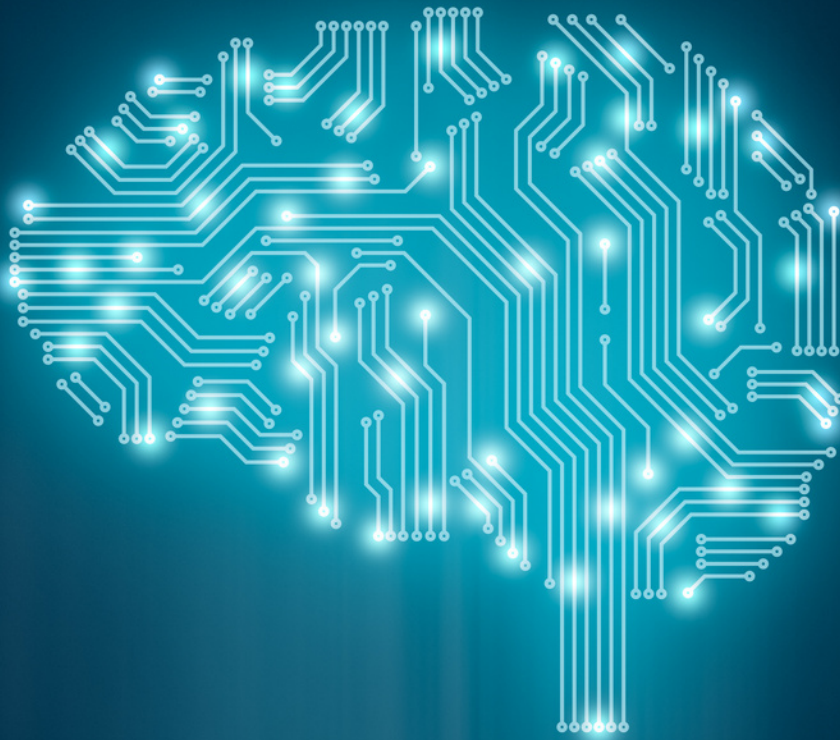




AI in the Workplace

Shaping the future of work & HR

August 2023

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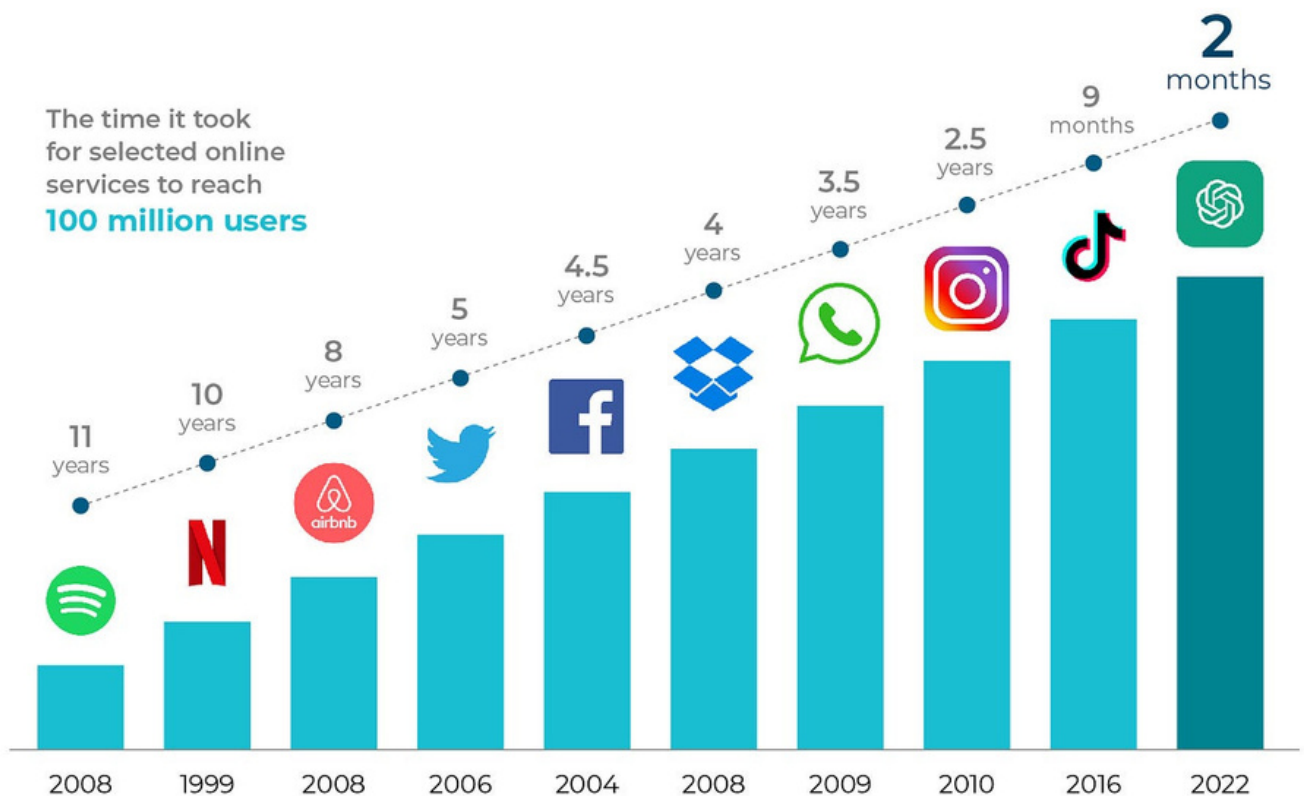
Speed of Change

