

# The Future of Work is here.



## Australia is in the midst of significant transformation

Rapid digitisation, increasing and changing demand for services, evolving community and government expectations, access to information and broader labour market disruption are forcing organisations to rethink their strategy.

### Impacts of Automation

Automation will drive the evolution of jobs.

Tasks are automated, not roles.

Automation efforts should not simply be a cost-out measure.

### Demographic and Social Changes

Five generations now co-exist in the workforce.

Employees want choice and control in what they do and how they do it.

Organisations are facing increasing pressure to not just have a diverse workforce on paper, but realise and leverage the value of diverse and inclusive teams.

### Demand for Different Skills: Upskilling is key

Irrespective of industry or role, organisations must upskill their workers with new skills for a digital world.

### Shifts in Resourcing Models and Structures

Organisations are re-thinking employment models, ways of working, and how they are structured, to shorten decision making and development time.

“The Workforce of the Future is the biggest issue facing business and the world at present. Our client’s biggest challenge is knowing where to start.”

Blair Sheppard (Global Leader for Leadership and Strategy)

In some sectors, up to **50%** of jobs will be replaced by technology by 2035

By 2025 the world’s population will have increased by another billion, the fastest growing demographic will be **over 65s**

Significant retraining / upskilling of current staff is preferred by **34%** of Australian CEOs as a method of closing the skills gap

Millennials will comprise **75%** of the workforce by 2025

**52%** of Australian CEOs say more difficult to hire than ever due to a lack of skilled workers



PwC brings the breadth and depth of firm capability across strategy, technology and digital, experience, people, and analytics to support transformation efforts.

## Your approach to the Future of Work should:



### Be data-driven

Data analytics and particularly predictive analytics can give businesses a critical edge in gauging future talent needs, understanding how to create a compelling people experience and eliminating potential biases in selection, assignment and appraisal.

Companies are struggling to use data and advanced analytics to make better decisions about the workforce.



### Be holistic and comprehensive

Action needs to be driven by business strategy, operating model, organisational capabilities, and be underpinned by technology.

A clear aligned narrative and involvement of the whole C-suite ensures everyone works towards achieving the same goals, breaking down silos and avoiding duplication.



### Be action-oriented

The Future of Work is already happening - speculation is over and the time for practical action is here.

Robust strategy is essential to transition organisations into the future, but busy leadership teams also need execution support to move at a competitive speed.



### Be culture driven

Organisations need to create the right mix of skilled and adaptable people, aligned to the right culture and with the right mindset and behaviours to power their business.

A key differentiator will be harnessing the talents of the workers who won't be replaced by automation, who'll play pivotal roles in how organisations develop, compete, create and innovate – and who will ultimately drive success.



### Be at the intersection of human and tech

Organisations will not be run by technology alone, but by a coexistence of people and technology. The experience they have during this transition and how people and technology work together is key to making this coexistence an effective one.

### Acknowledge economic context

Organisations can't work in isolation and need to think about environment in which they operate.

Key considerations are: consumer confidence, risk and regulation, trends in the market, rapid urbanisation, shifts in global economic power, labour market movement and availability.

### Acknowledge social impact

Organisations - and the Boards who oversee them - have responsibilities to their community and other external stakeholders as well as internal stakeholders. The Future of Work is about social purpose too.

## Evolve - PwC's Future of Work Framework

This framework sets out the overarching PwC perspective, bringing together a range of functions to ensure the appropriate balance between organisation and employee to support transformation efforts.

### Business strategy

### Operating model

### Organisational capabilities

Understand long-term business strategy and goals  
Define capabilities needed in the future state - e.g. enhanced data science capabilities, reduction of certain administrative capabilities due to technology  
Identify alternative business scenarios and consider location / talent implications

### Workforce Strategy

#### Workforce Strategy and Planning

Define talent supply - e.g. number of FTEs, functions, levels, regions, cost  
Project talent demand based on business strategy  
Model alternative scenarios to business strategy to understand range of future state demand  
Assess gap between talent supply and demand  
Where gap is significant, or where costs are high, evaluate alternative locations and worker types

#### Physical and Digital Workplace

Define future state work environment, including use of flexible work practices, physical space and technology  
Determine location selection criteria  
Identify alternative work environments  
Evaluate changes in workplace tools and technology infrastructure

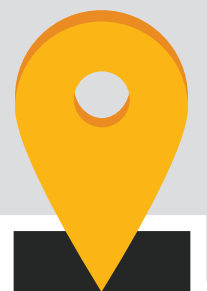
#### Talent and Skills

Define strategy to attract, develop, retain and reward talent, based on the workforce and workplace plan defined in the earlier stages - e.g., recruit 40 data scientists, enhance digital trainings to upskill current staff  
Identify digital capability gap and embed an approach to drive foundational literacy and technical skill uplift

#### Employee Experience and Performance

Scaling new digital capabilities to enhance employee experience  
Changing 'ways of working' across the enterprise  
Improving employee productivity  
Evolving culture to optimize performance  
Aligning business strategy with broader purpose, mission and values  
Designing and delivering a new employee experience to drive engagement and commitment to the organization

Underpinned by technology, digital, insightful analytics and experience



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