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THE FUTURE OF WORK

As artificial intelligence and automation reshape the employee experience, what role will HR play?

By Andrew R. McIlvaine

Today and in the very near future, the guest experience at Marriott hotels will be quite different than in the past. After checking in, you'll use a smartphone app to alert the staff when you'd like your room to be cleaned. You'll use a voice-activated digital assistant to adjust the lighting, temperature and even the digital art on your room's walls. Need some extra towels? Instead of summoning a staffer, the hotel will send a robot butler to your door to deliver the fresh linens. When you're ready to go out, rather than stopping by the concierge desk, you can use the hotel app to recommend nearby restaurants and nightclubs.

Welcome to the brave new world of automation and artificial intelligence. Employees look at these developments with a mix of fear and anticipation. Yes, some jobs will disappear and others will be greatly altered, but with these changes will come new opportunities. "Travel is a convergence of product and service," says David Rodriguez, Marriott's chief human resource officer. "Technology and humans play a big role in both."

HR should be on the front lines of this revolution, helping employees acquire the skills that will be needed to thrive in the workplace of the future. "We know intelligent automation and digitization are beginning to disrupt a lot of industries," says Sayed Sadjady, a principal with EY's people advisory services. "Hardly anyone will be immune from this transformation—it's called the fourth industrial revolution." And yet, while HR is playing an active role at some companies, at too many others its absence is conspicuous, said Josh Bersin of Bersin by Deloitte.

Research by Deloitte shows that 38 percent of companies expect to be fully automated within five years, he says. Seventy-seven percent of companies anticipate that automation will result in "better jobs," while only 20 percent expect it will result in job reductions. More than 50 percent of companies plan to retrain their employees to work side by side with robots and artificial intelligence. The problem, he said, is that in 65 percent of those companies, HR is not involved in these efforts at all.

"My message is this: You guys have to be involved in the recrafting of work around automation," Bersin told the audience during his closing keynote at last year's HR Technology Conference & Exposition® in Las Vegas. Ironically enough, the most important role in the organizations of the future may be that of the chief HR officer, says HR veteran Eva Sage-Gavin, senior managing director of Accenture's talent and organization practice (and *HRE*'s HR Leadership columnist). "All the research out there, including our own, says this role will never be more critical," she says. Why?

In an era when technology is omnipresent, an organization's people will be the competitive differentiators, according to a new report from Accenture. "There's never been a better time to be in HR, but the demands are high—we need to reskill ourselves," says Sage-Gavin.

A CHANGE IN MINDSET NEEDED

In order to best position itself to play a leading role, HR will need to familiarize itself with concepts such as design thinking, says David Mallon, vice president and head of research at Bersin by Deloitte. Design thinking—a popular buzzword these days—essentially boils down to creating an end-to-end experience that meets or exceeds the expectations of the people you serve, he says. "The core of design thinking is empathy—walking in the shoes of your target audience and understanding what that means," says Mallon. For HR, that would involve getting to understand employees' aspirations, what their work experiences are like and how they can be made better.

Empathy has helped Srikanth Karra make the transition to AI easier for employees at Mphasis, an India-based IT-services company with clients spread across the globe. More than a year ago, the company's leadership realized that competing in an AI-dominated world meant employees would have to continuously update their skills, says Karra, Mphasis' CHRO. "We had to decide, how do we build a culture in which employees are demanding to learn new skills, rather than being pushed to learn them?" he says.

Karra and his team decided to foster a learning culture within the company by replacing its traditional LMS with "learning goals": Employees would have a primary skill and a secondary one, which they would choose from a skills index. However, getting a learning culture to take hold within an organization requires you to address employees' fears first: fear of the unknown, fear of failure, fear of being judged, says Karra. "You can evangelize all you want, but employees will still have that fear of failing to measure up," he says.

Karra turned to gamification to help make the learning process fun rather than punitive, with employees competing to see who can rack up the most points for mastering a new skill. "The best thing you can do is give them some time, some compassion and socialize the idea for a long time," he says.

