Elevate every business decision with intelligent **talent and HR**

Fast-track to future-ready performance

Voices of **Change**

From insights to action, the path to extraordinary value starts here.

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Is your organization ready to meet the future—whatever it throws your way? Even before the pandemic, ways of working were changing. And now, there's no going back.

While organizations are investing heavily in digital transformation (to the tune of US$1.2T globally) and relying on technologies to become future-ready, many overlook the culture and people-related changes that are foundational to this outcome. Some organizations are seemingly expecting their operations to mature on their own. But just as with athletic training or parenting, or anything that benefits from strategic choices, leaders must make intentional decisions about how to address the cultural and people dimensions of transformation that will help make the organization more resilient.

Tomorrow's workforce has the potential to become more agile and productive with advanced technologies like automation and AI (Artificial Intelligence). But to really deliver on the promise of a future-ready organization, CEOs and their leaders must focus on the combination of technology AND human ingenuity as they evolve their operations.

To advance operations—an optimized combination of multidisciplinary teams and technologies on demand that work across a broad ecosystem of partners—has the power to elevate organizations and their people to reach deeper insights, increase capabilities and gain greater efficiency. And by enhancing employee potential, collaboration and creativity—by essentially leaving their people Net Better Off—these organizations achieve better performance and retention of their people. Organizations with more mature operations don't take this for granted.[1]
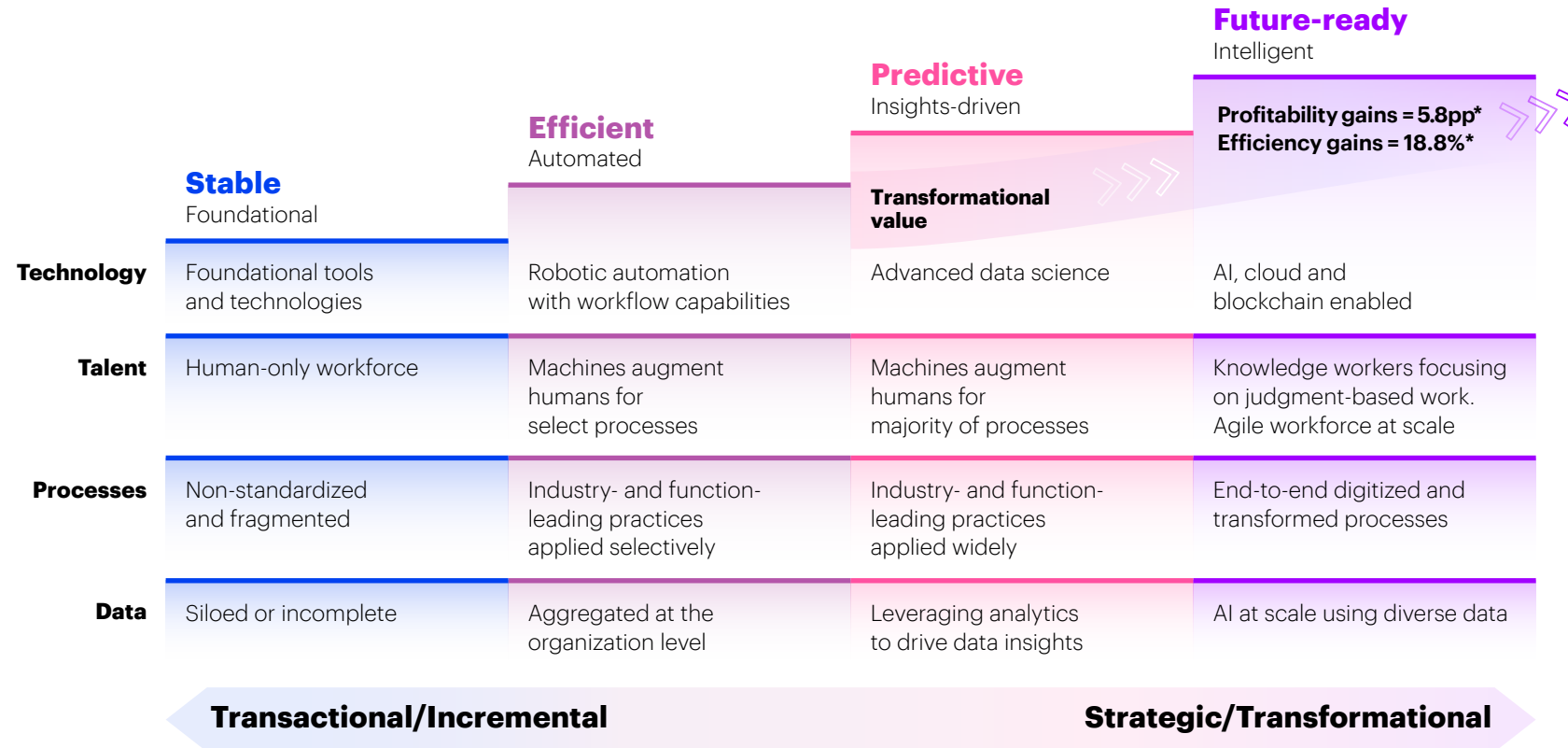
Why your organization needs a future-ready agile workforce

