The Future of Work: The Impact of AI on Jobs and Skills

AI Strategy Forum - Beyond the Hype

Ana Flores, Global Head People & Culture Technology - Roche
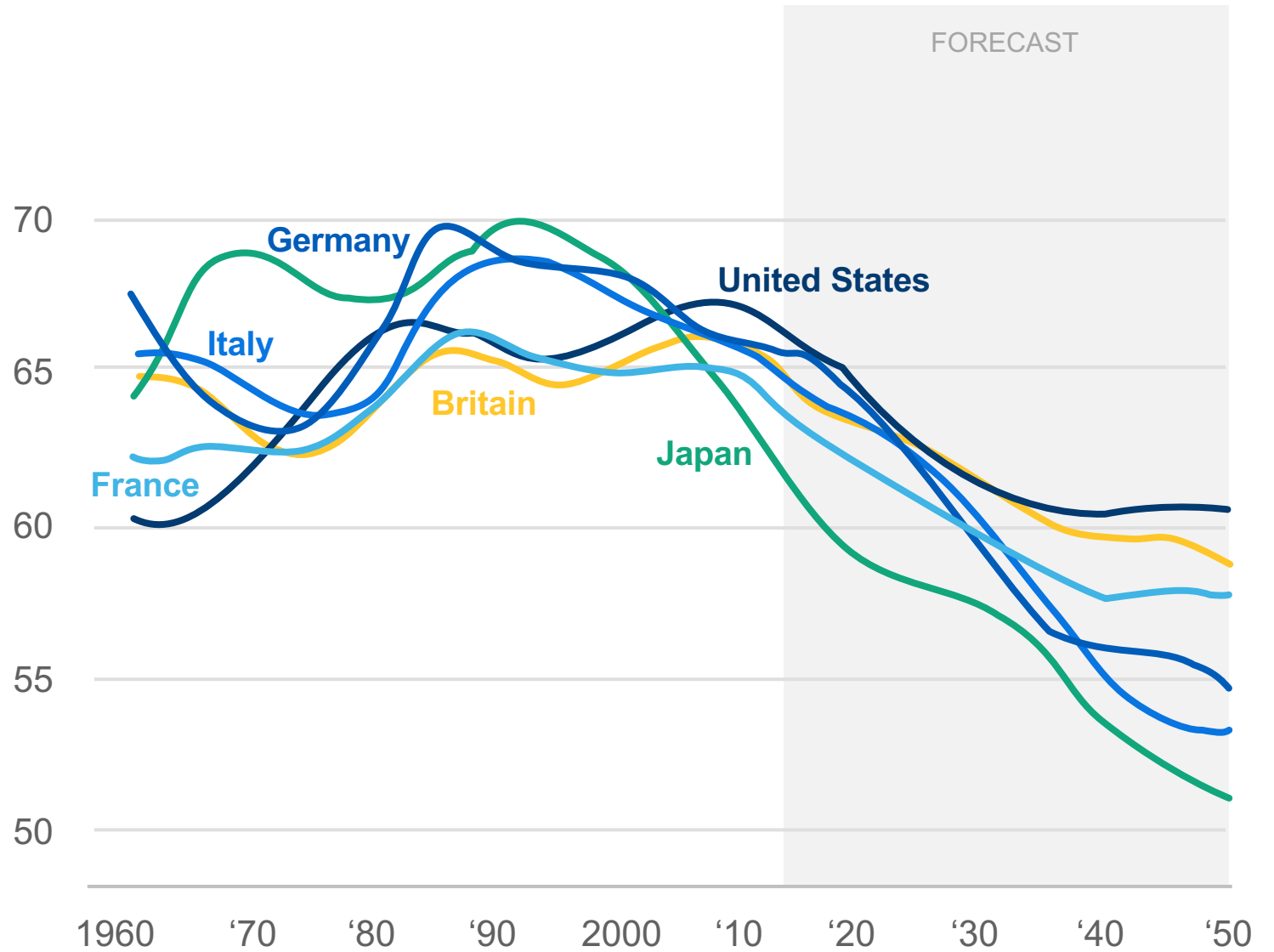**Kerstin Stimpfl**, Head of Value Management DACH - Workday