At International Business Machines Corp., the future of AI is well underway—and HR is actively involved, says Diane Gherson, Big Blue's chief human resource officer. In fact, with AI's help, HR was able to save the company an estimated $107 million in reduced turnover costs and productivity improvements last year alone, she says. AI has drastically reshaped the employee experience at IBM, says Gherson. Rather than complaining about cumbersome processes, for example, IBMers can participate in making them better via feedback that's incorporated into new iterations, she says. "Instead of feeling like a bystander and quietly hating programs, you're actually able to have a say in redesigning and rethinking them," says Gherson.

Meanwhile, learning now resembles browsing through the selections on Netflix or Amazon rather than a traditional learning-management system, she says. "You have a dashboard that asks you whether you want to look at different types of learning or a particular area of expertise," says Gherson. "Then you're able to look at courses based on where you are in your career. You can see how your colleagues have evaluated the courses. It's that kind of 'in your workflow' type of accessibility."

AI and automation can help companies be more efficient—but they can also be big drivers of growth, says Sage-Gavin. "We're all looking for competitive advantage, and our research shows that human collaboration and AI coming together could really boost growth," says Sage-Gavin, whose HR experience includes leadership roles at Disney, Gap Inc. and Sun Microsystems. "We need to reimagine the essence of work."

During her own career, Sage-Gavin has worked with employees of all stripes, from customer-facing salespeople at Gap Inc. to software and hardware designers at Sun Microsystems. She thinks workers in a wide variety of occupations and industries could benefit from AI. The problem, she adds, is that most companies are planning to spend very little on training to help their workers take advantage of AI: Only 3 percent of companies are planning to spend money on such training, according to Accenture's *Reworking the Revolution* report.

The challenge for HR leaders is to shift their thinking on AI from viewing it as an enabler of speed and efficiency to a key that will "unleash human potential," she says. "Think of what AI has done for cancer detection," says Sage-Gavin, citing a Harvard initiative that boosted the accuracy of breast-cancer diagnoses, potentially saving the lives of 130,000 women each year. "Hyper-personalization can be applied to workers as well as consumers," she says. "If you're a CHRO, you've got to understand this. It's not just for making things faster and more efficient; this is about, 'How do I fundamentally change the customer experience to drive growth ahead of my market competitors?' "

Sage-Gavin, who previously served as vice chair of the Aspen Institute's Skills for America's Future Advisory Board, says Marriott's deployment of robot butlers to deliver towels to guests' rooms is a perfect example of automating activities that aren't value-added so that employees can focus their energies and talents on things that only humans can do. Harvard's use of algorithms to identify tumors is yet another example. "That's not taking away pathologists' jobs, it's enhancing their accuracy," she says. "People are hungry to do good work and to be at least 99-percent accurate, whether they're an associate at a Gap store, a hotel worker at Marriott or a pathologist at Harvard," adds Sage-Gavin.

The AI revolution will affect hiring, of course—including the way HR leaders evaluate job candidates."We're trying to hire people based more on their potential and the way they think, rather than hiring for a set of skills that may be outdated or automated tomorrow," says Mallon. Jobs involving repetitive tasks—and even repetitive thinking—are most likely to be automated, experts say.

Learning is another area that's being disrupted by AI, says Mallon. "The training organization is wrapped up in this role of creating stuff," he says. "But that's not what we're talking about anymore." Instead, the conversation is focused on how organizations develop their people, giving them the learning tools they need at the right time, he says. "I firmly believe one day we'll have our own cognitive experiences—a 'workplace Alexa' that will monitor what you're working on and suggest learning resources for you."

Because of these shifts, a new type of HR professional will be in demand. "The types of HR people I hire today are not the same kind of people I was hiring even a few years ago," says Jim Link, CHRO at staffing company Randstad North America. These days, Link looks for HR candidates with financial acumen who've demonstrated an alacrity for decision-making and mastery of tools such as Lean Six Sigma. This sort of background will complement an HR department at Randstad North America that's undergone some changes within the past two years, thanks to AI and automation.

