



# The future of work in the Public Sector

KPMG Australia

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April, 2017

# Future State 2030



KPMG research  
undertaken in 2012/2013



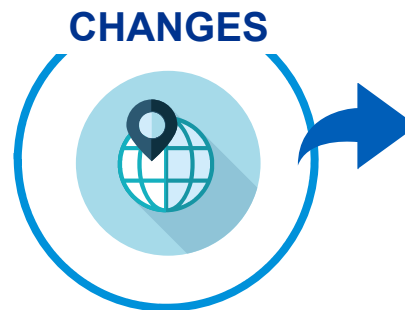
What are the broad trends  
that are shaping society?



What are the impacts  
for Governments?



# The global megatrends impacting governments into 2030



## **Individuals**

Demographics  
Rise of the individual  
Enabling technology

## **Physical Environment**

Climate change  
Resource stress  
Urbanisation

## **Global Economy**

Economic interconnectedness  
Public debt  
Economic power shift



FUTURE NOW SERIES

# The Future of Work

FINANCIAL REVIEW

in association with



Reference: [reports.afr.com/kpmg/future-of-work/](https://reports.afr.com/kpmg/future-of-work/)



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# Future of Work participants



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**Alexandra Badenoch**  
Group Exec HR, Telstra



**Scott Worrall**  
MD, Microsoft Aust



**Ann Sherry**  
Exec Chair, Carnival Aust



**Professor  
Lynda Gratton**

### Skills/workforce planning

"What we can see is that about a **sixth of the core skills of our workforce will need to be different in about three years** from what they are today - that's a massive volume shift."

"We're **going to have to partner** to be able to be successful, as we're not all going to be able to build a core differentiated skill base that we can own and manage

### Innovation

"It's about the **willingness and the desire and the appetite** inside an organisation,". "Do they make it permissible to try some things? Do they have the skills? Do they have the imagination that could allow them to think through what's possible?"

### Education

"a **shift in thinking around education and training** is also urgently required if Australian organisations are to have any hope of securing staff with the required mix of skills and knowledge."

### Lifelong learning

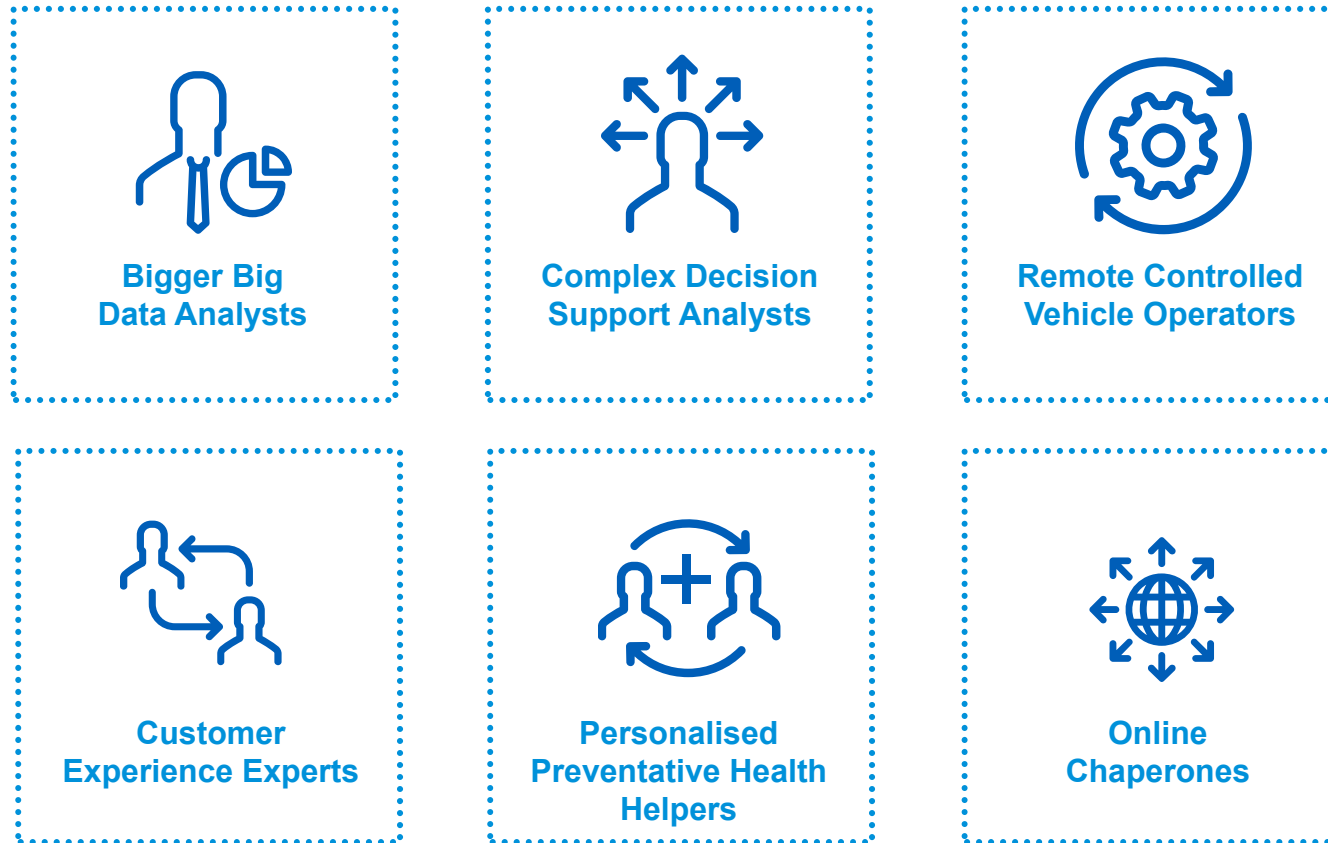
"“Robotics and AI will do the easy stuff and the more complex cognitive stuff will get left to humans, so any sort of skills that have got a cognitive component could be in demand. Secondly, high levels of **interpersonal skills** in terms of empathy and the ability to negotiate will also be in demand and thirdly, I think the most important thing is **you’ve got to be prepared to learn.**”

