at stake.



A framework for responsible use of workforce data

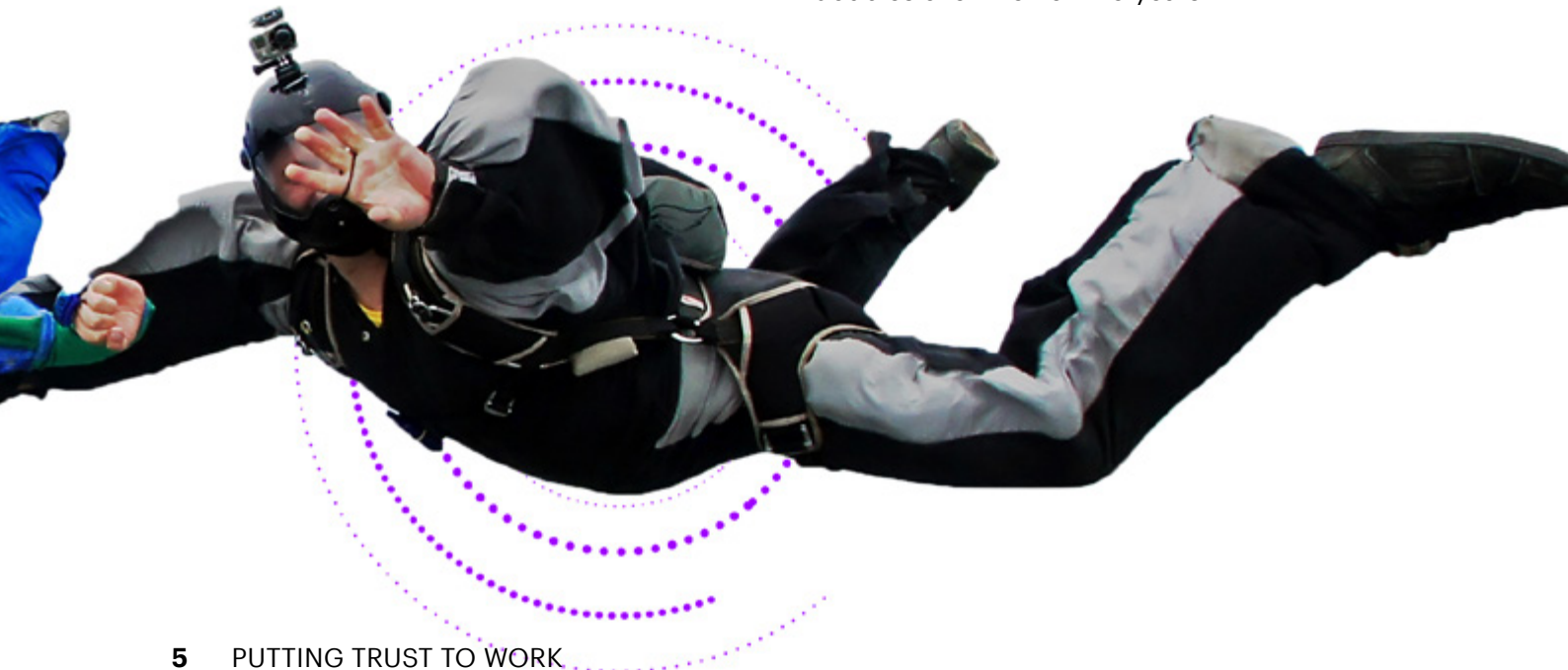
The research findings demonstrate that many executives are entering a new era of workforce data with insufficient tools and strategies to help them drive growth through stronger digital trust. But business leaders can take proactive steps that improve the potential of workers while achieving new business value.

To help ensure that employee concerns are met, Accenture recommends three actions for the responsible use of workforce data:

1 Give control. Gain trust.

By giving employees far more control over their own data, organizations will earn employee trust and benefit from greater flow of workforce insights with which they can improve performance. Nearly three-quarters (71%) of aerospace and defense workers surveyed say that in return for their permission to collect data, employers will have to give them control over how it is used. A resounding 80% want to keep their own work-related data and take it with them when they leave their jobs—but only 28% of business leaders are open to allowing them to do so.

Airbus developed a proof of concept using blockchain that lets pilots share with airlines their verified pilot-training certificates, eliminating the time-consuming cross-reference process and making it easier for pilots to find jobs. This will help the airline industry meet its growing need for half a million new pilots as airline traffic doubles over the next 20 years.



2 Share Responsibility. Share Benefits.

To create benefits for all, leaders must share responsibility across the C-suite and involve employees in the design of workforce data systems. Today, just 30% of aerospace and defense companies co-create company policies with employees, although 42% plan to do so. To assure checks and balances are in place, 48% of aerospace and defense companies have a C-level executive accountable for the responsible use of data, while 24% employ ethicists to evaluate the potential impact on employees and society.

A large European defense company's Human Resource team is seeking to implement a Human Resources/Payroll system that allows for advanced integrated functionality such as talent acquisition, learning management and succession planning for all employees in the air, on the field, and in the office. This keeps important employee data in one secured place for the employee and the company, and allows for the smooth transfer of workplace data as appropriate.

3 Elevate People. Use Tech Responsibly.

Rather than constraining employees, 92% of aerospace and defense managers say real time information will help people experiment and innovate. Workplace data can be used to provide employees with more growth opportunities and improve fairness and diversity. For example, 92% of aerospace and defense employees say that having reliable data gathered by new technologies will improve fairness in pay, promotions and appraisal decisions and 70% say the use of workplace data will improve their lives and business performance.

Companies need to use artificial intelligence and other technologies in responsible and creative new ways and be sure to address unintended consequences such technologies can create.

One of the largest North American aerospace and defense contractors empowered their teams to build an innovation hub that includes 4 to 6-week duration machine learning experiments for Classified Document marking. Currently in practice, this hub enables teams to assess the technology for reliability of a more efficient way to scan and interpret secure documentation.



Putting trust to work

Trust has evolved from a “soft” corporate issue to a quantifiable metric with significant impact on growth.

Aerospace and defense leaders must put employee trust at the heart of their business strategies just as they do consumer trust.

As aerospace and defense companies increasingly use workforce data, employee trust will be imperative to unlocking the growth that this data offers. Responsible workforce data strategies will build the employee trust needed to use this data to help generate sustained revenue growth.

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About the Methodology

Accenture combined quantitative and qualitative research techniques to understand and measure the attitudes and readiness of workers and C-level executives regarding the use of workforce data and modeled the effects of collecting this data on employee-employer trust. The research for the aerospace and defense industry included surveys of 750 workers and of 50 C-level executives across 14 countries (Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Netherlands, Spain, Switzerland, United Kingdom, United States of America). These surveys were conducted in January 2019. To learn more about the report, visit www.accenture.com/workforcedata.

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