The workplace is undergoing a remarkable transformation due to the unprecedented speed of change fueled by advancements in artificial intelligence, automation, and communication technologies. This rapid evolution presents both challenges and opportunities, requiring proactive strategies, collaboration, and a forward-thinking approach to navigate the complexities of this dynamic landscape.

ChatGPT exemplifies OpenAI's trailblazing approach to innovation, as it stretches the limits of conversational AI and paves the way for fresh prospects in AI-driven communication and interaction. The renowned chatbot has achieved an unprecedented milestone, garnering a staggering 100 million monthly active users in January, a mere two months after its official launch.

A recent report by Swiss banking giant UBS revealed this remarkable feat, propelling ChatGPT to the status of the fastest-growing consumer application in history.

TikTok reached the same user level in just nine months, Instagram took two and a half years, and Netflix achieved 100 million users only after a decade.



Source: World of Statistics

The World Changed Overnight

According to a recent Goldman Sachs report, generative AI has the potential to impact approximately 300 million jobs, accounting for around 18% of the global workforce, with advanced economies experiencing a more significant impact than emerging markets.

In 2019, automation threatened jobs in sectors like manufacturing, logistics, food preparation, retail, and administration. The fear of job displacement led to efforts to adapt and reskill. Just a few short years later, AI's exponential advancement caused a new wave of disruption, impacting fields such as finance, media, legal services, data analysis, and software development.

Jobs Most at Risk to be Replaced by Automation (2019)

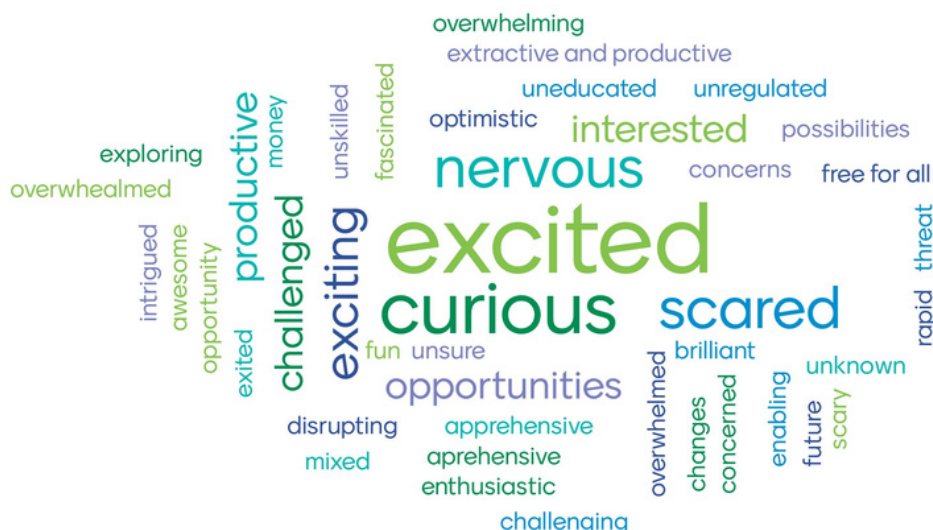
- Plant & Manufacturing
- Transport & Logistics
- Food preparation
- Retail & Consumer
- Data entry & Administration

Jobs Most at Risk to be Replaced by AI (2023)

- Finance & Banking
- Media & Marketing
- Legal Services
- Data & Business Analysts
- Software Developers