June 2024

Is it another
Blockchain or **Internet?**
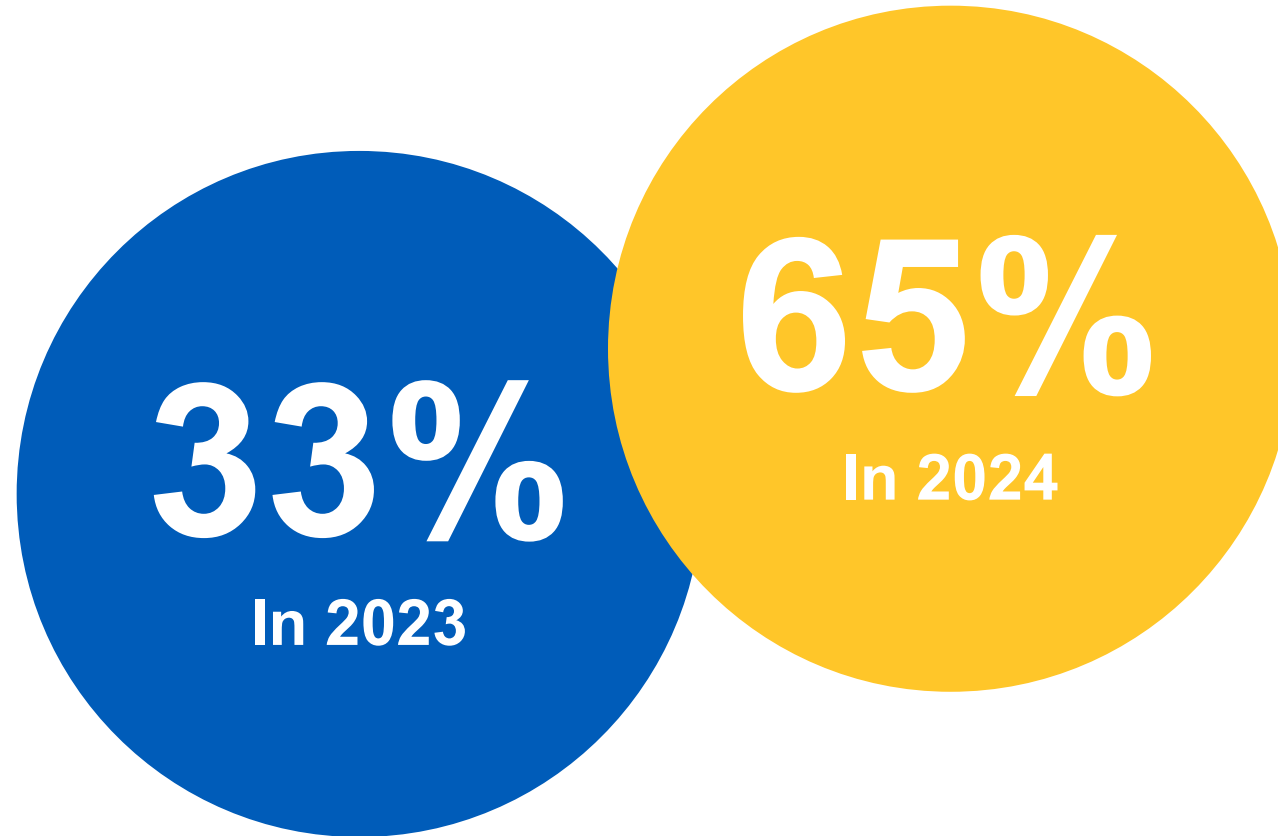
Working Age Population

(% of total)

