ENTERPRISE AGILITY: BUILDING AN ADAPTIVE, RE-SKILLED WORKFORCE WITH NICHOLAS WHITTALL AND ANDREW WOOLF

TALKING AGILITY PODCAST EPISODE 9 TRANSCRIPT

Welcome to Talking Agility, a podcast from Accenture. Your host is Elitsa Nacheva.

Elitsa Nacheva: It is often said that the most valuable commodity at any business is people. And so therefore, when it comes to organizational agility, an adaptive or skilled workforce is vital, one which is future proof. And because agility requires both speed and stability, the workforce of the future will need a strong core and flexible, adaptive components. And as we've spoken about before, finding the perfect balance is often elusive.

With my two guests today, we're going to explore how you can start building your workforce of the future.

Today I'm joined by Nicholas Whittall, who is a Managing Director with Accenture Strategy, Talent and Organization Practice. He specializes in helping clients with complex talent leadership culture and change transformations and has partnered with some of the world's largest organizations to determine how to re-think the future of work and the workforce. Nicholas leads the Global Future Workforce practice at Accenture and joins us from Minneapolis, Minnesota.

My second guest is Andrew Woolf who is the Managing Director and the Global Lead for Accenture's Talent and Organization Practice for Financial Services. Andrew specializes in organizational change, human resources and people. He's worked all over the world with some of the leading financial services institutions. He joins us from Melbourne, Australia this morning where it's about a 7 a.m. start for him and I really hope he's warmed up his voice as we have some really great questions to cover.

So, welcome Andrew and Nicholas to Talking Agility.

I would like to kick off with a little bit of an introduction question, and it's directed to either one of you who would like to jump in first. We hear a lot about what the future of work might look like. So, what is our research showing, and are we overestimating the impact of technologies like AI?

Nicholas Whittall: So, this is Nicholas, I'm happy to jump in with some initial thoughts, but keen to get Andrew's perspective on this one as well. You know, there's a lot of research that Accenture has been pushing into the marketplace, chief among them is Paul Daugherty's book "Human + Machine". 54% of employers acknowledge getting this human and machine collaboration right is critical. And, actually, 67% of the workforce are positive about this transformation. The startling statistic, however, is that only 3% of executives plan to significantly invest in skill development in the next three years to really prepare their workforce for this future of work that we're moving toward.

So, I don't think we're underestimating the impact that artificial intelligence and other intelligent technologies are going to have on the workforce. I think we're underestimating the amount of time it's going to take to

prepare the workforce for that future of work, and I think executives need to start paying attention to the lead time required to get their workforce ready for this future.

Elitsa Nacheva: Andrew, what is your opinion on that?

Andrew Woolf: I certainly – I certainly concur with that and I think that's worn out by the conversations that I'm having with clients.

Everyone is accepting of the fact that they need to do something new and different, but I think for me – which I'm really quite happy about actually – the goal posts have changed, so we've move away a little bit from the doom and gloom scenario of AI taking over the world, that we're all going to lose our jobs and – you know – it's not going to be a great place to be, to actually one of a very – you know, for those who are forward thinking – one of opportunity. Right, and that the human-machine collaboration, that same research also says, well, if you can get that right, actually the revenue uplift potential for organizations is significant.

So, whilst I think people are really starting to embrace that, and I can see, you know, the use of AI and so on, growing substantially in our clients, they are all still struggling a little to create that pathway to develop the workforce in a logical and structured way, partly because they're not really sure exactly what they need – what sort of workforce they need – for the future.

Elitsa Nacheva: To you, what are the characteristics of an agile workforce and what does it actually look like?

Nicholas Whittall: The characteristics of an agile workforce, I think that there are three elements in my mind: the first is I think this agile workforce needs to be shaped by insight and analytics around where we're headed. I love the word – one of the words –

Andrew used around pathways and I think this concept of learning pathways and career pathways is going to become a really important cornerstone of an attribute of this future workforce. Where does this workforce head and what are the pathways that workers who might be displaced by technology – what are the opportunities that present themselves going forward for them? So that whole concept of the future workforce being shaped by insight I think is critical.

The second one is, I think we have to expand the concept of the workforce and I think in doing so, we build a lot more agility into it. And what I mean by that is whether it be freelancers, whether it be how the workforce operates across traditional siloed functions that exist today going forward, I think we have to expand that concept of agility within the workforce and more nodes that need to start to come into play as far as groups that now need to factor into the workforce going forward.

And then the last thing that I think is really paramount to all and we've touched on that in a previous question is this whole concept of preparing the workforce through new skilling them for the future of work. And I think that is one of the most important attributes of this agile workforce going forward, is that workforce being prepared for the future of work and having enough lead time to get themselves ready and skilled to do that future work.

Andrew Woolf: Couldn't agree more, Nicholas, and then – I mean – there's a whole bunch of different threads we could pull on here. One is a cultural thread, I think, that organizations need to stare into.

