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Imagination and speed: The key to workforce recovery

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A possible silver lining to the COVID-19 crisis: It has a sense of urgency that, in my view, was needed all along to redefine jobs and our workforce at large.

At the time of writing, about 26 million jobs are reportedly lost, which has essentially wiped out the jobs gained over the past decade. But the impact of COVID-19 on our economy is different than the 2008 financial crisis in one key aspect: It's global. It has brought life to a standstill.

It is important to understand the talent factor. The U.S. economy was growing at 2.1% at the end of 2019, which was slightly above the prerecession average. Unemployment was 3.5%, the lowest in 50 years. With 26 million jobs now lost, the real unemployment rate could be as high as 20.6%.

Say the economy recovers in the second half of 2020. Will all of the jobs that were lost come back? I believe they won't, for two reasons. First, the pace of recovery may not be quick enough. Second, businesses that are hardest hit will be risk-averse, meaning they won't want to take on the costs of new hires.

The talent cycle of downturn and recovery

In my hypothesis, a general model comes into play any time we experience a downturn and recovery. For example, when an economy dips and recovers, the level of employment drips to 75%-80% of the period before the dip. As a result, automation or digitization accelerates. Whether it's online ordering or deploying a pizza-making robot, it creates far higher efficiencies for much less.

While this can cause job losses in one area, there are jobs created in a different area of the value chain or in another sector. In this hypothesis, about 5% of the unemployed get different jobs — but they do become employed. About 15% of the unemployed will still find it difficult to get jobs, either due to outdated skills or slow recovery. In this scenario, these people end up as gig workers: freelancers, independent contractors or self-employed business leaders.

Thinking of an augmented workforce

In a traditional sense, we write job descriptions with the mindset of having enough work to justify employing a human. But what if we were to ask how this job could be done differently going forward? Does it have to be done by a full-time employee, or could it be done by gig-based talent, an automated process technology like RPA, by chatbots or by a physical robot?

Amazon and Lemonade provide two good examples. Amazon has deployed a mix of humans and machines in its warehouses, and Lemonade has an army of chatbots organized into roles and tasks that allow the humans at the company to be very agile in delivering results to customers.

According to Statista, by 2017 South Korea had 710 robot workers for every 10,000 employees in its manufacturing sector. I believe other countries will catch up as scale brings down the cost. Or, new models will emerge, such as Vicarious, which you can think of like a robot hiring agency.

This would also mean accelerating your adoption of technology and digital tools. Companies that have run multiyear digital transformation projects still find themselves unable to be customer-centric. They've realized that they cannot come across as digitally savvy to customers if they are not also digitally savvy internally. Traditional workforce planning is no longer relevant, and I believe a new approach to building augmented human teams is needed.

Gig talent is here, but not leveraged strategically

Consulting firm EY has a dedicated jobs portal for gig talent. This allows them to build expertise that is specific to their clients and projects. Unicredit, an Italian bank, encourages internal gigs among its employees through a structured portal and process.

Based on my research and experience, I believe that every company should pull about 20%-30% of its workforce from gig talent pools. That's not for cost-cutting purposes — it's to gain competitive advantage on skill or expertise. Most companies look at work and try to fit that work into a box on a given organization chart. What if this was no longer relevant and the question asked was who on the entire planet has the right expertise to deliver this need for the company?

Here's one idea: Offer gig jobs to employees that your company laid off due to a downturn or crisis. That would allow the company to retain knowledge and goodwill while minimizing disruption.

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Reimagine people practices

By 2025, I predict there will be four or five bots (a combination of RPA, chatbots or algorithmic technology) for each human employed. I believe it is now clear that strategic workforce planning needs to be reconsidered. But that applies to all aspects of how companies manage people. Performance management is a good example. When jobs are augmented, productivity increases. The worth of a job as measured will change. On the one hand, jobs may become easier to do, but on the other hand,

employees will need higher-level skill sets. Measuring performance as we do today is no longer relevant — it's a remnant of the industrial era that was focused on activity, time and output.

We also need to reimagine learning. How people learn has changed in a world driven by social media. Traditionally, a manager owned all aspects of managing employees. Now, that is no longer the case. Yes, managers continue to focus on keeping the organization devoted to its purpose, cohesive and driven by values. But individual employees own everything else, including their own career progression and continued learning. If companies want to achieve rapid reskilling, they should give ownership of new skills and knowledge to employees. An employee with a real need is a better driver of change.

The importance of imagination

Slow transformation is no transformation. The ability to imagine, build and continuously challenge legacy practices is critical to creating new methods and opportunities for people. As we look at the recovery process, imagination and speed are skills that will be highly valued by stakeholders.

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