Source: World Bank

Several Pioneering AI Companies have evolved

GenAI Adoption is Accelerating

33% In 2023

65% In 2024

Source: McKinsey Global Survey on AI, Feb 22-Mar 5, 2024

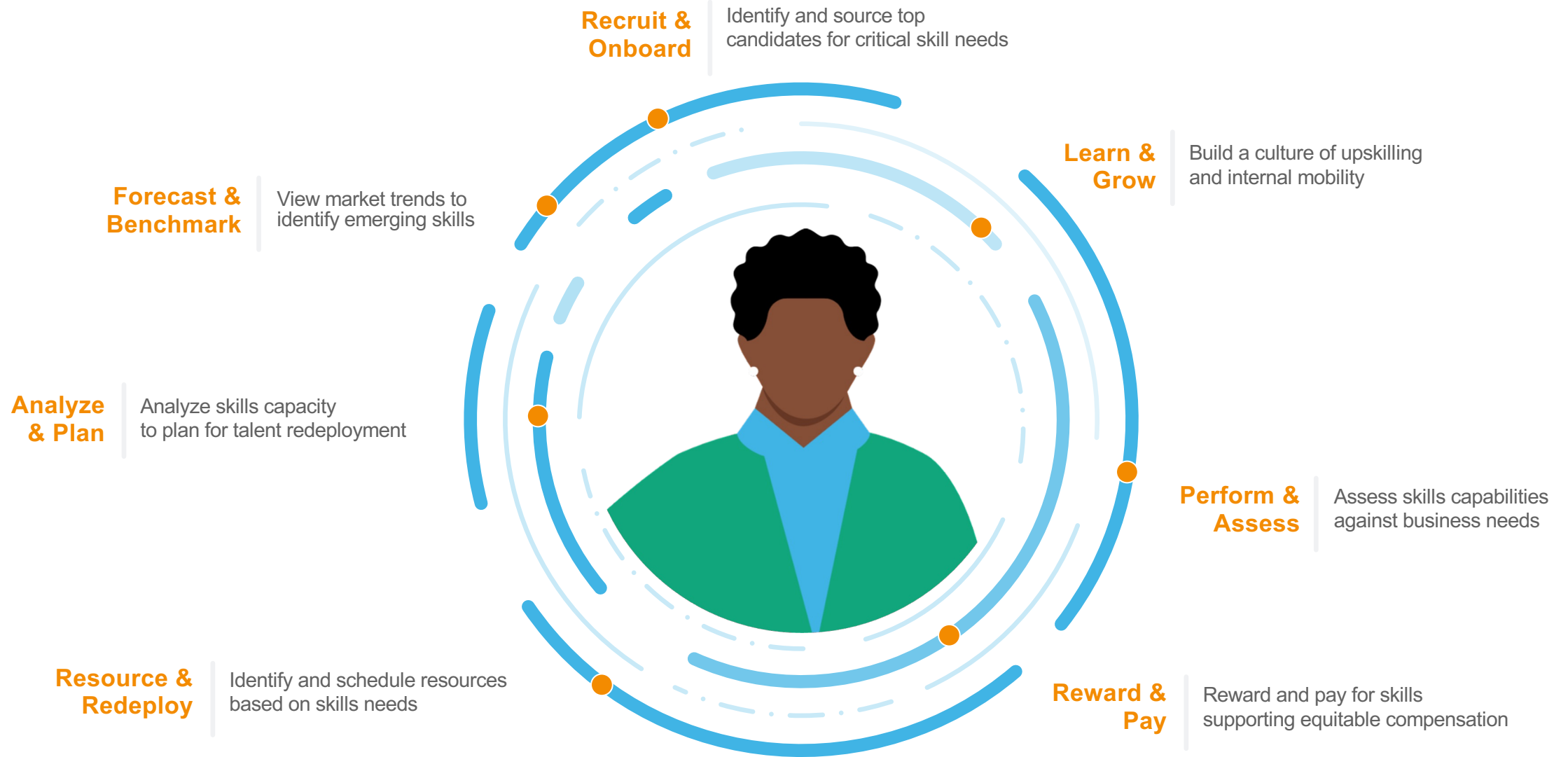# Workers with Less Experience gain the most from GenAI

14% Productivity boost with the largest gains impacting new or low-skilled workers

35% Increase in the number of issues they are able to solve per hour for less-skilled / experienced workers vs. minimal impacts on more-experienced / skilled workers

Skills Solve Tomorrow's Challenges

Recruit & Onboard
Identify and source top candidates for critical skill needs

Learn & Grow
Build a culture of upskilling and internal mobility

Forecast & Benchmark
View market trends to identify emerging skills

Analyze & Plan
Analyze skills capacity to plan for talent redeployment

Perform & Assess
Assess skills capabilities against business needs

Resource & Redeploy
Identify and schedule resources based on skills needs

Reward & Pay
Reward and pay for skills supporting equitable compensation

The Skills Dilemma

The Starting Point

When did you start your Skills journey?