Accenture surveyed more than 1,100 C-suite and VP-level executives across 11 countries and 13 industries to better understand the connection between business operations maturity and performance. Organizations were categorized into four levels of intelligent operations (stable, efficient, predictive and future-ready) based on their approach to data, technology, processes and talent (see Figure 1).

Figure 1.
Where transformational value intersects with intelligent operations

	Stable Foundational	**Efficient** Automated	**Predictive** Insights-driven	**Future-ready** Intelligent **Profitability gains = 5.8pp*** **Efficiency gains = 18.8%***
Technology	Foundational tools and technologies	Robotic automation with workflow capabilities	Advanced data science	AI, cloud and blockchain enabled
Talent	Human-only workforce	Machines augment humans for select processes	Machines augment humans for majority of processes	Knowledge workers focusing on judgment-based work. Agile workforce at scale
Processes	Non-standardized and fragmented	Industry- and function-leading practices applied selectively	Industry- and function-leading practices applied widely	End-to-end digitized and transformed processes
Data	Siloed or incomplete	Aggregated at the organization level	Leveraging analytics to drive data insights	AI at scale using diverse data

Transactional/Incremental   **Strategic/Transformational**

*Accenture Research and Oxford Economics Intelligent Operations Survey, 2020

Accenture experience shows that additional productivity and efficiency gains up to 50% can be seen in organizations displaying future-ready characteristics.

Each of the four levels of operations maturity is underpinned by a set of capabilities that drive efficiency and insights and progress the digital agenda. Our research revealed the need for greater adoption in eight key areas for operational maturity—Data, Analytics, Agile Workforce, Business Technology Collaboration, Leading Practices, Stakeholder Experience, Automation and AI.

Future-ready organizations have the highest level of operations maturity and also report higher levels of efficiency and profitability. Between the predictive and future-ready levels, future-ready organizations gain 5.8 percentage points in profitability and 18.8% in efficiency. Of all the maturity levels, gains are largest between these two, which is why the future-ready state is characterized by this transformational value and cultural shift.

The road to achieving transformational value through a future-ready organization is rarely a straight path.

Three years ago, just 4% of CEOs reported that their operations were at the predictive level of maturity. Today, while 42% of CEOs indicate that their organization has moved up to the predictive level, only 2% reported that their organizations are currently future-ready, although 21% expect to be future-ready by 2023.[2]

However, getting from 2% to 21% in three years will require a dedicated focus on workforce transformation. While CHROs may own their function, they cannot shoulder this transformation responsibility alone: the entire C-suite will need to engage in the effort.

A small number of "future-ready" organizations (7%) are achieving significantly more value with intelligent operations, across data, technology, processes and talent. And these organizations understand the key roles that people and culture play to enable their strategies.

A culture shift is at the heart of an agile workforce

To achieve a high level of transformational value, the entire C-suite, led by close partnership between the CEO and HR leaders, will need to drive the culture change and talent adjustments that accompany operations maturity. A culture that embraces agility, experimentation, and human ingenuity is one that enables the success of the organization as a whole, and its workforce.

