The future of work: from myths to new workplace realities

2017 – 2018 Global Future of Work Survey

January 2018
From myths to new workplace realities
As automation increasingly becomes the norm, workplace automation myths and stereotypes are giving way to new realities in engaging and leading talent.

A clear course of action
Breakthrough approaches are required in talent and rewards with new leader and manager activities to address shifting skillsets and a more diverse workforce.
MYTH
Organizations use automation primarily to reduce costs and minimize errors.

BUSTED!
Over half of employers say the key goal of automation is to augment human performance and productivity.
Emerging wave: Automating work now has a more transformative role as it augments human capability and creates new work, an evolution from pure labor substitution.

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey

- Augment human performance & productivity: 57%
- Avoid mistakes/reduce risks: 15%
- Reduce costs: 24%
- Other: 4%
Talent at the center: Automation and digitalization are used to support, not replace, humans.

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
Use of automation will continue to expand: It is expected to nearly double over the next three years.

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
MYTH
Workplace automation is the exclusive domain of IT.

BUSTED!
More than half of employers say it will take break-through approaches in HR’s role to meet the challenges of automation.
HR changes: Break-through approaches are needed in critical talent and reward areas, as well as leadership, as a result of automation.

**Source:** 2017 - 2018 Willis Towers Watson FOW Global Survey
Leaders and managers have a critical role to play: Nearly two-thirds of employers expect leader and manager activities to change over the next three years.

**Leaders communicating and leading change around the new combinations of humans and automated workers**
- **Today:** 30%
- **In next 3 years:** 65%

**Managers communicating and leading change around the new combinations of humans and automated workers**
- **Today:** 24%
- **In next 3 years:** 64%

**Leaders thinking differently about the requirements for successors and succession management**
- **Today:** 48%
- **In next 3 years:** 63%

**Leaders measuring performance, productivity and outcomes on a more frequent basis**
- **Today:** 57%
- **In next 3 years:** 62%

**Managers educating workers on how automation changes work**
- **Today:** 32%
- **In next 3 years:** 61%

**None of the above**
- **Today:** 11%
- **In next 3 years:** 5%

*Source: 2017 - 2018 Willis Towers Watson FOW Global Survey*
Early actions being taken: HR functions have started to take actions to prepare for organizational change, but are unprepared for deconstructing and reconstructing jobs and identifying the new reskilling pathways required for the business with automation.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Unprepared</th>
<th>Considering actions to take to become prepared in the future</th>
<th>Planning to take actions this year to become prepared</th>
<th>Already taken some actions and are somewhat prepared</th>
<th>Already fully prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging a more diverse workforce</td>
<td>16%</td>
<td>25%</td>
<td>25%</td>
<td>29%</td>
<td>6%</td>
</tr>
<tr>
<td>Addressing talent deficits through workforce planning and actions</td>
<td>18%</td>
<td>23%</td>
<td>26%</td>
<td>31%</td>
<td>3%</td>
</tr>
<tr>
<td>Identifying the emerging skills required for the business</td>
<td>16%</td>
<td>34%</td>
<td>17%</td>
<td>32%</td>
<td>2%</td>
</tr>
<tr>
<td>Assessing talent to identify &quot;skill and will&quot; gaps</td>
<td>19%</td>
<td>27%</td>
<td>23%</td>
<td>25%</td>
<td>7%</td>
</tr>
<tr>
<td>Matching talent to the new work requirements</td>
<td>19%</td>
<td>29%</td>
<td>22%</td>
<td>29%</td>
<td>2%</td>
</tr>
<tr>
<td>Enabling careers based on a more agile and flattened structure</td>
<td>19%</td>
<td>27%</td>
<td>24%</td>
<td>27%</td>
<td>3%</td>
</tr>
<tr>
<td>Aligning executive compensation to the new business realities</td>
<td>30%</td>
<td>27%</td>
<td>19%</td>
<td>20%</td>
<td>4%</td>
</tr>
<tr>
<td>Reconfiguring total rewards and benefits</td>
<td>25%</td>
<td>30%</td>
<td>23%</td>
<td>19%</td>
<td>3%</td>
</tr>
<tr>
<td>Deconstructing jobs and identifying which tasks can best be performed by automation (AI, robotics, etc.)</td>
<td>35%</td>
<td>36%</td>
<td>14%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Identifying reskilling pathways for talent whose work is being subsumed by automation</td>
<td>38%</td>
<td>32%</td>
<td>16%</td>
<td>13%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
MYTH
Workplace automation will have a largely negative impact on workers and jobs.

BUSTED!
Automation will result in new combinations of work, talent, skill requirements and work relationships (e.g., FTE, PT, contingent).
Losses and gains: While organizations expect to reduce the percentage of full-time employees, they also anticipate using more contingent workers.

Today 83% Full-time

In 3 years 77%

Part-time reduced hour

Today 7% In 3 years 10%

Free agent workers

Today 4% In 3 years 6%

Consultant or outside agencies

Today 4% In 3 years 4%

Worker on loan from other org

Today 1% In 3 years 2%

Free agents on a talent platform

Today 0.2% In 3 years 1%

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
Skills dichotomy: As jobs are deconstructed and certain tasks automated, new types of work will be required. Skill premiums at both the high and low end will shift.