Source: [reports.afr.com/kpmg/future-of-work/](https://reports.afr.com/kpmg/future-of-work/)



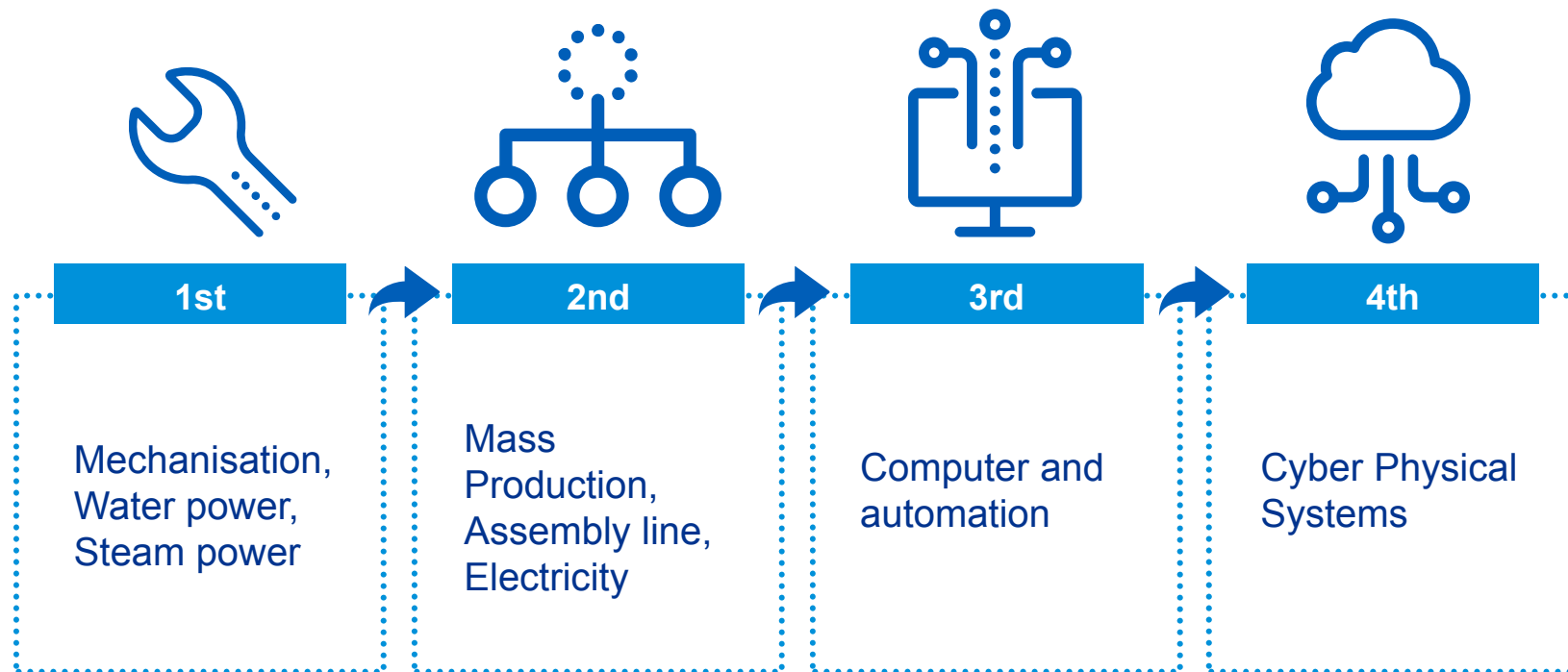
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# Future of Work: Professions of tomorrow ....