Operations maturity requires a culture shift and talent is a key part of this shift. In future-ready organizations talent is characterized by an agile workforce at scale and knowledge workers who focus on judgment-based work. These organizations recognize that machines create more meaningful work for people, instead of simply augmenting humans and processes. It's a shift that the workforce may be counting on. In contrast to the argument that AI would eliminate most jobs, previous research suggests that 62% of workers believe that AI will have a positive impact on their jobs.[3]

As technology continues to shape the workforce—and even upends it in certain sectors, organizations have a responsibility to ensure their people have access to training that connects them to the future of work—whether that next job is within the organization or outside of it. This responsible reskilling can take many forms, including offering learning and development content, apprenticeships or other experiences that should be a part of the everyday culture of a future-ready workforce.

Responsible Skilling

As digital technologies continue to drive and shape organizations, the workforce will increasingly feel the impact of greater automation. In a responsible business model, organizations need to recognize that employees (particularly those focused on manual labor) will need to be differently skilled to either succeed in their workforce or in the community at large. Responsible skilling is an investment in those people, so they have marketable, in-demand capabilities and skills to obtain good jobs and advance in their careers.

While educational institutions and public policy initiatives all play a role, future-ready organizations have the responsibilty of stretching and preparing their people with continuous learning and new skills. And they use intelligent operations to assess the skills of their workforce and broaden training that's intuitive and engaging.

But there's a disconnect between the vantage points of leaders regarding these areas. For example, 54% of the CEOs in the study report wide use or full-scale adoption of an agile workforce, compared to 77% of HR leaders and 71% of all leaders.[4] With this disparity even among leaders, the CEO and CHRO need to get to the bottom of what barriers exist across their leadership teams. While some functions, like IT, may be predisposed to support developing future-ready skills, leaders need to think more holistically and chart a path forward for the entire organization.

Future-ready talent: challenges

As companies seek to achieve the speed and agility that's required to keep up with the accelerated pace of business today, CEOs and HR leaders are inhibited by a number of people factors—put into sharper focus by COVID-19—including a fight for talent, attrition, burnout, widening skill gaps and a lack of productivity, performance and purpose.

CEOs see structure, technology AND talent as the primary challenges to scaling in key capability areas which underpin operating model maturity (as referenced above). Attracting and retaining talent to achieve transformation is a particularly distinctive challenge for them: 21% see it as a top challenge compared to just 16% of respondents across all other functions.

Twenty-nine percent of HR leaders see that technology is the top challenge, followed by structure and strategy. They also recognize the increasing focus on talent mix and reskilling as a result of the pandemic. But falling short of the required cultural shift, they report less progress than overall leaders when it comes to talent mix, reskilling, engagement and retention (see Figure 2).

Figure 2.
Organization leaders' perceptions of improvement across employee talent mix, reskilling, engagement and retention
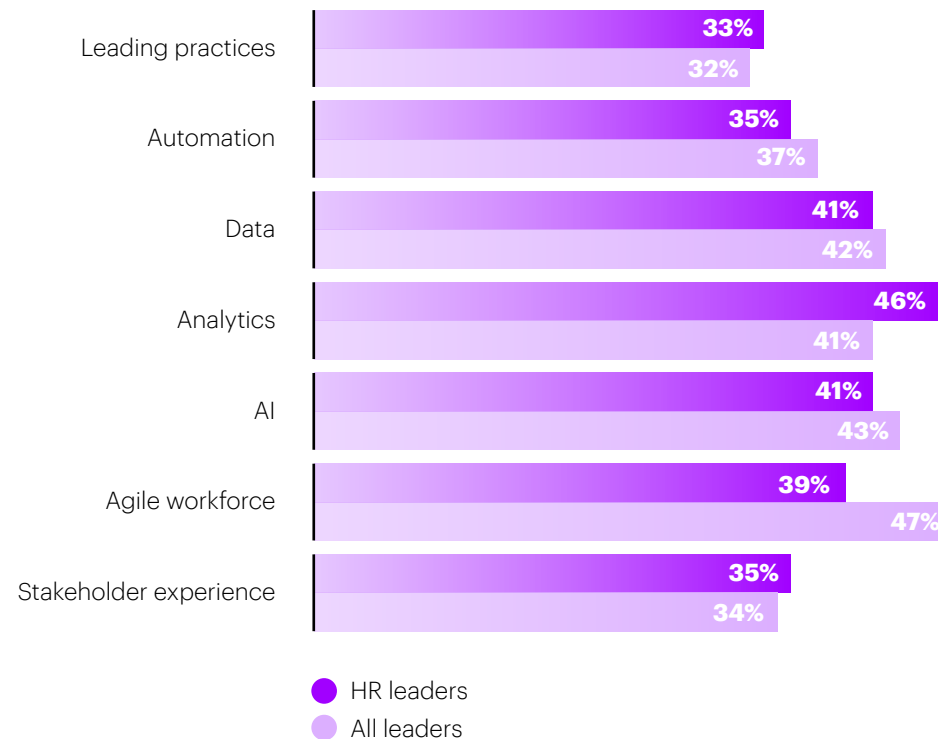
Percent of leaders who say their organization has improved in the following areas over the past three years