1. 10-5 years ago
2. 5-3 years ago
3. 3-1 years ago
4. Not started or just recently

What is the progress you made to date?

1. Big game changer
2. Significant progress
3. Some progress
4. Not real tangible progress

Skills & Jobs Complexity
Reality Check

- **Multi-year initiative** impacting the entire organization
- Endless discussions about **Skills taxonomy** and agreeing on a **common framework**
  - Skills vs capabilities, competencies
  - Skills assessments
  - Skills validation
- Implications on the **Job architecture**
- Challenge with the **governance**
- Multiple platforms with **different Skills Ontologies**

Our Journey at Roche: Why are we focusing on skills?

A new world demands new ways of working
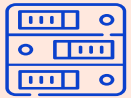
There are many trends that influence the future of work…

Accelerated digitalisation

Changing competitor landscape

Economic and political condition

Talent shortage for critical skills

…that require us to think differently about our workforce and how work is done

How can we develop the skills we need for the future, while delivering today?

How can we create a sustainable workforce by supporting our employees with opportunities to develop needed skills and remain attractive?

How can we effectively leverage the total workforce to support changing business needs?

The Skills Problem

Example of Business Cases

The technology challenge

Recruitment
Skills-centric approach to candidate engagement and hiring

AI-powered vendors
Diversity of AI powered vendors to offer Skills-based solutions: Workday, Cornerstone, Phenom, ServiceNow, etc.