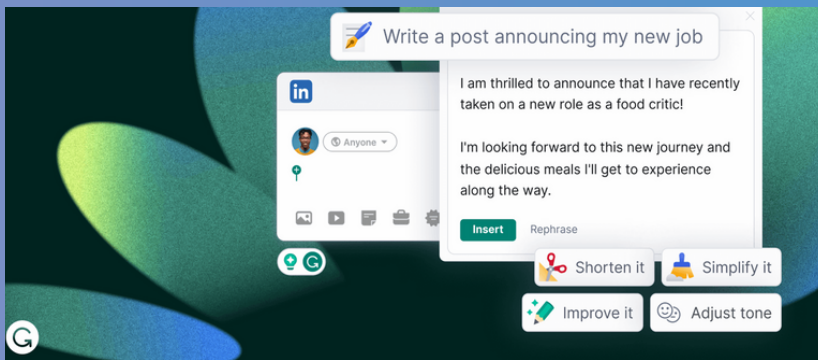
How do you feel about AI?

During our August webinar on AI in the Workplace, we gathered insights from HR and L&D professionals representing diverse industries. In response to the question of how they feel about AI, participants succinctly expressed a mix of emotions, with excitement, curiosity, and nervousness being the resounding themes.



What's Already Happening?

As of March 2023, the United States has 14,700 artificial intelligence startups, showcasing the rapid growth of the AI market. With new AI tools being created every day, the total count is likely in the hundreds of thousands. Here are some AI tools shaking up the workplace and how people work:



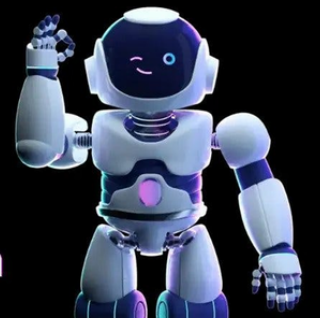
GrammarlyGO is an AI-powered tool that helps users generate content attuned to their voice and intended audience.

Jasper AI is a large language model (LLM) that can generate human-like text. It is designed to help content creators, marketers, and businesses of all sizes create high-quality content quickly and easily.



Meet Jasper,

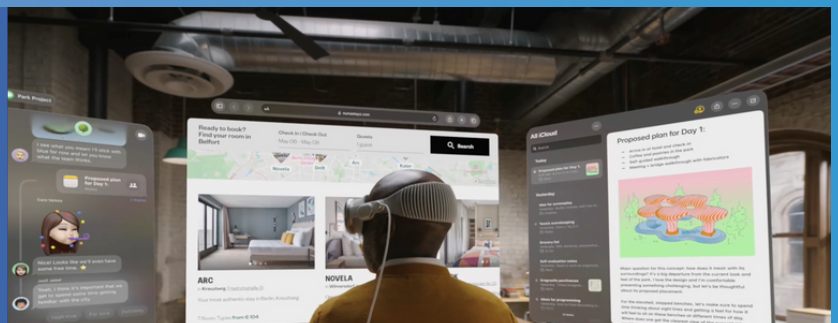
**The Future of
Content Creation**



A whole new way to work

Copilot utilizes LLM and your data in Microsoft apps to enhance productivity in PowerPoint, Excel, Outlook, and Teams, offering assistance in creating presentations, analysing data, summarising emails, and conducting productive meetings.

Apple Vision Pro boosts productivity with a limitless screen, access to favorite apps, and new multitasking options. It supports Magic Keyboard and Magic Trackpad for a wireless 4K display experience.



People-Centric AI Integration

To achieve substantial changes through AI, it's essential to revamp processes and gain everyone's support. Integrating generative AI into both business strategy and daily operations is crucial. Consider these factors from the outset when developing or incorporating AI solutions for your organisation.



Boston Consulting Group

The people strategy element is crucial for successful integration. It involves aligning AI initiatives with business strategy, redesigning processes to accommodate AI, upskilling the workforce, managing change effectively, creating AI champions, fostering cross-functional collaboration, and ensuring scalable and sustainable AI adoption. By prioritising the human aspect of AI implementation, organisations can maximise benefits while minimising disruptions and resistance.

AI transformation is not just about technology. It's about the people who will be working with that technology.

Recruitment and Hiring

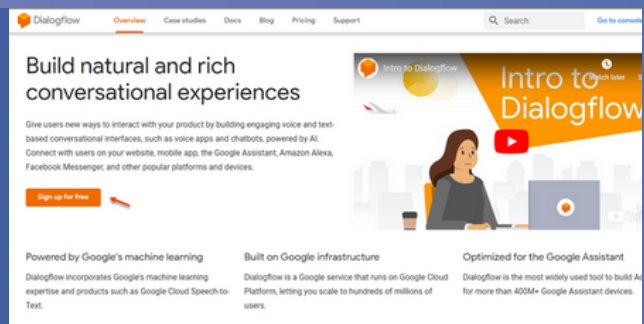
79% of companies already use some form of AI or automation in their recruitment and hiring processes

The SHRM State of the Workplace study



LinkedIn uses AI to power its job recommendations, which helps members find jobs that are a good fit for their skills and interests.