Employee talent mix and reskilling

56% Overall

51% HR leaders

Employee engagement and retention

55% Overall

49% HR leaders

Further, in critical technologies, like analytics, data and AI, HR leaders see talent as a top challenge (see Figure 3).

In reality, to advance digital and technology adoption in general, advancing your people in parallel is critical. The human + machine equation only works when investing in and driving the maturity of both. Achieving far-reaching operating model transformation will require ownership by the entire executive team to prepare a future-ready workforce. Leaders across the C-suite must recognize that decisive action will support employee engagement and retention. And employees expect a better employee experience, training and development as well as opportunities to advance their careers.

Figure 3.
Talent is a major challenge in technology areas

Leading practices — HR leaders: 33%, All leaders: 32%
Automation — HR leaders: 35%, All leaders: 37%
Data — HR leaders: 41%, All leaders: 42%
Analytics — HR leaders: 46%, All leaders: 41%
AI — HR leaders: 41%, All leaders: 43%
Agile workforce — HR leaders: 39%, All leaders: 47%
Stakeholder experience — HR leaders: 35%, All leaders: 34%

● HR leaders
● All leaders

Organizations must know three things to become future-ready:

01
Know the ultimate goal

02
Know the key steps

03
Know how to leapfrog maturity levels

01
Know the ultimate goal

Future-ready organizations prioritize, elevate and advance their people. When it comes to having a future-ready workforce, leaders will need to become [more resilient](#) and focused on engaging and retaining their employees by empowering their teams to acquire new skills and stretch outside of their comfort zones. Strategic reskilling solutions help organizations re-align their people from transactional roles to in-demand value-added activities: for example, statistical assistants may become data scientists; web administrators move into software programming; and HR assistants become talent advisors.

HR leaders who responded to our Intelligent Operations study also recognize the need to invest in a strategy that focuses on improving areas like data, stakeholder experience and leading practices to enable operational growth. Indeed, HR leaders have seen leading practices improve more than 3x over the past three years—from 22% adoption three years ago to 74% today.

Creating an agile, highly skilled workforce is no easy feat given the competitive talent landscape, as well as the fact that employees have increasingly higher expectations for a consumer-grade experience at the workplace. Meeting those expectations requires HR to redesign the service delivery model from more of an employee's point of view—one that anticipates the needs of the business and the workforce. Anchoring experience on future-ready HR processes puts people first for candidates, employees, managers and HR professionals. When organizations align employee goals with business goals and track performance with clear metrics, the whole organization can become more transparent and productive.

Intelligent operations can help organizations achieve new levels of efficiency, insights and expanded capabilities that bring out the best in everyone. To get there, leaders must empower their teams to acquire new skills and take more risks.

02

Know the key steps

Automation, augmentation, AI, cloud

Future-ready leaders recognize that digitally fluent organizations—driven by knowledge workers—capture strong returns in innovation, people experience and customer value.

They also accelerate operational maturity. Compared to predictive organizations in which machines simply augment humans for processes, workers in future-ready organizations focus on digital fluency—the lynchpin to unlocking workforce agility. Digital fluency allows people to build on technological foundations and not just work alongside them, but to unleash newfound creativity and ways of working.