Tasks formerly done by humans, such as background checking and initial candidate outreach, are now outsourced or performed by chatbots. Meanwhile, a slimmed-down staff of HR generalists focuses on higher-level activities such as workforce planning and "gap analysis," identifying the skills and knowledge Randstad employees will need but don't yet have and determining how those gaps will be filled.

The ideal Randstad employee of the near future will be highly adaptable, says Link, and will work cross-departmentally to learn new skills and be exposed to new ways of thinking. HR staffers are learning coding, for example, while sales professionals are learning about accountancy, he says. "We want our employees to be focused on learning new skills rather than enhancing their existing ones," he says.

As natural-language processing becomes more prevalent and more jobs are automated, the remaining jobs—and new ones that will be created—will require more decision-making ability by humans who have more of a generalist background: "A master of none, but knowledgeable of all," as Link puts it.

Critical thinking and reasoning will be more important than ever, he says. Indeed, the growing trend for a well-rounded background could spark an increased demand for liberal arts graduates, he says. "Being schooled in a broader array of information may serve you better in the future than it has in the past," says Link. "If you're a young person in HR now, I can't think of a better job to have," he adds. "You're about to be engaged in a rapid expansion in the role and value of human capital in the organization."

To be important players in their company's AI strategy, HR leaders have to first understand what it will look like for the company and how it will affect its industry and competitors. The good news for HR, says the Conference Board's Mary Young, is that every other department in the organization is also struggling to figure out what this digital transformation will mean for the business. "HR is in the same boat as everyone else," says Young, the Conference Board's principal researcher for human capital. "Nobody else understands it, either."

Young, who is authoring a report on HR and digital transformation that will be released later this spring, says the sheer volume of data available these days is altering the relationship between companies and their customers. Companies can use data to segment their customer base into ever-thinner slices, fine-tuning their products and services to appeal to highly specific niches. Customers, meanwhile, are using technology to give continuous feedback to companies and demand greater customization.

All of this means that rapid iteration—speed over perfection, refining on the fly, agile learning and a heightened tolerance for risk—will become necessary, and the companies that get it right, with HR's help, will be the winners, says Young. "No big, established company is ever going to be able to build its internal capabilities quickly enough to compete with start-ups, so they're going to have to learn to partner, use external resources and tap into the contingent workforce," she says. These are all important roles for HR to play, she adds.

Even more important, says Young, teams will be integral to companies' success—or failure. Agile methodologies involve representatives from different functions working together as a single team to develop a new product or service and get it to customers as quickly as possible—and then get to work on the next iteration, she says. These teams will need to tap into centers of expertise inside and outside the organization. This will require HR leaders to carefully assess the processes within their bailiwick—compensation planning, performance management, learning and development—to determine whether they're a help or a hindrance to this agile way of working, says Young.

"HR will need to look at the things it's traditionally been responsible for and ask, 'Is this going to help us get to where we need to be?' " she says. "I've interviewed lots of chief digital officers and asked them, 'If [you] could hire a senior HR person, what would you look for?' " says Young. The CDOs told her they'd want someone familiar with agile methodologies—and one of the precepts for agile methodologies is moving quickly without necessarily waiting until you have 100 percent of the information, she says. "If you're designing a new compensation program, for example, you put it into practice quickly, then go back and make refinements to it as you get feedback," she says.

This is the case at IBM, where Gherson and her team are quickly launching new programs and tweaking them on the fly after receiving feedback. "We're disrupting everything we do in HR," she says. IBM is one of the pioneers in integrating AI with HR via its Watson cognitive-technology platform.

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In HR's case, the company has built a package of solutions based on the cognitive platform, called Watson Talent, which has changed nearly everything about how IBM manages employee performance, learning, compensation planning and recruitment.