Google uses AI to power its recruiting chatbot, which helps candidates find jobs and answer their questions.



Hilton reduced their hiring timeline from 43 days to 5 days. They have automated sourcing candidates, screening resumes, and scheduling interviews. The company also uses AI to assess candidate skills and fit for a role, and to provide personalised feedback to candidates.

Amazon uses an automated applicant evaluation system, designed to identify candidates with the highest potential for success. This AI-powered software analyses resumes, comparing them to profiles of Amazon employees in similar roles.



Onboarding and Training

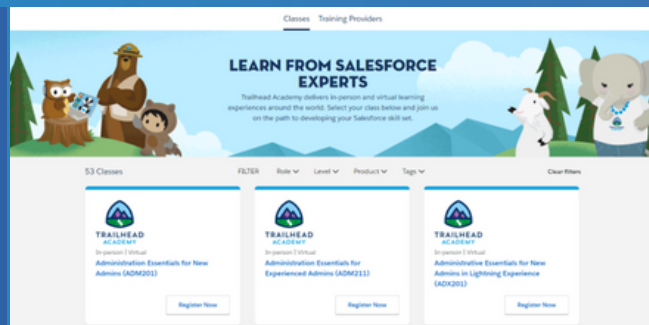
Organisations with a strong onboarding process improve new hire retention by **82%** and productivity by over **70%**.

The Brandon Hall Group Research



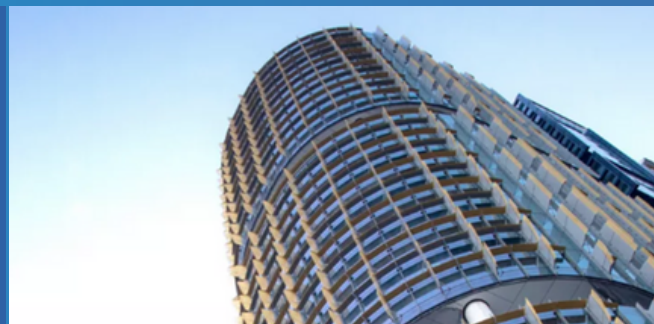
Walmart utilises AI-driven simulations and virtual reality (VR) training to provide employees with realistic on-the-job experiences without the need for actual physical training environments.

Salesforce leverages AI-powered tools to provide continuous learning opportunities to its employees. The system recommends relevant training materials and resources based on an employee's role, interests, and previous learning activities.



Accenture employs AI-powered analytics to monitor employee progress during training programs. This data-driven approach helps identify areas where additional support or resources are required.

KPMG utilises AI to develop personalised learning paths for its employees, offering targeted training modules based on their career aspirations and development goals.



AI Ready Approach



ACCEPTANCE

establish trust in technology

Open and transparent communication about AI's potential, limitations, and ethical considerations combats misinformation and cultivates a receptive environment for AI adoption.



RESKILLING

invest in reskilling and activating your people

With AI reshaping job roles and responsibilities, empowering the workforce through reskilling is pivotal.



IMPLEMENTATION

ensure data quality, security and user-centric design

The abundance of information can lead to rushed AI implementations or misconceptions about its complexity. Gradual implementation is key to mitigating risks and ensuring success.

Isolating these three steps within the AI Ready Approach helps cut through the noise of information overload. It allows organisations to channel their efforts effectively, fostering a well-informed, skilled, and prepared workforce. By addressing acceptance, reskilling, and gradual implementation, organisations are better positioned to harness the true potential of AI while avoiding the pitfalls of misinformation and rushed decisions. This approach serves as a pragmatic and reliable guide in a rapidly evolving AI landscape.

