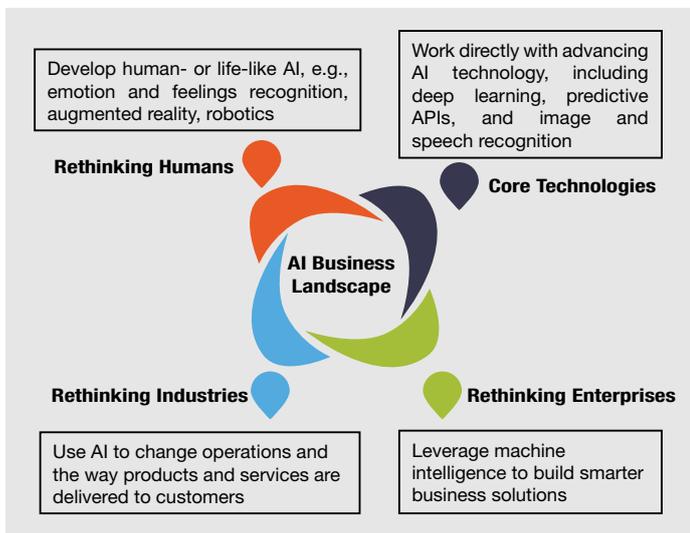


ARTIFICIAL INTELLIGENCE, ROBOTICS AND THE FUTURE OF HR AND LEARNING IN FINANCIAL SERVICES

“Could your job be done better by a robot?” was a question posed to 16,000 staff working for Aviva according to press reports in February 2017. For those who answered yes came the assurance of being retrained for another role within the firm. Is this an innovation for the distant future or is it a shorter-term reality? According to recent research by Oracle and the LSE, Aviva’s strategy is bang on trend as the world heads towards another Industrial Revolution.

Modern society relies ever more on technology to aid our work from the factory floor to the top of the tower. In most cases, however, the technology is not capable of making decisions and working without input. This is where Artificial Intelligence steps in.

Artificially Intelligent technology can make decisions and carry out processes based upon human rationale and behaviours. Computers will be programmed to mimic and carry out thought processes, instead of computing a user input.



(Source: Oracle and LSE Research 2017)

According to the research undertaken by Oracle and the LSE, key takeaways from interviews and field research cover 4 points as illustrated above:

- 1) AI will change the shape of work, prompting a long-term reduction in headcounts but an increased investment in IT and an accompanying highly skilled workforce. This can already be seen in the financial sector – Goldman Sachs employs a similar proportion of engineers and programmers as Facebook, making up 30% of the workforce.
- 2) It is not only low skilled jobs at risk – AI can process a high volume of data far beyond the capabilities of a human being, putting high paid analytics roles at risk. However, there are limitations as the computer can’t differentiate between correlation and causative relations.
- 3) The process of recruitment will be heavily impacted by AI. Candidates can quickly be sorted and matched to the perfect roles, leading to a reduction in costs. One key benefit is tackling unconscious bias, ‘one of the challenges in finding the right talent’.
- 4) The necessary skill sets required in the industry will be reshaped. A 2013 report by McKinsey suggests that 110 million full-time workers will be displaced by 2025 due to AI and robotics in banking. David D’Souza, Head of Engagement CIPD, states that “*Change management is key in the next few years as companies will automate*

and remove people from work flows, therefore understanding the phases, where the impact is likely to be and having concrete plans is key to retaining people within the organization for new roles which is the cost-effective way.”^[1]

According to Mark Carney, Governor of the Bank of England, up to 15 million jobs across the UK could be ‘hollowed out’^[2] as roles are automated by advanced technology. Indeed, as early as 2015 the Bank’s Chief Economist, Andrew Haldane warned that job automation will also affect higher paid roles, with those most like to be affected being clerical, production and administrative roles^[3].

The introduction of AI has already been seen with the introduction by Google, Tesla and Uber, among others, of the driverless car and the world’s first Robot Lawyer, resident on ‘DoNotPay.com’ which has – according to the Oracle and LSE research – dealt with 250,000 cases resulting in 160,000 wins and US\$ 4 million of appeals. In the financial services community, it has been reported that Bank of America has opened three ‘people-less’ branches with customers using a sophisticated automated teller machine to conduct their business, linked to a customer support facility accessed via video conference at the branch for difficult transactions^[4].

What will be the impact on the future of learning? Perry Timms, Founder of PTHR and author of Transformational HR (Kogan Page – October 2017) places his belief in the future of networks and technology. The new age of leaders must rely on an intricate understanding of networking without ignoring the unique abilities of humans to impart knowledge and experience. As automation of the workforce continues, human roles will become increasingly focussed on problem solving and management. Learning moves towards inquisition over teaching – taught tasks being handled by technology. The place of humans will be in communications and relationship building, leading to successfully carried out tasks.

Timms concludes, saying “*So there we have it. Always on learning in a networked age of new power, where there are connected inevitables contrasted by the humble inquiry of questions that build relationships with other people. And where creativity collides with learning to form a fusion of sustainable energy.*”

References

- [1] David D’Souza, Head of Engagement CIPD, quoted from *AI in Financial Services*, Andy Campbell, HCM Strategy Director, Oracle
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- [3] “*Labour’s Share*” speech, Andy Haldane, 12 November 2015 www.bankofengland.co.uk/publications/Pages/speeches/2015/864.aspx
- [4] “*Bank of America testing ‘completely automated’ branches*” article, Charlotte Observer, 7 February 2017 www.charlotteobserver.com/news/business/banking/bankwatchblog/article131267794.html

The materials in this article, unless separately referenced, were taken from the White Paper and Presentation prepared by Oracle and the LSE, with quotes from Perry Timms, **as delivered to the City HR Metrics Club on 28th March 2017**. The article has been produced by kind permission of Andy Campbell, HCM Strategy Director, Oracle. andy.campbell@oracle.com