

# UACADEMY

LEVEL UP



White Paper

**Re-skilling and redefining  
employee experience for  
the age of automation**



This white paper is based on insights gathered during the Ucademy executive round table dinners held in Johannesburg and Cape Town.

The collaborative round table and think tank sessions were attended by recognised knowledge leaders, including heads of shared services, innovation, HR and learning organisations. Exponents all shared a passion for developing people and adopting new ways of learning to ensure that disruptive trends such as automation will have a positive impact on youth and job creation in South Africa.

The open and interactive sessions were facilitated by Knowledge Executive and BPM skills development institute, Ucademy, to unpack and discuss the latest trends, thought leadership and best practices in employee experience and learning services and preparing youth, and workforces in general, for future work.

This white paper provides an analysis of the discussions, key points, insights and opinions raised during these sessions with regard to the disruptive impact that automation and other intelligent technologies will have on the future workforce. The white paper is based on recordings captured during the event and later transcribed, collated and authored for this report.

## KEY INSIGHTS AND PERCEPTIONS

According to the keynote speaker Dion Chang, one of South Africa's most respected trends analysts, a new world is dawning for organisations across industries as they grapple with the impact and challenges posed by digital disruption.

The fourth industrial revolution and the technologies that underpin this paradigm shift are transforming almost every sphere of life, with the workplace at the forefront of this transformational shift. While many of these changes are beneficial and transformational, the threat posed to jobs by industry 4.0 technologies is real and is already reshaping the business landscape.

To meet the demands of the new digital economy, organisations must empower their staff with the right skill set and operating systems needed to respond to this disruption. Unfortunately, most companies are currently falling short in this regard. This presents an increasing need for companies to partner with providers, like session facilitator, Ucademy, who are able to analyse modern training needs and pivot to meet the market.



## THE FIRST DIGITAL WAVE

Change set the scene for delegates by stating that the first digital wave has already washed over the world, unbeknownst to many businesses. This digital transformation process started a decade ago, when numerous value chains collapsed and numerous industries were disrupted, including the financial, insurance and travel sectors.

Laggard businesses in these industries which failed to react to the first wave are now struggling to compete due to their entrenched and inflexible siloed, hierarchical models and legacy systems. They increasingly face obsolescence in the new digital economy.

These businesses are unable to move with agility and are therefore unable to survive in today's dynamic business environment, where it is no longer about big versus small. The new landscape favours the fast over the slow, where nimbleness and the ability to pivot to exploit new opportunities are the characteristics that define sustainable businesses of the future. To keep pace, employees will need to embrace the same traits to ensure they're future-ready. Specialised skills providers, such as Ucademy, will have a key role to play.

## THE ON-DEMAND AND GIG ECONOMIES

Change explained that new trends such as transient ownership, where consumers and businesses no longer have to own vehicles to get around or deliver goods, have created entirely new economies in which to play and compete.

The on-demand economy is another prolific example of the impact that technology-mediated disruption can have. Known commonly as the Uberisation of commerce, the desire for instant gratification, particularly among economically-active consumers in the tech-savvy, early adopter Millennial and Generation Z cohorts, and the proliferation of GPS-enabled smartphones have forever changed how businesses deliver products and services.

Consumer-facing businesses that want to operate in this new economy need to provide immediate delivery – within 24 hours or less – to customers at their exact location via a frictionless process and a seamless customer experience. The paradigm shift is also solving existing problems that previously constrained businesses, like the ability to deliver products to consumers in an informal settlement where there is no street address.

The third example of a new digital economy offered by Chang is the rise of the intangible gig economy. This workplace evolution is characterised by a generation of workers who choose to exploit temporary work opportunities within businesses that need to scale or access skills without taking on permanent staff. It is increasingly common among Millennials, who are happy to contract to organisations as independent workers for short-term engagements as this gives them the freedom to perform jobs they are passionate about, up-skill in specific areas to perform other jobs, and then up-skill again to tackle new challenges.





Those businesses that have not yet caught on to these trends are rapidly falling behind the curve. Thankfully for them, another wave is building momentum, says Chang. The question is, will they take this opportunity to ride it out to a reimagined future?

