Human Advantage:
The Power of People

HSBC

Introduction

What is the role for humans in tomorrow's workforce? Debate rages about the likely impact of technology on employment, with estimates of automation in the global workforce ranging from 14%[i] of jobs to 47%[ii] . But there are two areas of consensus among almost all experts. Firstly, technology will undoubtedly change the nature of work. And secondly, machines will take on at least some tasks within most job roles; tasks that machines can better tackle with all of their machine strengths: accuracy, repeatability, robustness. Some estimates see automation boosting workplace productivity by up to 40%[iii] .

Does this diminish the value of human skills in the workplace? In fact, it seems likely that increasing automation will increase the value of each person in the business. People will remain responsible for innovation, an increasingly critical function in an age of high frequency change. Only people can help organisations to adapt to the changes that technology presents: new opportunities, regulation, competition, cyber-threats and rapidly changing customer behaviours and increasing expectations.

As automation technology is commoditised, it will be hard to differentiate on many aspects of company performance, placing even greater emphasis on the human factor. People will be even more visible as the difference between good and great.

And as more and more of our interactions are digitised, rich, human interactions, with partners and customers, will have even greater value. We will continue to place great value on the trust and communication between two people.

Put simply, there is a bright future for our most human resources. But the roles that people may take in the future may look very different to the present day. It is in this context that we offer this report, an attempt to look at some of the critical skills and job roles that may appear in tomorrow's workforce, particularly in a retail banking context.

Methodology

This report has been developed using the Intersections process, mapping the key effects of technology-driven change against existing pressure points in the retail banking sector. This process and its outputs are outlined briefly below.

Pressure Points

The first step in the Intersections process is to conduct a meta-analysis of reports on the key issues facing retail banking. This provides five core topics currently rated as key priorities for banking executives.

- **Minimising Friction, Enhancing Experience:** Banks are highly focused on reducing friction[iv] in their interface with customers, serving customers with personalised products that are simple and quick to engage with.

- **Fraud, Security & Trust:** In the UK, cyber-related crime and fraud accounts for between a third and a half of all crime[v] while the Asia Pacific region has seen a 45% growth in cybercrime year-on-year and globally, cybercrime has risen nearly 100% since 2015[vi]. Maintaining consumer trust and responding to the threat of theft and data breaches requires continued investment.

- **Regulatory Response & Management:** Banks are facing a divergent regulatory environment in their core sector,[vii] with countries and regions focusing on local priorities. This includes the introduction of new national and international regulations such as GDPR (UK) and the Cybersecurity Law of the People's Republic of China in 2017 (China). Maintaining efficient compliance will be a major challenge for years to come.

- **Customer Retention & Loyalty:** The banking sector is facing a new wave of competition from small start-ups and established consumer technology companies, leveraging new technologies to provide alternative offers in almost every segment of financial services. At the same time, banks have responded to demands to ease account switching, raising potential churn. Add to this the desire to upsell and cross-sell customers a more diverse range of products, and this is a clear priority.

- **Optimising Profitability:** Unlike some of the other sectors of the finance industry, retail banking is not always a high margin activity, with its high workforce and premises costs. Executives are understandably focused on providing customers with an improved service in a way that also maximises efficiency for the bank.

Vectors of Change

The Intersections process works on the theory that technology is the primary lever of change. If you understand how technology changes businesses and industries, then you can start to predict coming change. Technology has five key observable effects in this context:

- **Change:** Technology accelerates the rate of strategic change in business, enabling new products, services and business models with lower barriers to innovation

- **Choice:** Technology lowers the barriers to entry into markets, creating new and more diverse competition

- **Speed:** Technology lowers friction in the flow and analysis of data, driving rising customer expectations and putting a premium on accelerated decision-making

- **Power:** Technology augments people and organisations allowing people to do more with less, and consistently falling in price to spread advantages ever wider

- **Shape:** Technology lowers the friction in interactions between people, functions and organisations, changing the optimum shape of organisations from monoliths to networks

Future roles

Mapping the five vectors of technology-driven change against the pressure points facing retail banking today, we identified a matrix of challenges and opportunities for the industry to tackle in the years ahead. We then translated these challenges and opportunities into a series of future job roles for the retail banking workforce and beyond – many of these roles will be applicable well beyond this sector.

- **Mixed Reality Experience Designer:** Consensus is growing that mixed, or augmented reality (MR/AR) will be our primary interface to the digital world in the future. Overlaying our physical world with a layer of digital data allows us to create any imaginable character or object and locate them in physical space as if they were real.
  Key skills: Designing these complex three-dimensional interfaces and making them slick and intuitive will be a major new employment area for the future, requiring skills in aesthetic design, branding, user experience and 3D mechanics.