These future-ready enterprises take three steps toward intelligent operations.

1 Create a data-driven culture that enables agility

2 Elevate human talent through technological innovation

3 Collaborate across business and technology functions

**1 Create a data-driven culture
that enables agility**

When it comes to operating model decision-making, data has become even more important than executive experience and intuition, with 71% of CEOs saying their organization's operating model is designed based on data instead of the latter.

76%

of CEOs say digitization has helped provide insights for decision-making and business outcomes.

HR is no exception, and is able to deliver real-time insights into every part of the employee lifecycle: hiring, retention (including increasing employee engagement) and promotions. In fact, our research says that 78% of HR leaders currently report wide or full-scale use of data to power things like analytics, AI and data science, and 99% of HR leaders expect to have data in wide use or use at scale in three years.

Diversity, equity and inclusion (DEI) areas are increasingly powered by data.

Case Study

One personal care and manufacturing company wanted to build a diversified workforce with a profile more similar to its customer base.

The company used data and analytics to better understand the candidate market and hiring process to improve outcomes around DEI. The work pinpointed the company's bias toward internal candidates and catalyzed the expansion of the diversity of the talent pipeline through recruiting events, use of more diverse job boards and creating social media campaigns. By these data-driven actions—for example, increasing job finalist slates from three to five candidates—the company increased its ethnic and gender diversity of new hires from 38% to 60%.

Additionally, leaders across the C-suite should have access to data that supports improving employee well-being, which is a growing employee expectation and organization imperative for employee productivity and retention. In fact, 75% of company executives in a CXO Accenture survey[4] indicated that their enterprise measures and publicly reports on the well-being of its people. Data should also inform career development, using it alongside predictive analytics to minimize attrition, for example, or to match your people's priorities, goals and skills with appropriate pathways that can include responsible reskilling.

2 Elevate human talent through technological innovation

Future-ready organizations are using technology—at scale—to build an inclusive, engaged and skilled workforce and to create capacity in that workforce. In fact, automation ranks as the most critical factor to the digitization of business processes. As such it's playing a critical role in the people function.

While automation by itself is not innovative, applying it in new ways to change how work gets done can be. In its earliest form, automation was used to execute bad processes faster. Now, however, automation has advanced significantly in its sophistication and sometimes overlaps with artificial intelligence. For example, employees can engage with an AI-driven chatbot to answer questions about transferring roles rather than engaging directly with HR.

And, that AI-driven chatbot could also volunteer to connect them with a live agent/trusted advisor if the tone of the discussion turns negative (as identified through real-time sentiment analysis). Or perhaps, HR can leverage an ecosystem partner to suggest learning paths for reskilling individuals rather than manually designing them.

The percent of CEOs who say there's widespread or full-scale automation in their organization increased more than 11x in the past three years. Companies are automating everything from workflow notifications to tuition reimbursement for employees, which results in lower error rates and frees up time for employees to focus on higher value activities.

An enterprise focus on technology and automation is only matched by the need to scale cloud investments as another critical enabler of intelligent operations.

Across all functional leaders, cloud is considered to be one of the most important technologies applied today. Fifty-two percent of CEOs report that their enterprise has applied cloud at scale, while 68% of HR leaders report the same. Cloud remains an area that should be extended across all functions, including HR.

52%
of CEOs report that their enterprise has applied cloud at scale.

68%
of HR leaders report the same.

With the proliferation of digital, all companies are becoming "technology companies" so organizations need to have a culture that encourages all its people, not just engineers or data experts, to understand the value and potential of these technologies.

This commitment to elevate human talent through technology innovation requires C-suite executives to commit to creating an overall lift in the organization's technology quotient by investing in acquiring, building and nurturing digital and cloud skills as part of their cultural shift.

Case Study

Facing an increasingly competitive landscape, a leading telecommunication company wanted to reduce HR operating costs, transform recruitment processes and gain global reporting visibility of its people. And it knew it needed to overhaul its decentralized HR operations and eliminate multiple, aging HR legacy systems to do so.

