Digital Disruption

Embrace the future of work and your people will embrace it with you

High performance. Delivered.
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A window of opportunity for the workforce of the future

While the effects of digital disruption on business and operating models are familiar territory, the impact on the workforce could be the Achilles' heel of organizations seeking to be digital.

New Accenture Strategy research\(^1\) shows 82 percent of business leaders expect their organizations to be a digital business in the next three years. And if they are to realize the benefits they anticipate from being digital, the readiness of their workforce must become a priority.

From concerns around artificial intelligence, to those about employee resistance, the perceived landmines can mean organizations hesitate to make the workforce changes needed to advance their digital journeys. Indeed, business leaders feel one of the greatest challenges to being digital is not having the required skills and capabilities. Yet they should feel confident about moving forward with their workforce plans. Our research shows executives and employees are well aligned on the benefits of being digital. If anything, employees are even more positive than their leaders about the impact of digital on their work and jobs, and more proactive in addressing gaps in digital competencies.

43% of business leaders say a lack of digital skills is a key barrier to transformation.

Business leaders should develop their teams with the know-how to support their digital strategies and experiment with different ways of organizing work. They need to form new types of partnerships to make the most of non-traditional talent pools. They must build a diverse, digitally savvy team that can inspire flexible, agile ways of working. And they must lead by example.

This report is one of a series offering pragmatic advice on how to embrace digital technologies to not only compete, but also drive new value to help businesses grow. As business leaders seek to increase productivity and agility, how can their organizations be digital by default and secure the skills and talent needed to innovate and build the workforce of the future?

\(^1\) Source: Accenture Strategy Employer Research on Being Digital, 2015
Preparation the digital workforce

To capitalize on the positivity of their employees, business leaders need to act on their strategies, adjust their workforce skill sets and prioritize the workforce changes that will fast-forward their digital journey.

Right mind-set, wrong focus?

Business leaders expect to see improvements across a wide range of factors from adopting digital technologies.

In addition to the expected cost efficiencies, a majority cite benefits from productivity, innovation, agility and quality of work. Business leaders are also positive about the potential impact on employee engagement and workplace safety (see Figure 1).

Moreover, business leaders expect those benefits to be driven by a variety of technologies and tools such as 3D interfaces and virtual reality, cognitive assistants and artificial intelligence, or robots. They also recognize the influence of the Internet of Things in transforming work practices in the next three years—71 percent of business leaders acknowledge its impact.

However, recognizing the benefits of digital is not the same as being digital. Currently, one in five business leaders describes their company as a digital business. The rest are on a digital journey where one of the most challenging aspects is preparing the workforce to drive the desired business outcomes of agility, productivity and innovation.

How to

Organizations need to come off the sidelines and adopt a “test and learn” mentality. By selecting an area that is differentiating for the business, executives can start experimenting—integrating new digital technologies into processes to simplify, automate and augment brain and brawn. In addition, they can identify specific skills and competencies required to be successful now and in the future and integrate them into job learning curricula and recruiting plans.
Figure 1. Top organizational benefits from adopting digital technologies in your industry

1. 83% Productivity
2. 82% Innovation
3. 82% Cost efficiencies
4. 81% Agility
5. 80% Quality of work
6. 74% Employee engagement
7. 65% Workplace safety

Source: Accenture Strategy Employer Research on Being Digital, 2015
Right strategy, wrong skills?

Organizations are grappling with the changing roles, skills and technologies necessary to be digital.

While business leaders are signaling the importance of talent to the overall success of an organization’s digital journey, they express concerns about their talent readiness. Only 51 percent of business leaders said they already have a strategy for the management and development of skills and talent in a digital world.

While the skills and capabilities required in a digital age will vary based on industry and role, there are some factors that are broadly relevant. Many employees will be expected to be comfortable working with technology, such as sophisticated mobile devices that support field force workers, technicians and engineers. As more basic tasks are automated, workers can expect to take on higher value roles that require data collection, data analysis and problem-solving skills. Foundational skills will also be in high demand, including communication and negotiation skills, and strong business acumen. Finally, new jobs are being created with their own specialized skill sets, such as digital copywriters, scrum masters in IT, or digital product managers.

How to

To help manage their concerns around having the right talent and skills, business leaders need to expand the way they think about sourcing and developing talent. Increasingly, business leaders must use digital tools, such as social media networking sites, mobile apps and electronic job boards to attract today’s younger workforce. They must embrace the broader ecosystem in which their companies operate, partnering with educational institutions and exploring new talent pools. They must re-evaluate the types of skills they are likely to need—and be ready to reskill and retool their existing workforce. Digital offers new opportunities in terms of ubiquitous training and different ways of learning, such as massive open online courses.