Source: [reports.afr.com/kpmg/future-of-work/](https://reports.afr.com/kpmg/future-of-work/)

# 4<sup>th</sup> Industrial Revolution





# Rise of the Humans: Digital Labour

- Despite doom and gloom scenarios for massive unemployment, **cognitive technologies can spur new jobs and enhance human skills and expertise.**
- The kind of jobs will likely change, however, especially middle-income routine jobs that are likely to be replaced by cognitive platforms.
- The challenge for leaders is to integrate and make the most of both kinds of labour.**
- A **five-stage process of inquiry** can help leaders systematically think through how the shape and size of their workforce should change.
- Arguments range as to whether digital labour will remove or grow jobs, and **in truth the jury is still out.**



Source: <https://home.kpmg.com/xx/en/home/insights/2016/11/rise-of-the-humans.html>

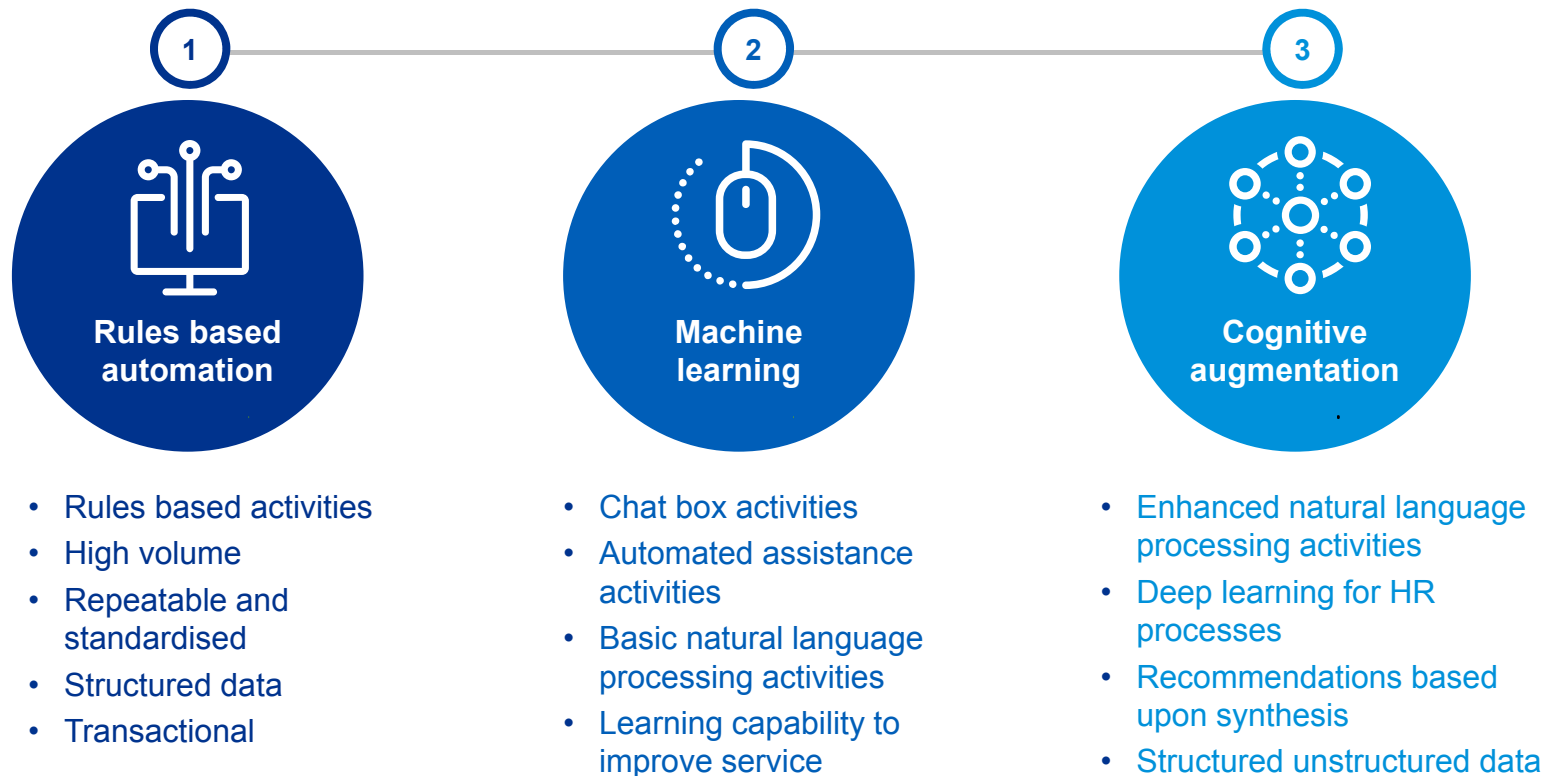


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# Enabling technology – what is it?

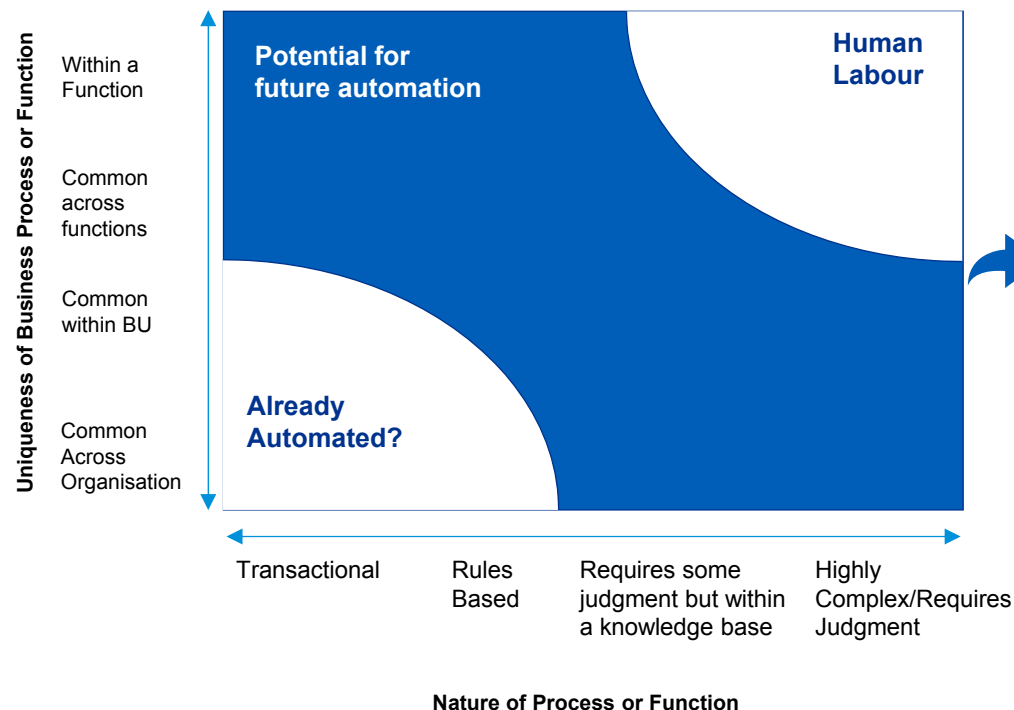
Digital labour can perform work faster and more efficiently than the current manual effort. When evaluating areas of digital labour, identify activities that meet the following criteria:



Source: <https://home.kpmg.com/xx/en/home/insights/2016/11/rise-of-the-humans.html>

# Enabling Technology – how it impacts the workforce

The convergence of artificial intelligence, robotic process automation (RPA), machine learning, and cognitive platforms is potentially so disruptive that Klaus Schwab, founder of the World Economic Forum, calls it the “Fourth Industrial Revolution.”<sup>1</sup>



## How will jobs be affected?

A possible way to illustrate how jobs are affected across the spectrum of **skills** versus increasing **automation** and **enablement** <sup>2</sup>

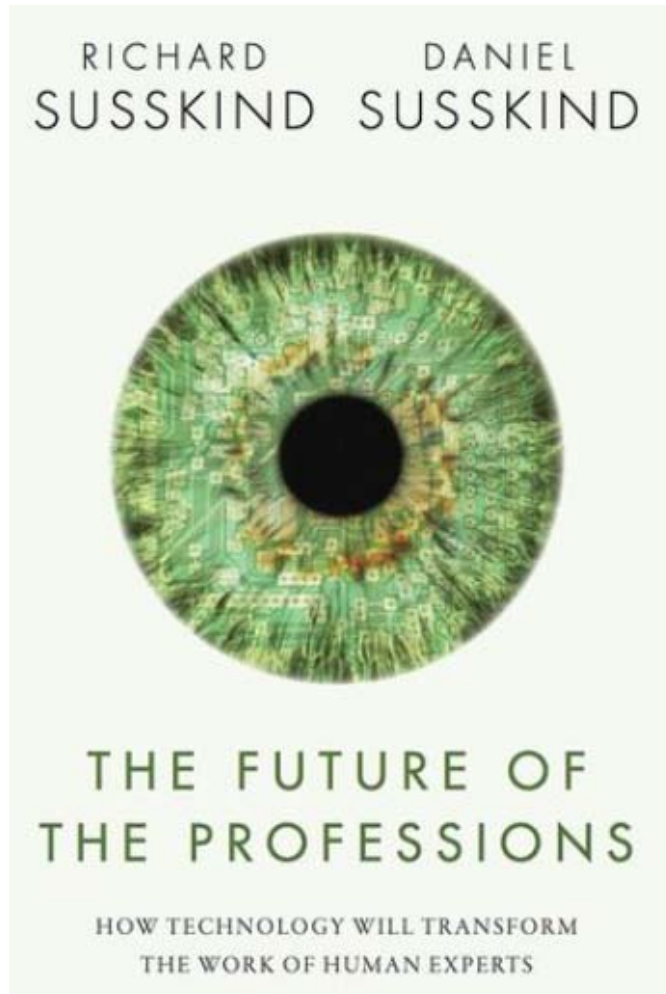
- Perception and manipulation of things requiring high manual dexterity and discrimination between different objects in a cluttered environment – for example, hairdresser (because you don't want your ear to be cut off by mistake), street sweeper, or occupational therapist.
- Creativity, particularly fine art creativity and high-order originality, such as landscape photography or classical musician.
- Social interaction and social intelligence, for example, social worker, primary school teacher, or mental health nurse.

This describes a polarisation of the workforce into low-skilled manual work and high-skilled cognitive work, leaving a hollowing-out of middle-income routine jobs.

<sup>1</sup> Klaus Schwab, *The Fourth Industrial Revolution*, World Economic Forum, 2016.