"AI basically gives our managers better decision-support tools," says Gherson. When a manager is seeking to fill a position, for example, he may select six candidates out of all the resumes presented to him for his interview shortlist. Watson Talent will then alert him to another resume that has the same qualifications as those on his shortlist. "It's helping them correct for bias," says Gherson.

On the candidate side, an application called *Find Your Fit* will match applicants to open positions based on their resumes, she says. "It will say, 'Here's a job that you're a 90-percent match for, here's one that you're a 60-percent match for,' " says Gherson. "It's enabling people who don't come from a privileged background—and who may not have mentors to guide them—understand what jobs they might be qualified for. Thirty percent of the people who use this end up applying for a job, and we're getting a much richer group of candidates."

On the employee side, managers get "cognitive talent alerts" to help them spot important trends and warning signs they'd otherwise be too busy to notice on their own, she says. For example, a manager will receive an alert if an employee hasn't taken any vacation time within the previous 12 months or hasn't received any peer recognition in the last 24 months, along with a list of suggested actions to take that may potentially save the company from losing a valuable worker.

Meanwhile, a new application called CogniPay uses AI to recommend salary increases for employees based on their performance review, the market and company demand for their skillset and turnover rates for identical or similar positions. CogniPay, which was created by India-based IBM employees and is expected to be operational for up to half the company later this year, "gives HR's compensation expertise to first-level managers, freeing us in HR to do more value-added work," says Gherson. The advent of AI has transformed IBM's HR department, she says. "We used to be process-oriented; now, we're outcomes-oriented."

The department has been reorganized into "employee solution centers" that use data to solve a problem end to end, says Gherson. With onboarding, for example, the process once involved multiple departments that wouldn't always coordinate properly, with the result that new employees might show up for work with no assigned workspace, security badge or laptop. Now, a multidisciplinary group ensures a much more seamless process, she says.

Indeed, HR staffers at IBM get to stretch their capabilities into new areas now that AI and automation have enabled tasks that were once the domain of service centers to be managed by chatbots (who've become so well-programmed that some employees think they're real people and ask them out on dates, says Gherson). "It's changed our lives for the better," she says. "Instead of having to be the benefits expert or the comp expert, we can be multidisciplinary now, collaborating, solving problems and identifying real issues."

One of the common questions that arises when the discussion turns to AI in the workplace is, what will be left for the humans to do? Plenty, as it turns out. At Marriott, machines are being taught to handle routine matters, such as recording reservations and delivering towels. The more complex—and more interesting work—will continue to be performed by humans, says Rodriguez.

"With the more basic things being automated, the customers will have higher expectations of the people who are delivering services," he says. The jobs will require better skills in problem solving and interpersonal relations and the ability to offer perspectives on certain things, all with the goal of providing a better guest experience.

"An app could point you to the highest-rated nightclub nearby, for example, but only a human being could go to that club, get the feel of the place, get to know the owner or manager and provide a much more insightful overview to the customer of what it's like there," says Rodriguez. This won't necessarily require a substantial change in most job requirements at Marriott, he says. However, an eagerness and ability to learn and adapt will become progressively more important. "I would say the No. 1 factor will be learning agility," says Rodriguez.

Change is difficult, of course, and the advent of AI and automation is no exception. Through it all, corporate culture will matter more than ever, he says. "This is about trust—either your employees feel they're a part of your company or they're distant from it and feel like things are being done to them," says Rodriquez.

At Marriott, the company continues to reinforce its "people-centric" culture by carefully considering how AI and automation will impact jobs, including a council on workforce dynamics whose mission is to keep track of all the AI and automation pilot projects within the organization, analyze the effect they may have on jobs and determine what training may be necessary to help employees make the shift, he says.

"We, as HR professionals, have to be responsive to our stakeholders, and that includes employees, who are going to be the most vulnerable stakeholders in most situations," says Rodriguez. "The single and most sustainable way to run your company successfully is to ensure the well-being of your workforce. If you get that right and you build trust with them, they won't just be compliant—they'll be inspired to partner with you in making the changes necessary to keeping your company successful."

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