To help streamline the salary negotiations process, for example, the company used a range of cloud solutions to obtain advanced analytics to gain insights about everything from a job's detail and the availability of candidates to salary expectations. Now the company has streamlined its recruitment and salary negotiation process by maintaining compensation parity and offering the appropriate salary to the right skills set and qualifications.

With fewer employees involved in salary negotiations, the HR team can instead focus on supporting business strategy and growth. And now managers and employees have user-friendly access to information. As a result, the redesigned HR operations reduced costs by more than the targeted 30%, and employee satisfaction rates have exceeded 95%.

3 Collaborate across business and technology functions

Forty-one percent of HR leaders say the collaboration between the business and technology groups will be at full scale in three years, while 50% of all executives agree this will be the case. Organizations that want to close the gap on intelligent operations need to strategically break down barriers between IT and other departments.

86%

of all future-ready organizations expect business and technology functions to collaborate fully by 2023, up from 55% today.

To pursue better collaboration, leaders across the C-suite should understand the talent and skill requirements across the organization by using analytics and predictive insights.

For example, leaders across functions should use technology to review skills in the local labor market so HR professionals can work with the business to understand workforce skill needs. Then, they can more quickly find the most successful route to secure skills and resources from the external market. This may include adopting ecosystem partners to fill gaps or to bring in specialty skills to accelerate the talent development of the workforce.

Case Study

One oil and gas company that needed to reskill their procurement workforce to rotate employees to digital roles, wanted an unbiased, 360-degree view of their talent to analyze historically untapped employee data. The company created an AI-backed solution to assess employees' skills and strengths using "Skill Inferencing" techniques on their unstructured data collected over years in their HCM. The skill proximities for the future roles were computed and employees were mapped to new digital roles based on technical, functional and leadership skills. The skills gap was highlighted at employee level to meet the needs of the procurement organization. Now they have a sustainable, scalable solution that supports their long-term digital transformation workforce strategy.

03

Know how to leapfrog maturity levels

Organizations can climb in operational maturity with an agile workforce. And those that are future-ready are already taking a range of steps to redesign how their people work and invest in the skills required to work differently.

Building ecosystem relationships. Ecosystem partnerships are crucial for CEOs. Partners in the ecosystem can help organizations leapfrog and accelerate their journey to becoming future-ready organizations. For example, if a skills review doesn't find the appropriate talent when promoting internally or within the local labor market, an ecosystem partner could effectively bring those skills within closer reach. Being a part of a reliable ecosystem can also help organizations break through one of the greatest barriers to operating model transformation: access to technology skills and know-how.

While 23% of CEOs report that their ecosystem partnerships have improved over the past three years, 55% of HR leaders said the same, suggesting a noteworthy reliance on ecosystem partners to support their people. For both CEOs and other leaders, major disruptions such as COVID-19 and the accelerating pace of business have kept the need to focus on ecosystem relationships top of mind.

Workforce digital readiness. Before the pandemic, executives across the C-suite estimated that 19% of their workforce, on average, was permanently working in a remote fashion. Recent expectations put it closer to 30% once the crisis is over, even as health concerns dissipate.[5]

As organizations return to the workplace, there's an even stronger emphasis around digital technology and skills. As companies scaled back on real estate during the pandemic, they are reallocating those funds by investing heavily in digital technologies (62%) and by hiring and upskilling talent (47%).[6]

But because technology isn't static, enterprises will need a culture that encourages continuous learning to address potential digital skill gaps. Accenture, for example, partnered with an online training company, Pluralsight, to improve the "technology quotient" (or TQ) of its workforce. This learning content for all employees goes outside the model of traditional tech training. Employees can start with their interests among several transformative tech topics, from AI to Security, in a series of explainer videos. The goal is for all Accenture employees to have the ability to discuss technology in plain language among each other and with clients and to inspire learning that never stops.

## A culture designed to outpace and outperform

Workforces with high digital readiness will be able to adapt swiftly to the next unknown. Organizations can fast-track their journey to future-ready performance by reskilling and upskilling their legacy workforce. They can cultivate knowledge workers to work with machines, interpret their insights and make machines smarter.