## THE SECOND DIGITAL WAVE

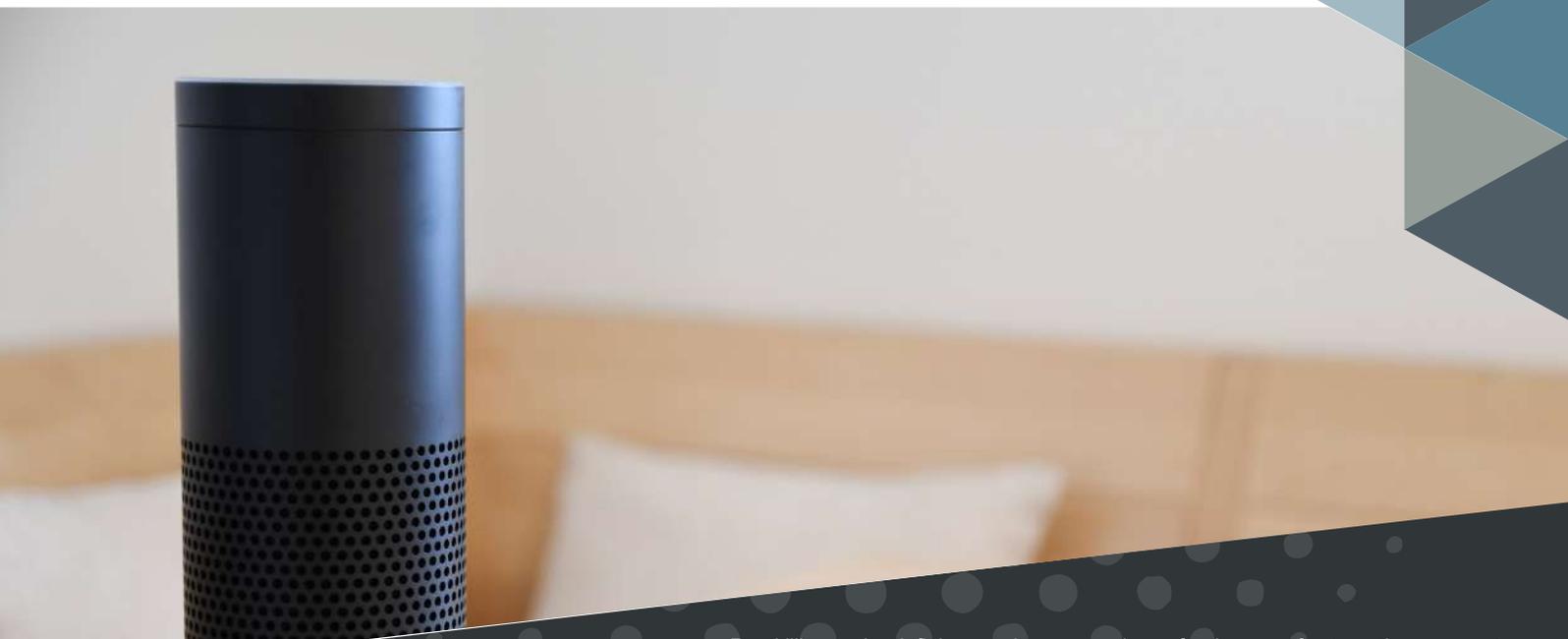
The technologies that characterise the fourth industrial revolution, such as intelligent algorithms, big data, automation, artificial intelligence (AI), machine learning and the Internet of Things (IoT) have already found their way into mainstream business and industrial environments.

These technologies are also creeping into the consumer space. Chang offered various examples, such as social media and content networks that already leverage user data to keep consumers within their walled gardens, or sell this data to other companies so they can more accurately segment and personalise their offerings.

However, it is in the workplace, specifically industrial operations such as manufacturing and mining where IoT and automation is more advanced. This is where critical discussions need to take place regarding how skills will be displaced and how workers can be re-skilled with technical competencies to adapt to this new dynamic, believes Chang. To initiate and engage with employees on their re-skilling journey, training institutes must deliver specialised, relevant learning.