Acceptance

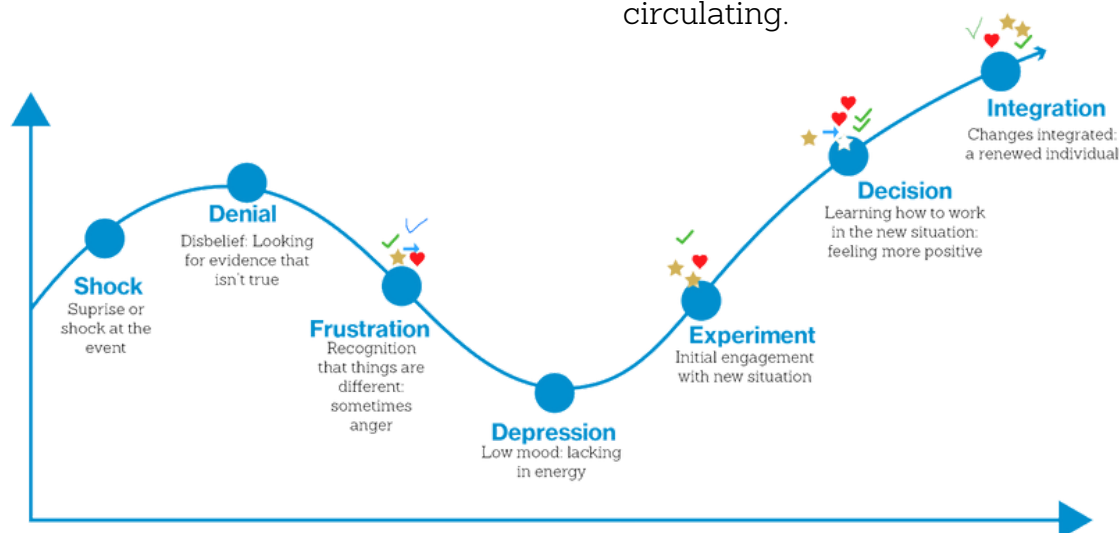


Change Curve

Organisational change brings about disruptions to the status quo, evoking a variety of emotional responses among employees, often manifesting as internal resistance to the changes.

Change leaders play a pivotal role in foreseeing and addressing these responses by utilising established change models like 'Kübler Ross' Change Curve Model. By comprehending the distinct stages of personal transition, they can effectively guide and support their employees and teams, paving the way for a successful transition.

A pulse check with HR and L&D leaders gave insightful information about where people are currently in adopting AI. The majority were already in the Experiment, Integration and Decision stages. However, it is understandable that some still experience feelings of Frustration due to the overwhelming abundance of AI information circulating.



Change Leadership Considerations

Awareness

fewer than 1 in 4
Australians know if AI is
used in their workplace

Keeping the human in human resources

people may see AI as “a
blunt tool” when it comes
to people management

Augmentation, not automation

42% said they were worried AI
would replace jobs in their
industry, and 71% disagreed or
were unsure that AI would
create more jobs than it
eliminates.

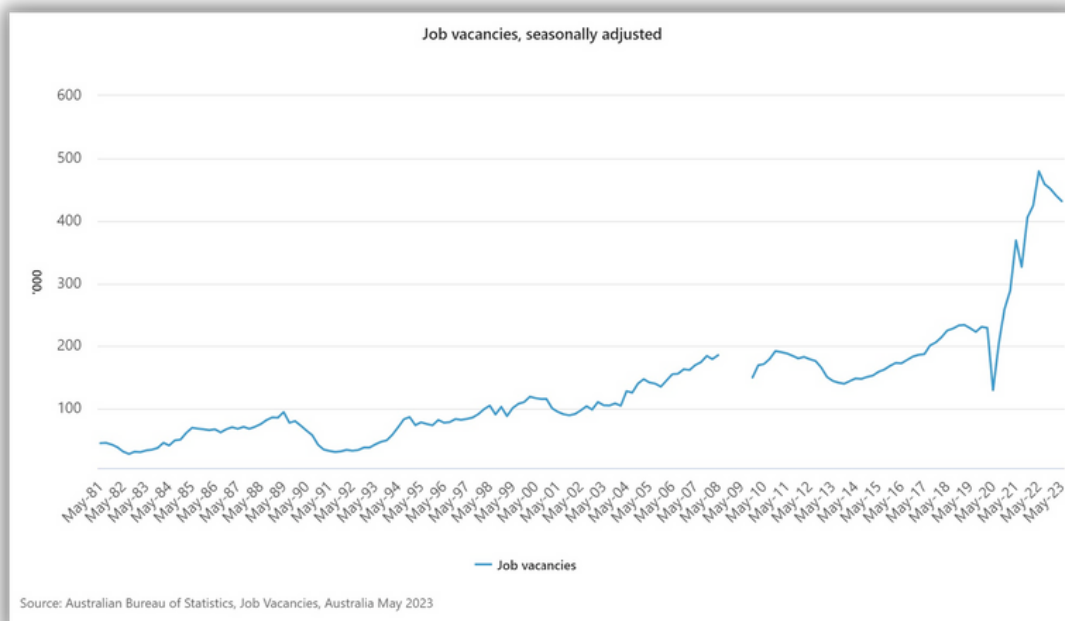
A University of Queensland and KPMG Australia study

Reskilling



Tight Talent

Over the past three years, the Australian labour market has been characterised by a limited pool of skilled workers, low unemployment rates, and high demand for talent. In the three months leading up to May 2023, job vacancies in Australia declined by 2.0%, which amounts to 9,000 fewer vacancies. The decrease was mainly observed in the Accommodation and Food Services sector.