<sup>2</sup> Frey and Osborne

# Future of the Professions



○ The concept of the “grand bargain” is becoming increasingly disrupted

○ Technology:

- Exponential growth
- Increasingly capable
  - Problem solving
  - Big data
  - Affective computing
  - Robotics
- Increasingly pervasive
- Increasingly connected (to each other)

○ Blue collar and white collar impacts

○ Jobs:

- More a series of activities
- Decomposition and repackaging

○ Artificial Intelligence

<https://www.chathamhouse.org/event/chatham-house-primer-future-work>

Skills and  
capabilities need  
to shift...





# Working across the public and private sectors ....



**Michael L'Estrange**  
Qantas & Rio



**Ann Sherry**  
Carnival Australia



**Anna Bligh**  
Aust Banker's Assoc



**Ken Henry**  
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**Mike Baird**  
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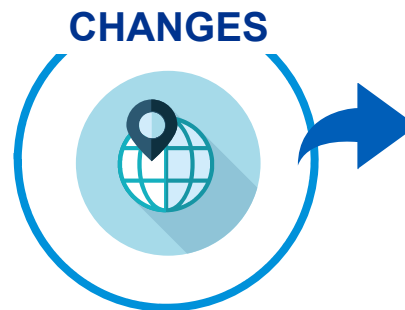