Another industry that needs to urgently address the impact of disruption is transportation. The combination of electric cars and the ride sharing platform model will pave the way for digital mobility and autonomous motoring, which will displace the jobs of millions of drivers worldwide.

When these developments come to pass – and they will – what will it mean for organisational structures and the skills of a company’s workforce? Based on Chang’s experiences, he believes these are the burning issues that the world’s leading digitally-transformed businesses were trying to solve when they created these breakthrough innovations.





## THE NEED TO PIVOT

These waves of disruption have already changed traditional business templates and are creating new fronts of competition. Incumbents need to increasingly consider the threat of competition and disruption from outside their established industries as agile companies that have embraced digital transformation pivot their operations.

According to Chang, companies are also pivoting in unusual ways. Retailers, for example, are leveraging mobile payment technologies to pivot into transactional banking as a natural progression, in an effort to create a seamless customer payment experience.

Various social media platforms also seek to leverage their massive user bases and the inherent trust that resides in these communities to deliver additional services to consumers. This stems largely from a lack of trust in traditional financial institutions by Millennials and Gen Zers who witnessed the effect the 2008-2009 global financial crisis had on their parent's wealth.

Chang also explained that the pace of technological innovation is enabling electronics and hardware companies to apply their technology in new industries. As a result, they can pivot into agriculture where, for example, LED lighting is being used to grow hydroponic vertical farms.

Additional examples cited by Chang include the application of specific elements of obsolete technology in new and innovative ways, such as Fujifilm's reimagined use of an antioxidant found on the surface of photo film. Called Astaxanthin, this ingredient is now being used in Astalift skincare products, which has become a hugely successful beauty brand in Asia.

However, when pivots happen and new innovations emerge, an organisation's structure changes, which has significant implications for the workforce. Even if it's a small incremental pivot, it will fundamentally change the trajectory of a company's staff and the skills they need to perform in their new roles, as jobs become blended and rigid departmental silos disappear.

Enabling this transition will require the creation of hybrid skills in the workforce that maintain some institutional memory, but also introduce new technology-related skills and competencies into the company. The talent pool must have access to opportunities to level up their skills quickly and effectively to adapt to the changing business needs. Many companies may choose to partner with providers like Ucademy to fulfil these growth requirements.



This is not necessarily just about new skills, or a new or younger workforce. The solution, according to Chang, is the implementation of hybrid generational skills in the workplace, and Gen Zers will play a pivotal role in this regard.

## MEETING THE DEMANDS OF A NEW GENERATION

While many companies are still focused on Millennials, Chang believes it is time that the focus shifted to Gen Zers. The eldest members of this generational cohort are 18 or 19 years old and about to enter the workforce en masse.

These individuals have been exposed to new ways of learning and education, such as augmented and virtual reality. This generation also interfaces with technology differently. Intelligent personal assistants (IPAs) are the standard format of engagement for many, which means that organisations employing these individuals will need to cater to these expectations around technology, and adapt other operations and processes to ensure there is no disconnect in how they use technology in their personal lives and at work.

## DIGITAL NOMADS

These traits around the use of technology in the workplace have also given rise to the digital nomad, or remote workforce. It is redefining how the modern workforce operates and is creating new challenges, as these individuals choose to work from anywhere, whenever they want, doing whatever they want to.

This new global village has the potential to up-end traditional labour and taxation laws, and requires completely new workplace policies and procedures from HR departments to accommodate these individuals. The round table delegates shared the view that this poses a significant challenge that companies must get to grips with now due to the inherent complexities, before the major paradigm shift occurs.

## ARE CAREERS DEAD?

And much like the traditional concept of the office-bound 9-to-5 worker is dead, so too is the concept of a career. Modern employees value experience, engagement and fulfilment over any type of linear progression in seniority or pay grade.

The modern workforce doesn't want a career. Instead, they want to work for organisations that enable them to do meaningful work, with the flexibility to choose what they work on, when and for how long.