Now is the time to make your move to intelligent operations. Here's how:

- Foster an agile and skilled workforce that enables true human ingenuity
- Fill in the skills gaps through re-skilling and upskilling and thereby enabling the workforce to be future ready within the organization and beyond
- Break down functional silos across the organization; workforce transformation impacts all employees
- Enhance intuition with the highest-quality, diverse data that powers your decision-making
- Build complementary third-party and ecosystem relationships
- Think big and go beyond incremental change.

When people are valued for their ingenuity and given the technology, data and processes needed to perform at their best, organizations will see greater productivity, engagement and retention. Intelligent HR operations can enable people to bring out their most creative, agile and innovative selves. While the journey to intelligent operations will look different for every organization, individuals and entire functions alike should be looking forward to a challenging yet rewarding future.

Read more: Fast-track to future-ready operations
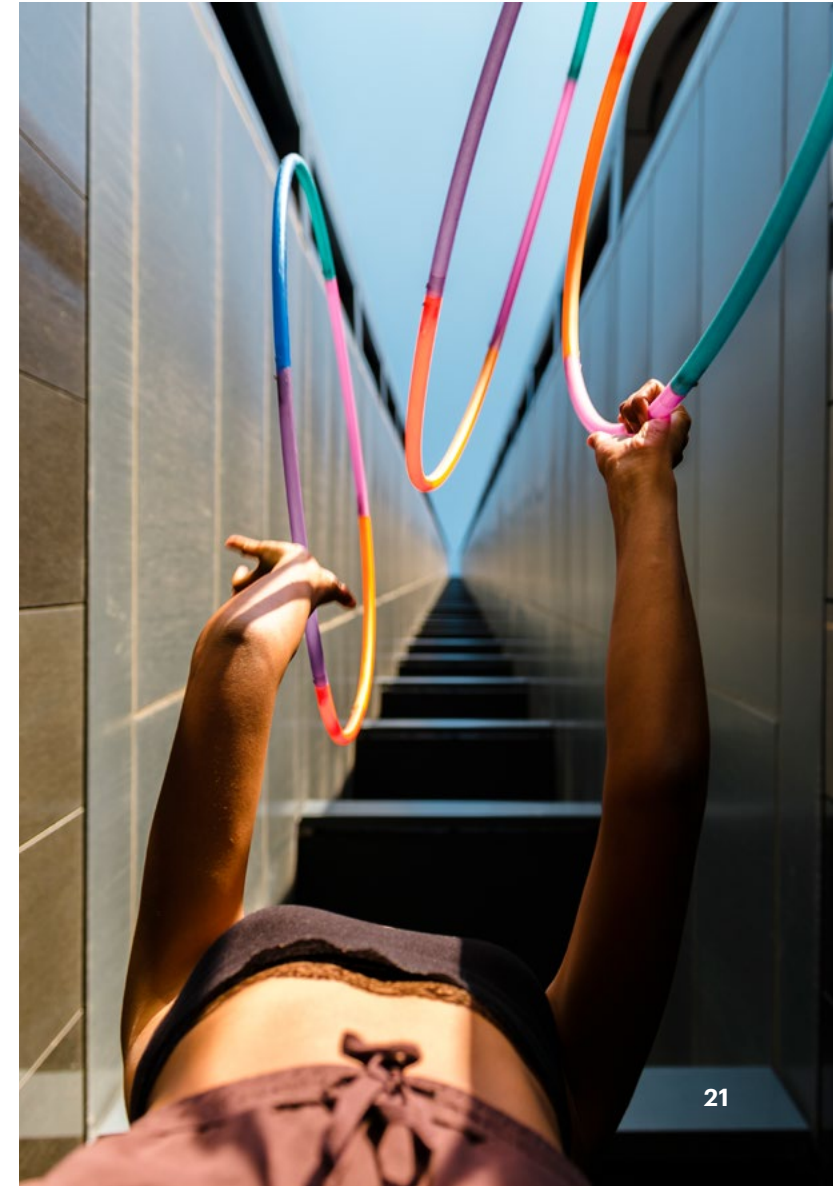
About the author

Jill Goldstein

*Managing Director – Accenture
Operations, Global Talent and HR
Offering Lead*

jill.k.goldstein@accenture.com

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