So, if the idea of creating an agile workforce is in turn to create an organization that is more agile, then, actually, if that's all that you're trying to do, for many organizations at least, that requires a fairly substantial

cultural change. So, you know, becoming comfortable with the idea of scrapping perfection, right, the whole idea that you need to try things and experiment. Don't worry if it's not been done before. Drive collaboration to the next level. And, culturally make sure that those behaviors, those new ways of working are clear and accessible and understood by the people in the workforce, who actually you're trying to, you know, fundamentally get to work in a very different way, ultimately to drive a better organization performance to become more competitive in the marketplace, really putting the heart – putting the customer, rather – at the heart of that agile change, if that makes sense.

Elitsa Nacheva: So that's really actually a nice segue to my next question, which is one which I will be personally very interested to hear your view and your thoughts on as it is one that's very relevant to my current project.

So, we know that employees believe it is important to retain a new skill in order to remain relevant, but, in fact, very few organizations are taking significant steps towards helping their people re-train and learn new skills. So, what is the hold up?

Andrew Woolf: That is the million-dollar question, as they say. So here's the thing, right, as Nicholas said at the beginning, there is a significant hold up, and yet the evidence suggests that for those that embrace it, the rewards could be very significant, not only from a revenue, from a market share and from a customer satisfaction perspective, but also from an employee satisfaction perspective. And honestly, I think organizations are a little bit paralyzed. They've seen the research but they're not quite sure how to start. And it comes a little bit back to that cultural point I was making around experimentation – well, you know, this is an ongoing journey, it's not like we're going to set a, sort of, north star

picture for 18, 24 months' time and off we go, and we'll get there. Right, we should have a view that is hopefully well informed about where we want to go and we need to create a number of elements that together will form that pathway, but we will absolutely need to course-correct along the way and whether that means that the learning that we are asking our people to conduct needs to change, whether that means as an organization actually – you know – we need to, again, course-correct in terms of the talent that we're bringing into the organization, that's okay. As somebody once said to me, right, "The worse decision you can make is no decision." So, get cracking and figure it out as you go is my advice.

Nicholas Whittall: Yeah, building on what Andrew said there, I can think of a couple of analogies, and one of them is I used to live in San Francisco where they experience a number of smaller earth tremors every day in the Bay Area. And one of the comments that people make is that the Bay Area doesn't experience enough big earthquakes to really be prepared for the really big one. And if you contrast that with a country like Japan, they are hyper-alert to big earthquakes because they've had some significant earthquakes over the last decade or so. And I think a similar sort of analogy plays out in the corporate arena as far as preparing the workforce for the future of work.

I think where certain industries are starting to experience major disruption, either from external entities starting to play in their space in a very different type of way, or the available use of technology potentially displacing a significant portion of their workforce. We're starting to see those types of organizations really lean heavily into this concept of preparing the workforce for the future of work.

But those organizations that experience a slightly smaller earth tremor, but it's repeated and it's just constant but it's shaving off, sort of, 2%, 5%, 10% or work from people as technology continues to expand its role into the workforce, I think those tend to be a little bit more complacent as to how much time they have to really prepare for the future of work. And I think that we'd all do well to maybe expand our horizon a little bit further when it comes to this topic. When you think an organization like AT&T, that has really over the last 10 years prepared its workforce systematically for the future of work that they've moved into. I think we do require a slightly longer time horizon to think about these types of things and prepare for them. And so, the fact that the issue might not be front and center and on the doorstep today, doesn't negate the need to give it attention to the point Andrew made.

Andrew Woolf: And I think, Nicholas, the – just to sort of further build on that – what I think there will be a bit of a snowball effect, right, because we will start to see, and I think we already are starting to see those organizations that are investing and being thoughtful about how they are doing that, becoming more attractive in the marketplace. Right, and actually those tremors will start to get bigger, not only because – you know – that the organization is forced to do something from within their particular industry, but because actually, I think that they'll start to lose their talent. And the talent will go to the organizations that it sees as being forward thinking, as investing heavily. And you already know that organizations that offer substantial – you know – individual learning opportunities are very attractive to individuals and, personally, I think that's just going to continue to snowball and become an ever more important factor and will – those organizations that get that right – will attract the sort of people that they want and those that don't will increasingly struggle.

Elitsa Nacheva: Let's shift gears to a little bit of a more of a different question. Now, Nicholas, at the start you mentioned that 3% of executives are preparing to re-skill. Frankly, that's a very low number. So, let's talk about the role of leadership in building an agile workforce.

So, for you and from your experience, what are the most important things leaders should be thinking about now?