51% of business leaders said they already have a strategy for the management and development of skills and talent in a digital world.
Right priorities, wrong journey?

From our research it is clear that the move to digital for organizations across industry sectors is a top priority.

Although nearly all the business leaders in our research said it is critical or important to take action now to transition their workforce to succeed in the digital economy, few are taking specific actions to prepare their workforce for a digital future.

As business leaders acknowledge, moving to a digital ecosystem affects the workforce in a variety of ways, not just skills and capabilities. A minority of business leaders feel well prepared across a wealth of dimensions related to leading and managing the workforce. For example, only 38 percent of business leaders are ready to adapt HR and talent practices and 37 percent the new work practices and processes driven by digital technologies (see Figure 2).

In addition, our research shows that there is work to be done at the leadership level. Over a three-year horizon, business leaders cite a lack of leadership and vision as one of the main challenges to being digital. In addition, only 34 percent of business leaders feel well prepared when it comes to making changes in leadership and management practices to adapt to the digital ecosystem—meaning two-thirds are barely prepared to transition to a digital business.

How to

The digital journey is a significant change for all organizations. Using data collected from nearly a million change journeys, we have identified strong leadership as a critical success factor in driving transformation. Moving beyond vertical-oriented leadership, effective change leadership radiates out from the center. Organizations need to focus on building the leadership skills to breed a culture of feedback and innovation at all levels, pushing out decision-making to the edges of the organization. Businesses and their workforces have much to gain from digital but without workforce changes, driven by strong leaders, their organizations’ ability to compete will be compromised.

Source: Accenture Strategy Employer Research on Being Digital, 2015
Employees believe digital brings improvements

Employees are upbeat about the anticipated advancements from digital technologies, with 70 percent identifying the team benefits of innovation, productivity (70 percent) and agility (69 percent).

Unsurprisingly, the young, better educated and those with higher level occupations are more positively disposed to digital technologies in the workplace.

Sixty-two percent of all employees we researched believe their organization is ready for digital technologies, both in terms of the skills and capabilities of the workforce and with respect to work practices and processes. They are also more bullish than their employers on how digital technologies will improve their job prospects and their work experience—with only 10 percent feeling their job prospects will be negatively impacted.

Employees are actively seeking digital skills

A vast majority of employees (82 percent) acknowledge that digital technologies will transform the way they work in the next three years, 44 percent saying the level of transformation will be to a significant extent. Employees know they need to adjust—but nearly half (43 percent) fear that their leaders are not ready.

Rather than sitting still and waiting for transformation to happen, employees are honing their own skills and capabilities in readiness. Sixty-nine percent said they are assessing the new skills and capabilities that will be required of them in the future. Almost seventy-one percent said they are proactively learning new digital tools and technical skills to prepare them to adapt to digital advances.

Employees are aware of the speed of change

Business leaders must be sensitive to the likely concerns their employees have about the digital working environment.

Workers’ greatest worry is the pressure to keep up with new technologies to remain effective, and 71 percent worry that remote working will erode team spirit.

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2 Source: Accenture Strategy Employee Research on Being Digital, 2015
Rewiring the workforce

The digital journey is seen to offer tangible benefits by business leaders—and is being even more positively embraced by their employees. From new roles, different ways of organizing work, and changing work practices there are significant opportunities to humanize work—as long as business leaders reinvent their strategies, become digital role models and address the needs of the workforce of the future.
Where next?

**Align your workforce and HR strategy with the business**
Coordinate your workforce approach with the overall digital business strategy to influence areas such as workforce planning.

**Start experimenting with more flexible and agile ways of working using proven digital technologies and tools**
Engage the workforce to reinvent business processes and capabilities with big data analytics, the Internet of Things, social collaboration tools and 3D/virtual reality interfaces.

**Define the digital skill gap within the workforce**
Create a digital skills catalog by defining required skills and required level of competency by job.

**Develop required digital competencies within the workforce**
Use ubiquitous training and new ways to learn via social learning platforms and other online forums.

**Foster leadership behaviors that fuel a digital culture**
Set clear direction, engage with the workforce using collaboration technologies, actively encourage feedback and innovative thinking, and push out decision-making to the edges of the organization.
About the research

From February-August 2015, Accenture Strategy interviewed 925 business leaders in the Australia, Brazil, China, India, Japan, the United States and the European Union. We wanted to understand how business leaders and policy makers can take advantage of digital technologies to accelerate growth and competitiveness. In addition, we sought the views of more than 9,000 employees in Australia, Brazil, China, India, Japan, the United States and the European Union—on the impact of digital technologies on the future of work.
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