- **Algorithm Mechanic:** A rising proportion of decision-making is made by algorithms, fed on a variety of of input data to reach rapid conclusions. But these algorithms operate in a fast-changing environment of shifting regulations, new information, and evolving products. Constantly tuning these algorithms to optimise profit and customer experience, and avoiding the unnecessary 'computer says no' moments, will be a skill in growing demand.
  Key skills: As we shift to a low-code/no-code environment for technology operation, this role will require skills that are about risk management, service design, and financial literacy, rather than technological proficiency.

- **Digital Process Engineer:** Many user interactions – from customer on-boarding to replacing a lost card – follow standardised flows that balance security and regulatory requirements with the desire for a slick customer experience. The rate of change of these processes is likely to increase, as is their complexity, as they combine service and information components from multiple sources. A digital process engineer analyses, assembles and optimises these workflows over time, adjusting them constantly to maximise throughput and minimise friction.
  Key skills: The digital process engineer will need great discovery skills, to understand large and interconnected workflows and diagnose problems and bottlenecks, and creative skills to help them to prototype and test solutions.

- **Conversational Interface Designer:** Machines have become progressively more human in their interactions over the years and this process will continue. Where instructions used to be complex strings of code, we can now speak to our machines and they will interpret our needs. Conversational interface design is an emerging skill to help us take best advantage of voice and text chat bots, and one that will only grow in importance.
  Key skills: Building natural, low-friction interfaces that go beyond solving immediate challenges to surprise and delight customers requires a mixture of creative, linguistic, and anthropological skills.

- **Universal Service Advisor:** The separation between digital, physical and remote service environments is breaking down. At any moment a customer may want serving in a branch, via chat app, voice, or in augmented or virtual reality. As mixed reality becomes the main interface between people and machines, highly skilled service agents, empowered to support customers across a variety of products, will be able to switch seamlessly between service environments to meet the needs of their client base. Switching between virtual and physical environments, they can operate from anywhere, anytime, allowing truly global, personal service.
  Key skills: Critical skills for tomorrow's customer advisor are a combination of product and domain knowledge with excellent customer communication and empathy. This will require a level of comfort with the key communications technologies, including performing in a virtual environment.

- **Partnership Gateway Enabler:** In an increasingly networked business world, the digital relationships with partners will need careful monitoring, maintenance, and negotiation. With both cash and customer data potentially flowing between organisations, someone will need to keep a watchful eye on utilisation and partner behaviour, as well as ensuring performance and regulatory compliance.
  Key skills: Gateway Controllers will balance technical knowledge of the digital interfaces with an understanding of security and risk management. Communications skills for partner engagement will also be highly valued.

Future Human Skills

Examining these future job roles, a common set of skills around discovery, creativity and communication start to emerge. A set of core, transferable skills that will play a major role in the fulfilment of these new jobs. These skills are what will continue to differentiate humans from machines in the workforce and maximise the value of our most human resources. They can be termed, the 'Three Cs':

- **Curiosity**
  Many of the roles described above require the ability to source and qualify information, whether that is about regulation, customer behaviour, partners or operational performance. Recognising gaps in the available data, structuring queries and finding new data sources, and ensuring the quality of that information, will all be critical skills for tomorrow's workforce.

- **Creativity**
  Creativity is a key skill for future humans in the workforce. Humans will remain at the heart of innovation, whether iterative, recombinative, or totally original. Tomorrow's workforce will need well-developed creative skills around recognising needs, developing solutions, and packaging them for production and sale.

- **Communication**
  People will still need to communicate with people across the business, and beyond with customers and partners. Whether in a collaborative or sales context, communications skills across a wide range of media – visual, aural, spoken, written – will be highly valued in tomorrow's workforce. Listening, empathy, and relationship-building will be absolutely critical.

Conclusion

In the debate about tomorrow's workforce and the role of robots, the rising value of each employee has often been overlooked. Our most human resources are increasing in value as machines take on the more robotic processes, and uniquely human skills come to the fore.

How we develop these skills becomes a critical question for employers and workers alike. The core transferable skills are taught in a limited fashion at all levels of education, but they are not central to the curriculum and focus has arguably shifted away from skills back towards rote learning in the recent past. Even if this changes it will be many years before schools and universities are turning out graduates well drilled in these skills.

This is true also for the technical skills required. There is already a massive shortage of skilled candidates in in digital and technology disciplines. How will companies meet the growing need? The only answer is to work with existing staff to upskill them to fill these exciting new roles.

In an age of high frequency change, learning must become truly life long. Employers have a huge role to play in helping people to continue their personal development, in order to build the workforce they need for tomorrow's world.

Our most human resources will be constantly evolving.

Sources

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