Delegates believed that to enable this environment and align workplace reality with worker expectations, employability must be defined around cognitive ability – the ability to learn faster and better and master complex concepts, systems and processes that don't exist today.



## LEARNING MODELS AND LEARNING SERVICES

Based on these evolving requirements, delegates felt strongly that knowledge-sharing in the workplace required a blended model of interpersonal on-the-job training and peer learning, combined with integrated digital learning platforms such as e-learning and mobile (m) - learning. Learners need access to quality training through accredited learning programmes to engender the desired results.

This echoed the trend identified in Knowledge Executive's 2018 – 2019 HRO & Employee Experience survey, which showed that blended learning (93%) approaches were most preferred among respondents, with a significant rise in the adoption of e-learning to augment the classroom-based learning (86%) delivery model.

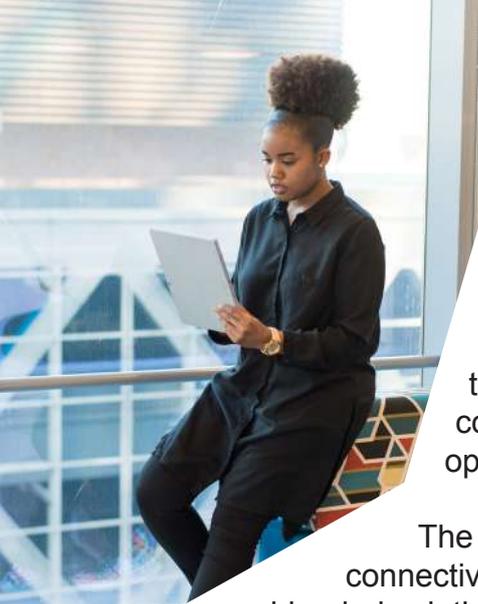
This approach was considered vital by the round table delegates in creating expertise and functional competencies, as well as leadership competence. Digital enablement was also the overwhelming trend in organisational learning and skills development that emerged from the HRO & Employee Experience survey.

According to the findings, the outsourcing of e-learning platforms, applications and technology is already prolific among respondents, with less than 10% stating that they currently, or plan to keep these functions in-house. Sector training providers need to offer relevant, modular learning which aligns with modern skills development requirements. Training needs analysis (43%) was highlighted as a future growth area for outsourced services.

Delegates also agreed with Chang's observations, stating that instead of training people for jobs that won't be there, future workforces will require skills that are broadly applicable in this highly innovative and dynamic new world.

Accordingly, career-related training will become ineffective, with broader skills development the main focus to help workers apply their skills horizontally across jobs and roles – what delegates referred to as 'innovation pathing'.





## LEARNING FOR DISADVANTAGED COMMUNITIES

However, due to the technology gap that exists in disparate societies such as South Africa, delegates highlighted the need to extend the reach of learning solutions into disadvantaged communities. This would ensure greater accessibility to up-skilling opportunities for improving employability and driving job creation.

The democratisation of learning will require pervasive access to both connectivity and hardware if disadvantaged communities are to access the blended solutions that will prepare them for the type of jobs available in the fourth industrial revolution.

Organisations should be asking how they can build the technology or resources needed to deliver blended learning to broaden the digital skills base in the country. They may choose collaborative partnerships to facilitate skills development strategies and ensure equitable learning access. This drive will not only increase the talent pool for digitised businesses of the future, but will also benefit the economy through job creation and contributions to GDP growth.

## A RE-SKILLING STRATEGY

Whether this re-skilling is applied to learners' disadvantaged communities or within an organisation, delegates agreed that these learning initiatives need to give people the opportunity to become relevant in an increasingly digital world.

Amid discussions around re-skilling, delegates felt strongly that corporates need to recognise that many of their staff lack even the basic skills needed to coexist and function in a rapidly evolving digitally-transformed workplace.

Re-skilling is therefore paramount to create future-fit employees. This process requires a base of basic digital literacy, which can be built on to include the foundational knowledge and competencies needed to make them employable, both within specific digitalised organisations and the broader industry 4.0 economy.