Career development
Skills-based model to find Talents or Experts. Career growth

Focused on different purpose
Workday - Core HR system
Cornerstone: upskilling
Phenom: recruiting
ServiceNow: HR Services
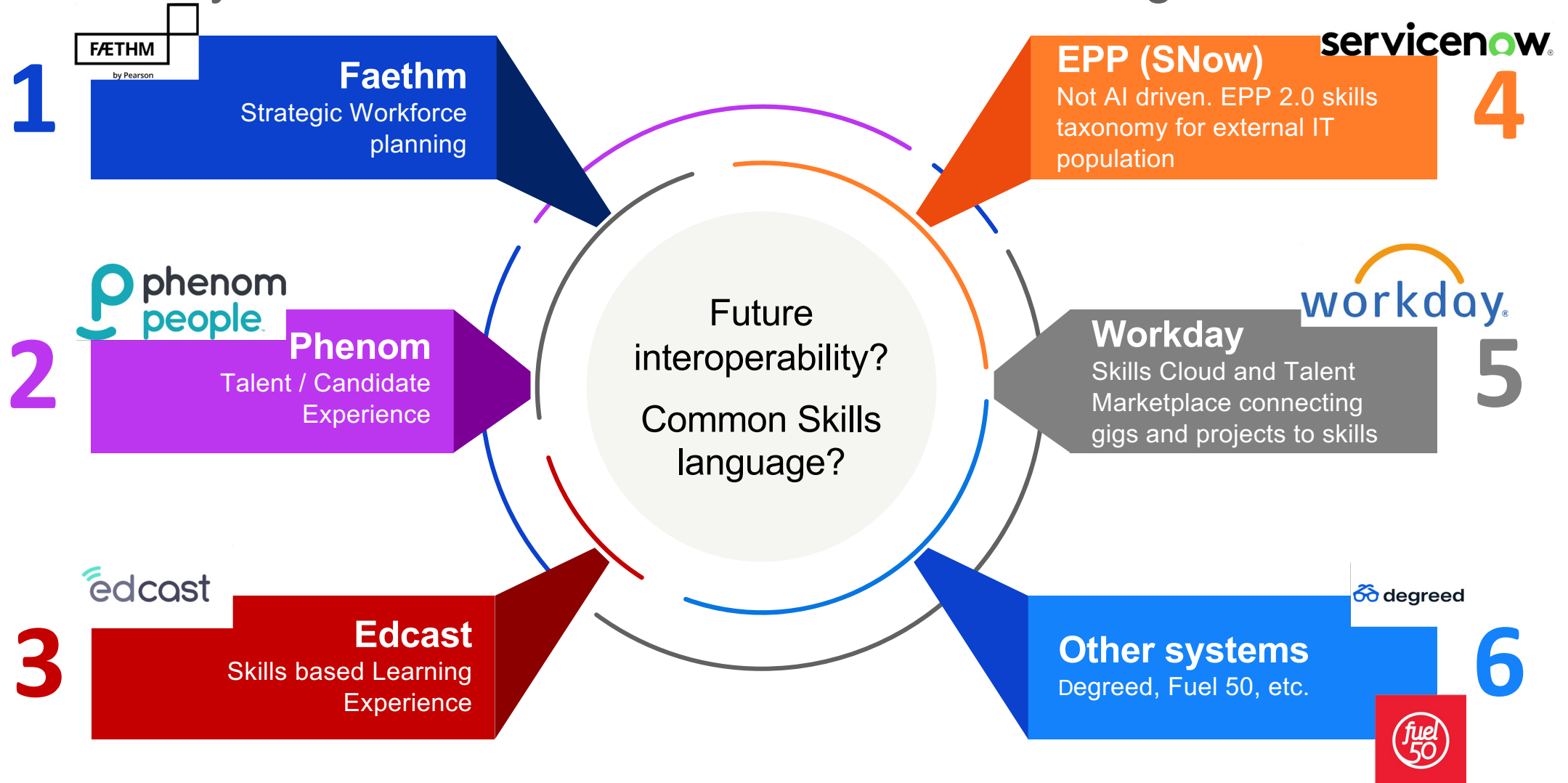
Growth
Learning development. Mentoring, coaching opportunities

Skills engine
Vendors taxonomy versus Company's
Different skills engine trained with external data
Interoperability is complex

Skills infrastructure: what is our vision?

Revalidation of our People & Culture Strategy

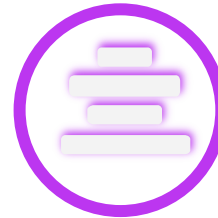### Workday as Skills backbone

Extend Workday capabilities and use WD Skills Intelligence as the backbone for our OneRoche Skills:

- *Workday is now open to share Skills ontology with other agreed partners*
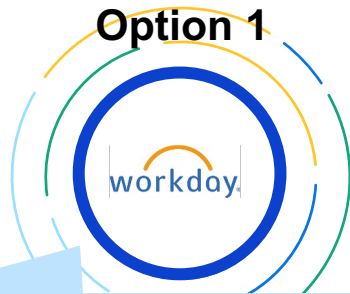- *Workday AI Skills Engine in evolution*

Best-of-breed AI Engines interoperability

Leverage AI-Skills engine from Best of Breed vendors, ensuring integration across for a consistent and smooth customer experience