Nicholas Whittall: My perspective is that they've got to start thinking ahead around this concept of pathways and learning pathways for their workers. If you think of where intelligent technology is going to have an impact on the workforce, so if I take retail as an example, and you'd think of checkout lanes across the retail landscape, as we see more and more self-checkouts emerge as a model for the retail store of the future, what does a person who used to fulfill that job, what do they do going forward? And it's the role of leadership to think ahead of that trajectory to prepare that workforce. Otherwise, I think what we're going to start to see is very well-articulated business strategies that have no competent or capable workforce to deliver against them. And where those business strategies are clear, but the workforce is ill-prepared, I think those gaps and those lags are going to be incredibly costly for organizations.

And so, the role of leadership, in my mind, is to stay ahead of this curve, to think ahead, not just strategically where do they want to be, but strategically how do they get their people to deliver on that promise? Because that is going to be the far longer pole in the tent than, "Have they got their strategy right?"

I think we're going to find, strategically, organizations will come up with really well-

crafted strategies and continue to do that. Those that differentiate themselves and those that don't are going to be the ones that are able to bring their workforce along on that journey with them.

Andrew Woolf: So, I'm going to take the more, sort of, cultural angle again in terms of how you drive agility in the organization, and leadership has a key role to play there.

So, in order to drive that flexibility or agility in the organization, it also requires leaders to take a fundamental leap of faith as well. So, leaders have got to question the concept of their – you know – the command and control structure– how do they move to a flatter structure?

The very concept of agile ways of working requires a flatter structure where – you know – self-contained teams are empowered to make decisions and keep moving fast, and yet traditional hierarchical management structures typically do exactly the opposite. We have multiple layers; we've got lots of governance and controls that are put in place.

So, for me, there's a really big mental shift that leaders need to take in their organizations to trust those teams and to empower those teams to work in a very different way, and they have to support it, and they have to support it recognizing that they're not always going to get it right the first time. And culturally, I think you've also got to be comfortable with attending showcases, attending sessions where – you know – they're being asked to provide input. Recognizing that they're not going to get the perfect presentation or articulation of an idea or product design or whatever, it might be the first time – right – it's going to be an evolution.

And if they don't do that, then that move to agility will be much more challenging.

Nicholas Whittall: Yeah, Andrew, just building on one more thought on that, I think, one other attribute that I think leaders are really going to have to drive is the concept of how their organizations run today. And it goes to Andrew's point around culture, that most organizations still have a fairly siloed way of operating across traditional functions. HR, finance, procurements, supply chain, typically operate in a fairly isolated silo with some integration points and interaction across the spectrum as needed. Going forward, I think as organizations think about a more agile model and a more agile workforce, I think those boundaries and those siloes, walls around them need to come crashing down pretty quickly. And I think organizing more around projects or team-based culture, I think is going to become far more prevalent in organizations as they seek to address and solve for some fairly complex challenges.

Elitsa Nacheva: We are coming towards the end of our time. One last question which is a little more practically tailored towards our listeners; what kinds of skills and competencies should leaders be looking for in their people both within their existing workforce and with future hires?

Andrew Woolf: So, for me, it's a combination of different things, and again I think people are searching for a holy grail on the answer to that question, and I'm not sure there is one. But, and actually I sort of – I reflect back to the very start of my career in our organization where we recruited people at that time from a huge array of different backgrounds and disciplines. We had people starting who were philosophers and geographers and yes there were computer scientists in there, but there were management scientists, there were all sorts of people from different backgrounds. And the reason we did that was very deliberate because we wanted to create that – you know – diversity of thought, and what we looked for in those people, I think, was a

willingness to learn and – you know – adaptability and an ability to bend their mind to different organizational disciplines.

And actually, over time, I think our organization became ever more, sort of, specialized in terms of the skill sets that it wanted to bring in. And in some cases that is important and relevant, but I think what we're going to see is, we're going to see organizations going a little bit back to the future and looking for those people coming with very different skill sets, different ways of thinking, different backgrounds, but above all, you're looking for people with curiosity and adaptability and flexibility.

Nicholas Whittall: I like those points that Andrew made. I think it's spot on. I think that quest and hunger to learn is going to be key among them. And I also think that we're going to start seeing a pivot toward the more human skills, I think of creativity and complex reasoning, social and emotional intelligence, I think these are the kinds of skills in an era where we need to make judgement calls on good data and the like, I think that more creative and human skill sets are going to become a really important asset to an organization.

Elitsa Nacheva: That is brilliant. Thank you Nicholas and Andrew so very much for sharing your insights and taking the time to join me in the Talking Agility Podcast.

Andrew Woolf: It's a pleasure.

Nicholas Whittall: Thank you very much.

Elitsa Nacheva: You can find more episodes at Accenture.com/talkingagility or by subscribing to the podcast.

What are your thoughts on building an agile workforce for the future and what new jobs and skills are you seeing? I would love to hear your thoughts.

Get in touch at Accenture.com/talkingagility or find me on Twitter where I'm @ElitsaNacheva which is Elitsa Nacheva.

I'm your host, it's been a pleasure being with you at this episode and I hope to see you next time.