These skills should not be industry specific, though, but rather require the development of foundational abilities such as systematic thinking and cognitive processing that can be applied in adaptable ways.

In this regard, foundational programmes at management level (95%) were already in high demand by organisations, according to Knowledge Executive's research, as companies seek to support growth.



Beyond these hard skills, soft skills will also need to be developed, such as higher emotional quotients (EQs), along with expert communication abilities to articulate and function in an augmented world of automated machines, while still interpreting the needs of customers and collaborating with co-workers.

The round table delegates also believe that organisations will need to re-skill the mindset of staff. This is necessary to get them to work collaboratively within a more diverse workforce that could include staff outside of their traditional silos, such as computer scientists, engineers or data analysts, who apply alternate forms of thinking to solve problems and offer different perspectives.

Staff will also need to learn to adopt a growth mindset that works with design thinking and the agile methodologies that will characterise digitised business processes of the future.

Additional areas of concern raised during discussions pertained to the need for business ethics and social responsibility within digitally-transformed businesses.

## ENABLING TECHNOLOGY

When presented with research conducted by Knowledge Executives, detailing how enabling technology for productivity was a key area that global organisations will invest in, delegates suggested that an augmented model where the robot and human coexist in the workplace was the ideal outcome.

Much of the concern around the fourth industrial revolution pertains to the concept of robots replacing humans. However, by reframing the application of this technology as 'man with machine', delegates believe that automation, robotics, AI and other enabling technologies will no longer be viewed as a threat. This is when adoption and innovation will accelerate, especially in developing nations such as South Africa.

By taking over repetitive work, intelligent automation and robotics will also give workers an opportunity to focus on higher order tasks, or provide the opportunity needed to re-skill staff. However, delegates agreed that enabling this paradigm shift would require a cultural shift in terms of how workers view new generations and the emergence of new technologies.





## EMPLOYEE EXPERIENCE

Delegates were also cognisant of the need for corporates to focus as much on their employee experience (EX), as they do on crafting compelling customer experiences. Many agreed that a disproportionate focus has been given to customers and as a result, many organisations have lost sight of the employee.

According to the findings of Knowledge Executive's 2018 – 2019 HRO & Employee Experience survey, EX is core to the transformational functions of talent acquisition and retention. Organisations are therefore increasingly looking to craft a compelling work environment that acknowledges and rewards excellence, while ensuring worker health and job fulfilment.

Narrowing the gap between employee and customer experiences will bring about greater synergy within the workplace, stated a delegate. Another intimated that employees should be treated equal to customers, if not better to create the type of environment where the best future-fit talent wants to work.

To achieve these objectives, the Knowledge Executive survey found that over the next 12 months HR executives plan to invest in employee lifecycle management (16%), motivation activities (11%), crafting personalised experiences (11%) and creating flexible workplace environments (11%).

## CONCLUSION

The unequivocal message that emerged from the Ucademy executive round tables is that organisations must embrace digital transformation to remain relevant and competitive in the rapidly evolving modern business environment.

To do so, senior management and executive teams must become 'Future Fit' by getting to grips with the impact that industry 4.0 disruption will have on their business and their workforce. Business leaders must then redefine the company's purpose in the new digital economy, which will create that point of differentiation and unique selling point for the company. This will give their workers the meaning and purpose they need to work for the brand and will spur their willingness to re-skill.

Executives may hope to find a silver bullet that will transform the fortunes of their company, with many choosing to outsource the innovation function to an innovation hub or team. However, this will not deliver the outcomes required to empower the digitalised organisation of the future. The biggest hurdle with this approach will always be a lack of buy-in and support, which ultimately leads to failed implementations and poor adoption.



The answer to these challenges, according to the discussions held at the round tables, is that by addressing employee experience and offering agile career mapping for employees, workers will be more willing to pivot with the business through re-skilling. The next step for many businesses will be partnering with up-skilling and re-skilling institutions which follow a learner-centric and supportive approach to skills development.

The change begins with management and business leaders sitting at the centre of the organisational circle with their team orbiting them. This will improve the speed of decision-making and create nimble businesses that are able to pivot in response to digital disruption.



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