Despite this being the fourth consecutive quarterly decline, the number of job vacancies in May 2023 remained relatively high at 431,600. This figure represents an 89.3% increase compared to the pre-pandemic levels recorded in February 2020. The elevated number of job vacancies is indicative of the ongoing labour shortages across most industries in the country.

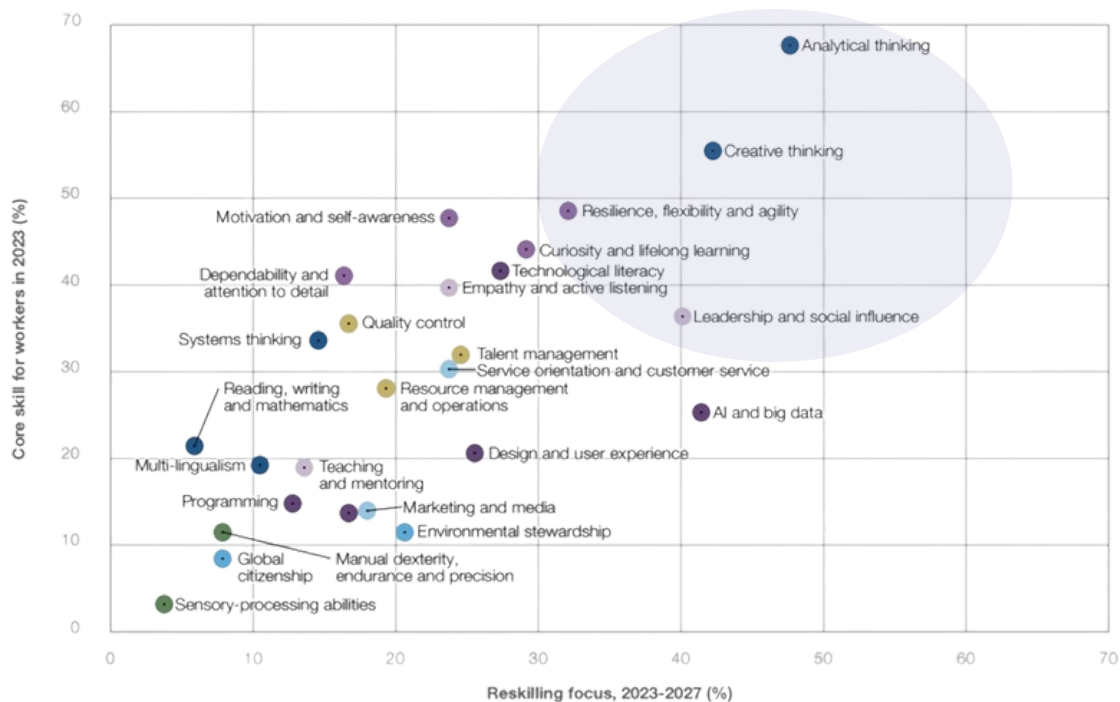
	May-21	Aug-21	Nov-21	Feb-22	May-22	Aug-22	Nov-22	Feb-23	May-23
Mining	11.0	18.1	17.1	27.8	24.8	19.3	27.1	26.0	26.4
Manufacturing	15.1	22.9	24.9	29.6	22.3	25.9	23.8	26.8	16.8
Electricity, gas, water and waste services	12.8	9.9	21.3	39.2	34.5	13.1	31.0	25.2	36.7
Construction	26.9	23.3	21.5	24.3	30.3	28.5	28.5	24.2	23.6
Wholesale trade	23.6	22.3	20.5	29.5	16.8	26.1	19.9	23.4	22.9
Retail trade	21.6	21.4	15.9	16.6	17.7	23.8	31.5	23.0	21.7
Accommodation and food services	30.5	18.3	30.9	32.4	34.0	42.5	45.3	41.7	35.5
Transport, postal and warehousing	22.0	15.7	17.3	22.4	22.6	25.8	21.5	16.6	21.3
Information media and telecommunications	20.0	15.9	15.5	19.8	26.7	20.4	29.0	21.4	21.3



**When the skills of
your people evolve, so
does your business.**

The Evolving Skills Landscape

Every technological revolution brings labour market disruptions alongside growth opportunities. PwC's forecast suggests that AI could contribute \$15.7 trillion to the global economy by 2030. The World Economic Forum predicts the emergence of 97 million new roles by 2025, while 85 million jobs could become obsolete. This net gain of 12 million jobs will necessitate acquiring new competencies, updating skills, and adopting a different working approach.



