Written by ***Dr Tony Miller***

**Talent, Management and HR**

Unprecedented changes are happening in the world of work. What is of particular interest is; they are all happening at the same time.

We have the most significant advancement in Artificial intelligence, which is now working, and it is beyond our full comprehension. What is staggering - this has happened dramatically since 2017. It is causing a massive paradigm shift that is irreversible and it will change life and work, as we know it forever. To put this into context; if one looks at the development of humankind from 9000 years BC to today what we see in the past few years is expediential growth (Buckeridge 2017). The development of the gross world product has outstripped anything that has cumulatively happened before – and it has happened dramatically fast.

This will affect almost every industry worldwide, and it changes the way we structure organisations we will see increased demand for a limited pool of talented people. In addition, world changes in the fuel we use are likely to impact around 2020.

Three predictions:

 “By 2027 every process will be managed by A.I.” (Professor Christian Buckeridge 2017) University of Bonn, Germany

 “By 2027 70% of all S&P companies will have disappeared” McKinsey 2016

“60% of all professions will be affected by automation” McKinsey 2016

Artificial intelligence particularly deep learning develops things further and has become a significant advancement only in a relatively short period.

 The self-thinking computer can now solve problems and we have very little idea anymore how it’s done.

Elon Musk in 2018

*"I am quite close, I am very close, to the cutting edge in A.I. and it scares the hell out of me," said Musk. "It is capable of vastly more than almost anyone knows and the rate of improvement is exponential."*(E. Musk 2018)

Prof. M Kosinski.Stanford University California 2018

*“Computer algorithms, deep learning models are now way to complicated for us humans to understand.”*

 ***How will this affect the Human Resource?***

The current rate of change and escalating job losses will see for the first time a surplus of labour. This is going to be a worldwide issue and will hit particularly hard Generation Z also referred to as i Gen. Changing organisational shapes and using new approaches to manage will have an increasingly important role to keep companies abreast of the wave of change.

Harvard business review (2018), NASA used this process to look at their human resources. *In the HR application alone, they found that 86% of the transactions were completed without any human intervention. HR professionals need to pay attention to this advancement by NASA.*

Almost every existing HR process will change, the pivotal process with be performance appraisal which will be in future run and monitored by A.I. and feed directly into training needs and Pay and rewards.

***The Oil and Gas industry will not be exempt***

The size and sheer scale of what's possible are incredible. In China Fox Conn used to pay its workers $2.50 an hour. It was cheaper to replace the workers with Fox Bots; changing to utilising this system resulted in AI robots replacing 40,000 people in their Chinese factory. (2017 DJP) A further 20,000 people are destined to go in 2019.

It is also estimated that 47% of U.S. labour is likely to be replaced by automation (2017 F.com)

***Talented people are going to be the key to organisational success***

There is a growing need to find and retain talented people. This is going to be a worldwide issue and will affect talent at the five organisational levels. There is an attempt by many organisations to start talent pipelines, often under the guidance of non-talented people! So what's the big issue with talent, well they do more work, estimates are 50% more. They require less training, but the training they do need; needs to be good. They require less management, almost no rules and regulations, but guidelines. They don't complain and take up virtually no H.R. time. For the future, though they will become increasingly sought after and very expensive. How we pay talented people will also need to change, the way forward will be massive bonuses and lots of additions that they want and the introduction of differentiation pay systems.

**Why do we need talent?**

****

**Where does training fit?**

The big question for organisations is what should we do and when do we need to do it by?

Some of the more pressing issues are

* Producing an A.I. Based strategy
* Calculating the right size the organisation now so that a realistic view can be taken on what organisational numbers will look like in 2023 and what the financial savings will be
* Redesigning pay and rewards systems that will attract retain and motivate talented people.
* Redefining the shape and function of HR
* Being able to calculate the financial benefits of change brought about by the above

All of the above will not happen by chance and people don’t like change. The key to success is to train in advance and then plan for success.

**Reference**

Buckeridge Christian Professor (2017) *Keynote speech AI,* Bonn University

Diamansis P. (2017). *A.I. eats the world* SU world summit. China's 5$ chipsets.

IBM Watson (2018) *Case studies*

Kosinski M. Prof (2017) *The end of Privacy Keynote speech* at Stanford University,

www.Study.com (2018) *What are algorithms*

Bloomberg (2018) *Apple becomes Americas first $1 Trillion company*

Dai Jia – ping interview (21.1.2017) *Fox Conn robots* Digitimes*,*

Gigova,R. (2. 2017) *Who Vladimir Putin thinks will rule the world.* CNN

Futurism.com (22.1.2018) *Automation impact in the U.S.*

Harvard Business Review (February 2018) *Artificial Intelligence for the real world* p 108 – 116.

Summerlad J. 9.3.2018 *Google’s decision to build A.I. for Pentagon* Independent News

Musk Elon (13.3.2018) *Life*

Miller Tony Dr 1.1.2019 The New World of Human Resources and

Employment: *How Artificial Intelligence and Process Redesign is Driving Dramatic Change* Business Expert Press, New York

Written by ***Dr Tony Miller, Adjunct Professor, MBA, FCIPD, FinstAM, MRSH, MAPS, MBPS***, ***FILM. Our senior consultant and author of 21 published books***