**Mike Pratt**  
Customer Svc Commissioner



**Robert Whitfield**  
NSW Treasury

# The global megatrends impacting governments into 2030



## **Individuals**

Demographics  
Rise of the individual  
Enabling technology

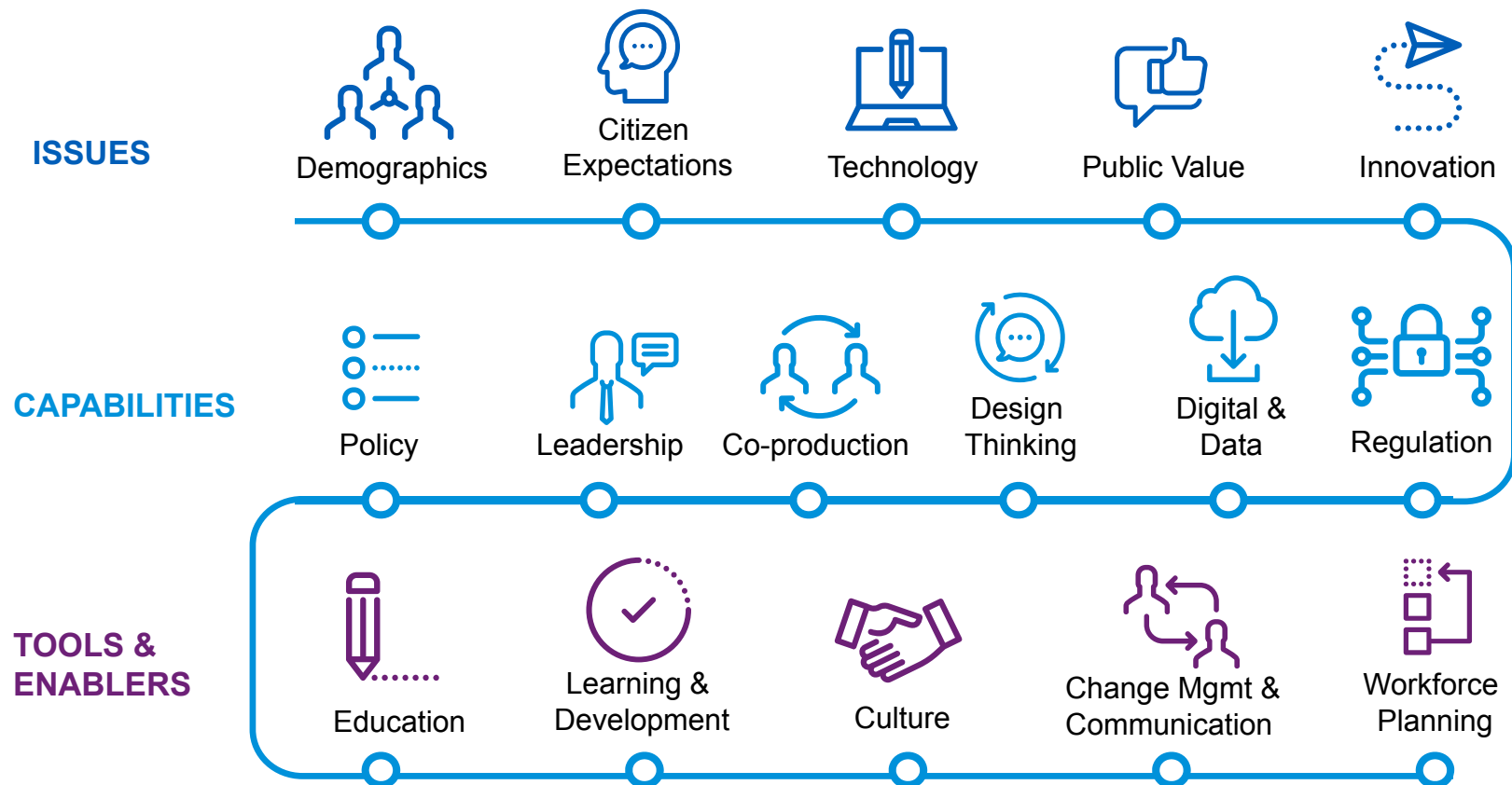
## **Physical Environment**

Climate change  
Resource stress  
Urbanisation

## **Global Economy**

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# Future of Work: some final things to consider

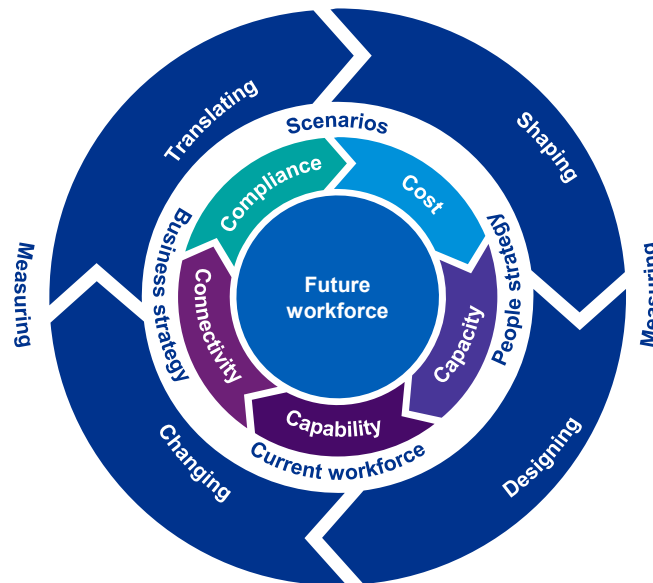


# The workforce navigator

1

## Translating

- Translate Business Strategy into people implications. Think about where we are headed as an organisation, understand our strategy and the roles of these technologies in executing our strategy
- Translate this business and technology strategy into the implications for people and explore which jobs will need to change



2

## Shaping

- Understanding how the shape, size and composition of the workforce will evolve over time. In particular, exploring different scenarios that might impact the organisation and developing an appropriate response to the most likely ones
- Design the ideal high level profile for your workforce of the future

5

## Measuring

- Tracking progress. Monitoring alternative scenarios that might take hold and adopting an agile response to ensure all risks are managed
- Value management tracking – Measuring/evidencing the value of cognitive solutions and building on success
- Continual learning and development to support reskilling and career relevance over time

4

## Changing

- Embarking on the journey of moving to the new shape and size of the workforce including:
  - Strategic workforce planning
  - Talent Management
  - Change Management
  - HR Policies – Managing robots and humans

3

## Designing

- Design the workforce of the future
- Create a detailed blueprint of how human and digital labour can be optimally integrated? The blueprint needs to cover both structural aspects as well as enabling factors

# A final thought ...

**“Plenty of course changing for the APS in 2016 – digital disruption; greater transparency in data and information; contestability of advice; and rising community expectations for fast and personalised government services, are just a few of the challenges you face.”**

**“These are not challenges to be avoided or regretted, they must be embraced.**

**In this new economy, we need Australians to be more innovative more entrepreneurial – and government should be the catalyst.”**

**Malcolm Turnbull**  
Prime Minister





Thank you



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