Source: World Economic Forum, Future of Jobs Survey 2023

High uptake of education and workforce development technologies is seen as one big driver of job creation. Additionally, organisations are making greater efforts to bridge skills gaps, driven by the fact that AI and other technologies are reshaping the requirements for capabilities in both employees and employers.

The skills most in demand are:

- Analytical and creative thinking
- Resilience, flexibility and agility
- Motivation and self-awareness
- Empathy and active listening
- Leadership and social influence

It is the human skills that will set the future workforce apart.

Implementation



Spirit of Urgency

The urgency to transform, stay aware and ahead of external changes as well as ensuring preparation for different scenarios has never been more integral to success.

In the VUCA (volatile, uncertain, complex and ambiguous) business environment, a high rate of change is crucial for success. Internal changes like restructuring and process improvements should be consistently pursued for maintaining competitiveness and agility.

External change, on the other hand, refers to the changes that are happening outside the organisation, such as shifts in market conditions, technology or regulations. According to Welch, the key to success in the VUCA world is to have a high rate of change, both internally and externally. This means a willingness to take risks, embrace innovation, and constantly adapt to new circumstances.

“If the rate of **change outside** exceeds the rate of **change inside**, the end is in sight...”

— Jack Welch



What happens when there's no adoption?

Neglecting to adapt to evolving business environments exposes companies to significant risks and challenges, potentially leading to their downfall. The examples below demonstrate the dire consequences of failing to innovate and stay relevant in the face of changing trends, from technology to consumer behaviour. Maintaining a competitive edge demands a proactive approach to embrace change and evolve with the times.



Failed to embrace online streaming and digital technology, leading to bankruptcy as competitors like Netflix dominated the home entertainment market.



Missed the shift to digital photography and clung to traditional film sales, resulting in bankruptcy and the loss of its once-dominant position in the industry.



Failed to adapt to the rise of touchscreen smartphones, losing its market share to competitors like Apple and Android devices.



Overlooked the user-friendly design and social connections that made Facebook successful, leading to a decline in users and relevance in the social media landscape.



Struggled to keep up with Google's dominance in search and advertising, failing to innovate and losing user engagement, ultimately leading to its acquisition by Verizon.

The Future Is Human

The future of work isn't scary. Just misunderstood.

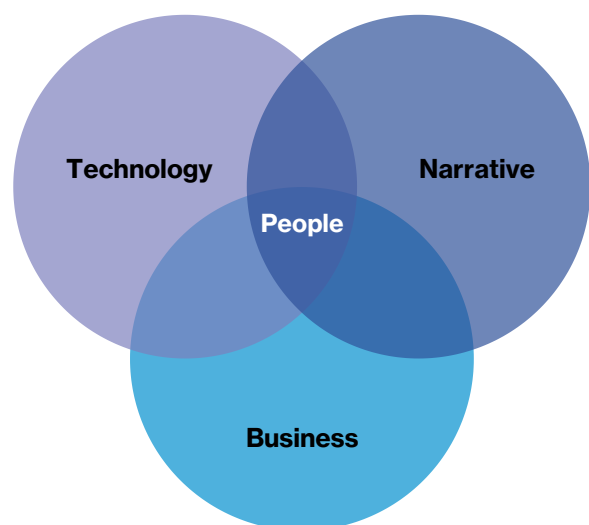
AI excels in data analysis, yet it can never replace our ability to make complex decisions, considering ethics, context, and diverse perspectives. The art of understanding emotions, empathy, and adapting to different situations is a skill that AI cannot match. Sure, AI offers insights that are undoubtedly valuable, but let's not kid ourselves – genuine creativity flows from the human mind. It's this creativity that sparks innovation, pushing us to come up with ingenious solutions. And let's not forget the power of forging real connections and tapping into human emotions – these are the cornerstones of social and emotional intelligence, areas where AI stumbles in its attempts to catch up.

Certain tasks demand physical skills and adaptability in dynamic environments, making them uniquely human tasks that AI cannot replace. So why, amidst AI's astonishing ascent, is the future unequivocally human?

Humanity's curiosity knows no bounds. Our inherent desire to explore, question, and dream fuels the engine of progress. Innovation isn't born in lines of code; it's nurtured in the vast landscape of human curiosity. The future belongs to us because it's our quest for knowledge that drives us to unearth new ideas, revolutionise industries, and reshape the world.