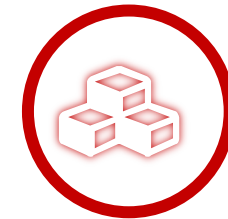- *High-complex integrated landscape*

Option 2

Option 1

Option 3

Talent/Skills Intelligence layer

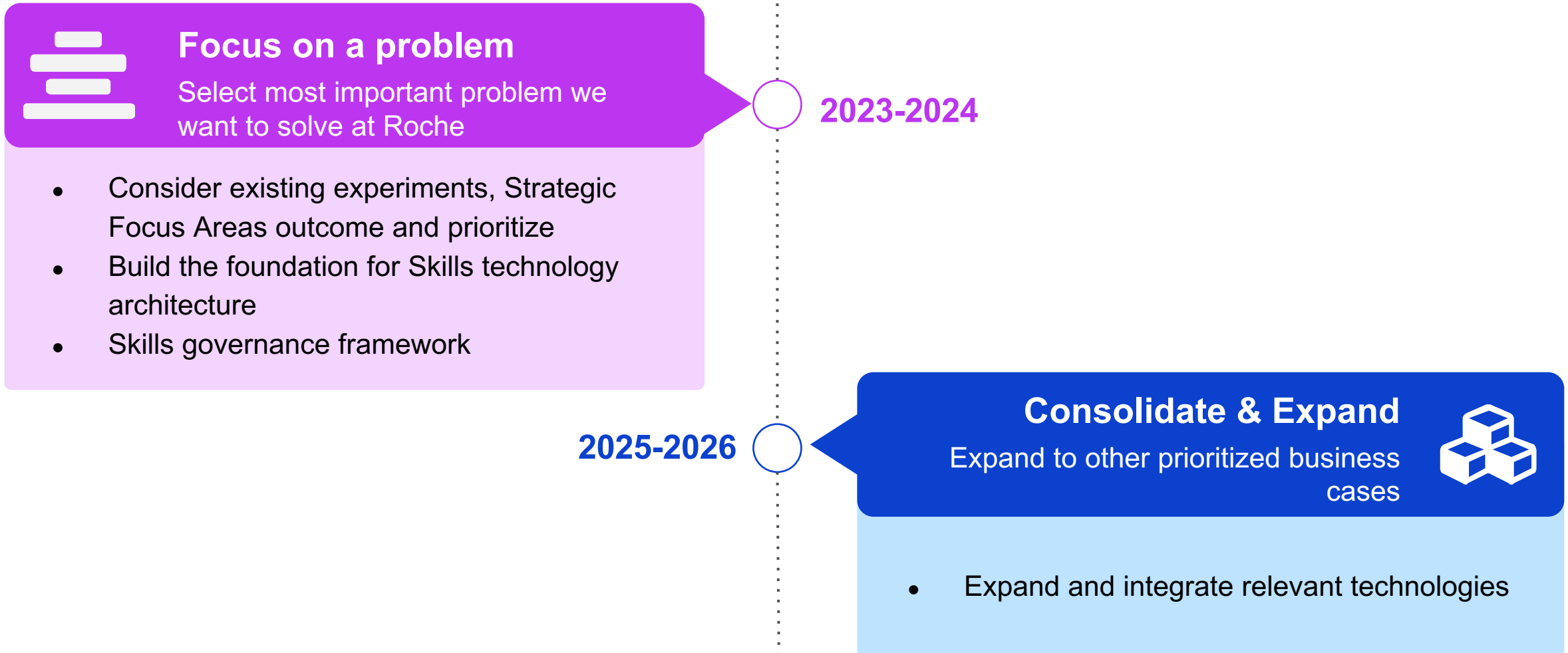*Select a Skills Intelligence platform to be the backbone of Skills taxonomy for Roche, integrated with Workday and any other relevant platform.*
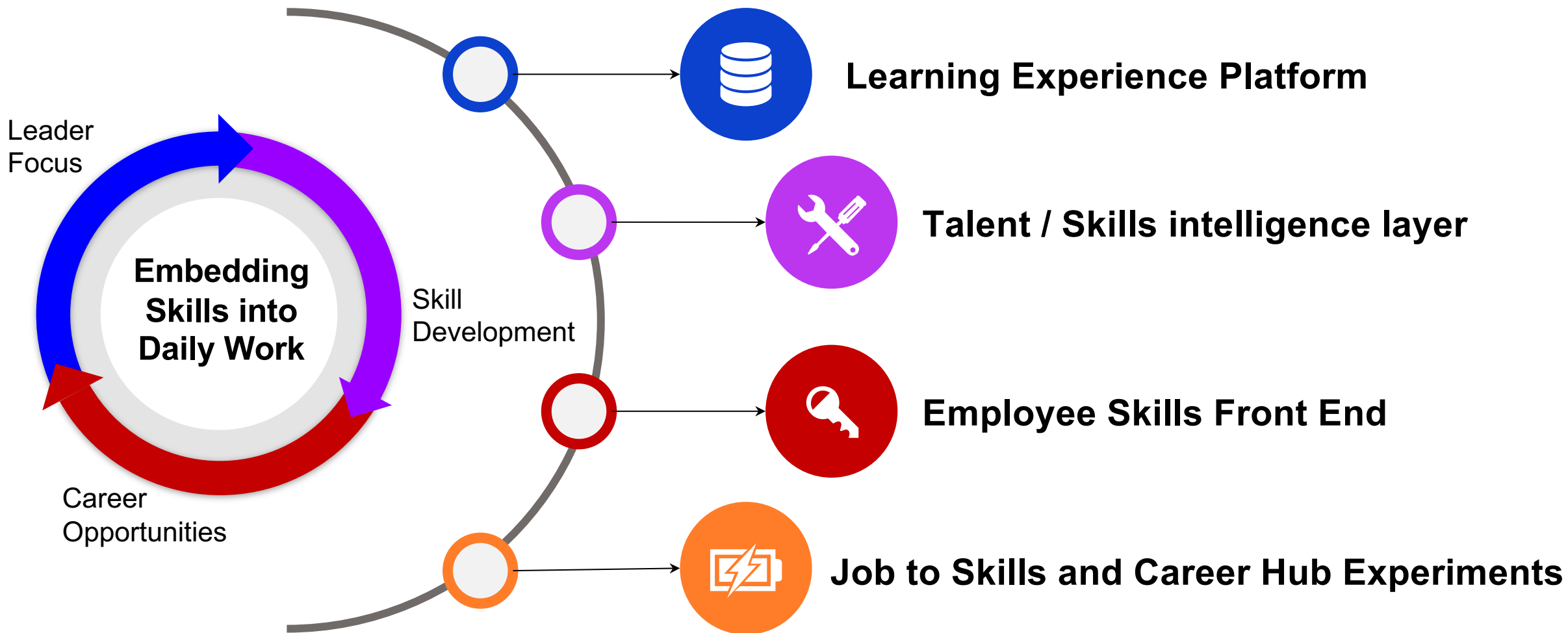
Recommended option:
considering Workday investment as main HCM platform