Successful re-construction of jobs matches skills and activities, and also takes into account motives and attributes.

Impact of Automation

- **$**
  - 62% (Today)
  - 59% (In 3 years)
  - Requiring us to pay more for employees with certain skill sets

- **+**
  - 45% (Today)
  - 27% (In 3 years)
  - Changing the way we design jobs so they can be done by employees with *more* skills

- **-**
  - 42% (Today)
  - 25% (In 3 years)
  - Changing the way we design jobs so they can be done by employees with *lower* skills

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
A change journey: Automation is expected to change work flexibility and improve collaboration.

Which of the following areas of your workforce and work activities are changing today or will change in the next 3 years due to automation?

- Increasing work flexibility e.g. scheduled hours to get work done: 51% today, 51% in next 3 years
- Enabling work to be deployed to other locations: 50% today, 50% in next 3 years
- Improving collaboration and information sharing: 69% today, 69% in next 3 years
- Requiring us to pay more for employees with certain skills sets: 59% today, 59% in next 3 years
- Requiring us to have less employees: 27% today, 49% in next 3 years
- Requiring/enabling us to use more non-employee talent: 19% today, 50% in next 3 years
- Changing the way we design jobs so they can only be done by employees with more skills: 27% today, 45% in next 3 years
- Changing the way we design jobs so they can be done by employees with lower skills: 25% today, 42% in next 3 years
- None of the above: 5% today, 3% in next 3 years

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
MYTH
Contingent workers are disengaged and not committed to your organization’s success.

BUSTED!
About half of employers say that contingent workers are just as likely to put in extra effort as full-time employees.
Commitment to organization success: Employers believe part-timers, free agents and workers on loan from other organizations are just as likely to put in extra effort as full-time employees.

<table>
<thead>
<tr>
<th></th>
<th>More likely</th>
<th>Just as likely</th>
<th>Less likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part-time reduced hour</td>
<td>12%</td>
<td>56%</td>
<td>32%</td>
</tr>
<tr>
<td>Free agent workers</td>
<td>20%</td>
<td>55%</td>
<td>25%</td>
</tr>
<tr>
<td>Workers on loan from other org</td>
<td>13%</td>
<td>48%</td>
<td>39%</td>
</tr>
<tr>
<td>Free agents on a talent platform</td>
<td>13%</td>
<td>49%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
Good place to work: And employers believe that these workers are just as likely to recommend their organization as full-time employees, underscoring the importance of leaders and managers in engaging and leading all talent.

Compared to full-time employees at your organization, how likely are each of the following groups to recommend your organization to friends as a good place to work?

- **Part-time reduced hour**
  - More likely: 22%
  - Just as likely: 61%
  - Less likely: 17%

- **Free agent workers**
  - More likely: 18%
  - Just as likely: 56%
  - Less likely: 26%

- **Workers on loan from other org**
  - More likely: 16%
  - Just as likely: 55%
  - Less likely: 30%

- **Free agents on a talent platform**
  - More likely: 12%
  - Just as likely: 53%
  - Less likely: 35%

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
Elements of the Talent Value Proposition: Nearly half of employers are considering providing recognition programs to free agent workers over the next three years, while a significant percentage expect to provide access to health and wellness benefits.

<table>
<thead>
<tr>
<th>Element</th>
<th>Today</th>
<th>May provide in 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition programs</td>
<td>32%</td>
<td>45%</td>
</tr>
<tr>
<td>Learning and development</td>
<td>47%</td>
<td>44%</td>
</tr>
<tr>
<td>Health and wellness programs (e.g., access to gym, fitness consultation)</td>
<td>23%</td>
<td>41%</td>
</tr>
<tr>
<td>Health and wellness benefits (e.g., sponsor/access to medical or dental coverages)</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Performance coaching</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Access to post employment income continuation</td>
<td>15%</td>
<td>28%</td>
</tr>
<tr>
<td>None of the above</td>
<td>32%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
Future of work

Ready for the future of work?

Moving beyond the myths will help your organization better understand the many emerging options for getting work done, and identify the optimal combinations of human talent and automation.
A clear course

A clear course of action
Breakthrough approaches are required in talent and rewards with new leader and manager activities to address shifting skillsets and a more diverse workforce.

1. Understand how technology and automation are impacting work
   - Assess how work can be deconstructed and reconstructed to be done in a more efficient, effective and impactful way
   - Evaluate and determine the range of work options that will be in your work ecosystem (from AI and robotics to contingent labor)

2. Define the reskilling pathways
   - Based on the new requirements for work, identify the necessary skills based on the work
   - Determine where skills create career and pay movement

3. Lead and engage around the new ways of working
   - Define and deliver on a Talent Value Proposition that takes into account all workers (employees and non-employees)
   - Build HR capabilities to (re)architect work and manage change
   - Equip leaders and managers with the resources to navigate and lead the change
About the 2017 Future of Work Global Survey

909 respondents from 38 countries

Source: 2017 - 2018 Willis Towers Watson FOW Global Survey
For more information please contact:

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