In an era where AI is transforming industries, the trump card held by humans is our capacity to feel, to connect emotionally, and to approach challenges with a unique blend of empathy and ingenuity. We're equipped to navigate the unpredictable and make split-second decisions that involve nuance and moral considerations.

While AI holds promise, it can't replicate the multifaceted essence of humanity. The future, with all its uncertainties and breakthroughs, hinges on the human ability to embrace change, adapt, and lead with compassion. So, as we gaze into the horizon, it becomes crystal clear: the future is, and always will be, intrinsically human.





“If we do it right, we might be able to evolve a form of work that taps into our uniquely human capabilities and restores our humanity.”

— John Hagel

Gain more than just data. Gain actionable insights.

We help clients take the guesswork out of their approach to AI.

Capturing data is one thing, turning that into insights that can be implemented at the macro and micro level is another. We'll use our tools and benchmarking from the outset to design learning journeys, and we'll capture

feedback and insights during and between sessions directly from participants. This fluidity in design can help guide and inform direction, depth, and additional areas of focus worth exploring in the context of people and technology business strategy.



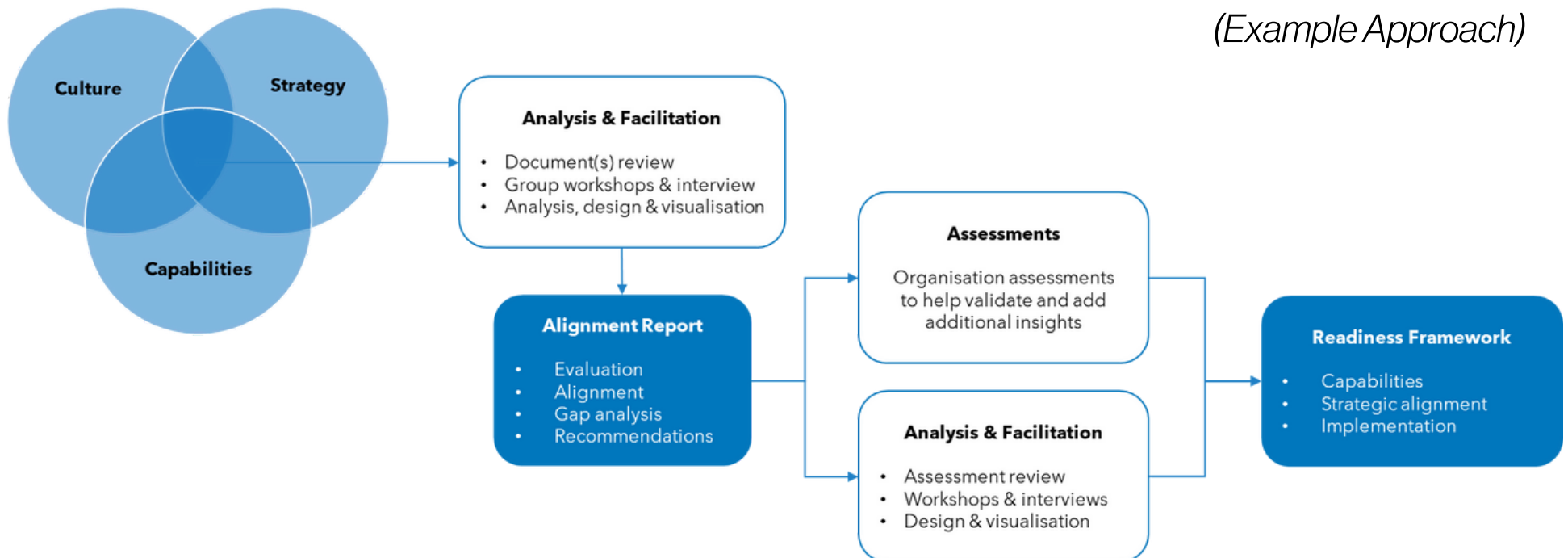
There is no “one-size-fits-all” approach.



(Case Study) AI Readiness Consult

At the core of our approach lies a holistic and meticulously structured process designed to guide organisations through the intricate journey of adopting artificial intelligence (AI) effectively. We understand that the synergy of Culture, Strategy, and Capabilities underpins the triumph of AI integration.

Our process begins by immersing ourselves in your organisation's current dynamics, employing workshops and interviews. The Alignment Report then illuminates the way, encompassing evaluation, strategic alignment, gap analysis, and actionable recommendations. Continuous refinement and ongoing assessments ensure a flexible trajectory. The apex of this transformative journey is marked by the AI Readiness Framework, accentuating capabilities, strategic alignment, and precise implementation planning.



Take the next steps

**Get in touch to chat about
the AI and people readiness
your organisation needs.**

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