Our Approach to Skills

How we are navigating the complexity

Focus on a problem
Select most important problem we want to solve at Roche

2023-2024

- Consider existing experiments, Strategic Focus Areas outcome and prioritize
- Build the foundation for Skills technology architecture
- Skills governance framework

2025-2026

Consolidate & Expand
Expand to other prioritized business cases

- Expand and integrate relevant technologies

Our main focus: Skills Infrastructure & Skills Experiments

Career Hub is addressing Employees' and Leaders' Pain Points

Benefits for Employees and Managers

Gigs to help develop skill sets and/or participate in prioritized work…People Fluidity

Career Paths visualize step-by-step paths to plan next moves for their career

Our Managers will find **more information in the Manager Insights Hub** which enables them to take informed decisions and plan steps to help their team to grow:

Link **Goals and Development Items** to skills, gigs, jobs, mentors

Search for **internal job openings** with skill-match analysis

Any gigs that their direct reports are interested in, actively involved in and/or completed.

"Find Mentor" connected to other career activities

Update **skill and skill interests**, to get personalized recommendations

Skills / skill interests / goals Employees have - they can then nudge them during a career conversation to further maintain them in the Career Hub

Development items their Employees added in the Career Hub

Our Employees will benefit from a **one-stop-shop** for their Career-related activities which is also an **evolution of the Opportunity Marketplace**, rather than going to multiple, unrelated places today

Skills Use Cases

What are your priorities?

- **Total Workforce planning** leveraging Competitive Intelligence and Skills-driven model

- **Career opportunities** connected to skills:
  - Employees have clarity on career growth and how to navigate the system
  - Managers and network leaders are equipped to support career development

- **Talent fluidity:** mobility of skills across the organization

- **Upskilling:**
  - Learning experience, learning on the flow of work
  - Mentoring, coaching opportunities

- **Skills-pay**