altHR

The 5th Industrial Revolution & The Future of the Workplace in Malaysia

The 5th Industrial Revolution (5IR)

5IR has become the hottest new buzzword that has gripped the attention of businesses all over the world. It promises an exciting new future, but what does that mean exactly for businesses in Malaysia?

Imagine a future where all of your most annoying, tedious tasks are taken over by machines, or cobots (collaborative robots). But these automated machines aren't designed to replace human capital — instead, human employees will be tasked with managing these robots, working together with them to streamline all aspects of business for increased efficiency, output, and overall performance.

Let's take the global supply chain as an example, with the rising prices of goods forcing many businesses to increase their prices. With 5IR, machines and artificial intelligence (AI) will be able to predict these global trends with data-based algorithms, alerting leaders of issues ahead of time. As a result, businesses are able to prepare crisis response measures accordingly, mitigating any potential issues to the supply chain, or business.

In fact, the influence of 5IR is expected to revolutionise the end-to-end of business operations. The aforementioned integration between humans and machines will even affect backend business processes, including areas such as human resource management — where human resources personnel can expect to be untethered from the more repetitive, administrative tasks to focus on the growth and productivity of their organisations.

This automating of manual processes also frees up human employees' mental power to answer business threats with a data-driven approach. In the future, these digital solutions might even help companies reduce costs without losing out on any productivity and quality, helping to stabilise prices and provide more value to the consumers at the same time.

These small but significant changes are already happening in many industries throughout the world. As a result, businesses everywhere have accelerated plans to digitalise, making technology and robots important allies in our everyday lives from work, all the way into our homes.

This shift is set to continue in the years to come, with a [Future of Jobs Report 2020](#) by the World Economic Forum revealing that the time spent on current tasks by humans and machines will become equal by 2025. Meanwhile, the transition towards 5IR will also mandate a rethink when it comes to the mindset — of employers, HR personnel, and organisations as a whole.

Understanding ESG, and how it can transform your business

One of the cornerstones to the Fifth Industrial Revolution will be an evolution of the corporate mindset towards one that centres around "profit with a purpose for the people".

Rather than prioritising on profit, purpose or people, 5IR will require companies to focus on all three. According to Aurecon Group, "it is critical for organisations to remain profitable, so they can fulfil their purpose and invest in growth and their people."

Globally, companies are adopting the environmental, social and governance (ESG) set of metrics. Bursa Malaysia has even jumped onboard this train, vowing that by 2030 they will have an ESG-compliant portfolio. These metrics are centred around four pillars: people, planet, prosperity and principles of governance. These include measurements around greenhouse gas emissions, pay equality, board diversity (both racial and gender-based), and more.

Businesses are emerging as the world's most powerful force for good. Consumers are, and will continue to demand this progressive approach, and future-minded businesses are responding.

As Bursa CEO, Datuk Umar Swift explained to The Edge:

"Previously when we talk of ESG, it sounded like a nebulous idea. But now it's real. We see the FTSE4Good Bursa Malaysia Index growing. We see sustainable assets outper-forming. So now you have a call to action that we need to take forward."

How Business Leaders in Malaysia Should Respond

① Be Adaptable and Versatile

During the early stages of 5IR, expect sweeping changes to grip your industry and act accordingly. For example, the pandemic has caused a disruption in the usual supply chains. Companies already working with a smaller workforce can decide to re-expand using IoT technology to automatically track stock and logistics changes, leaving the creative elements of the business to humans.

Over time, innovative, new ways to utilise AI and IoT in the global supply chain will become the new norm — and competitors will have to catch up.

Therefore, adopting an agile mindset is key in answering any potential disruptions; you should also expect the disruption to affect the end-to-end of business — both external and internal processes such as HR, finance, administrative, and others.

Remember: the early bird very much catches the worm, in this scenario.

To do so, companies are advised to go back to the learning stage and assume that everything that they know so far will change in the near future. Identify your blind spots and do a deep dive into the realities of your customers and audiences.

Some questions you should pose to yourself and other key leaders in your organisation include:

▶ What is the human experience outside of your own?

▶ How would people of different backgrounds and abilities respond to your ideas?

Understand your company's values, figure out how it can be integrated with the ESG approach, and be firm in replacing legacy processes and technologies — all in the name of building a digitally resilient business for the future.

Remember: if you don't change how things are done, the industry might do it for you.
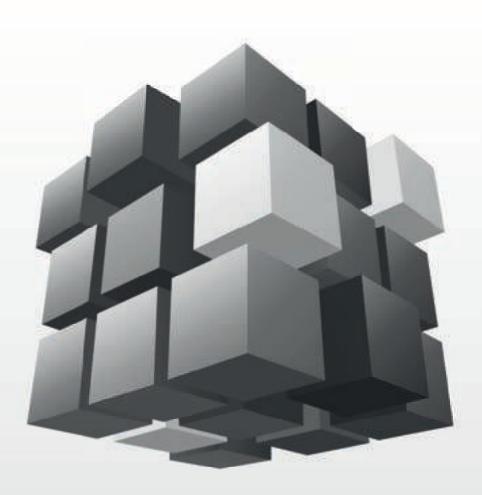
(2) Incorporate Personalisation into Customer-Facing Services

The technological advances in 5IR will also lead to mass customisation and personalisation — if it hasn't happened in your industry already. Chatbots will become the new norm that drives this movement, but rather than the limited, repetitive chatbots that we generally see today, cobots empowered by AI and machine learning are predicted to form the basis of more realistic software to take customer success to the next level.

Critical factors such as availability, performance and quality must not drop lower than the company's current offerings. Therefore, the concept of modularisation (products or services made up of several parts that can be put together in different ways) will be crucial in 5IR, as it will give customers the opportunity to configure products that suit them while allowing companies to:

➤ Maintain cost-efficiency

➤ Satisfy individual customer requests

➤ Maintain high levels of quality

Modularisation simply means subdividing a product in a smarter way. A full product is usually a series of interconnected processes or parts to serve a different function. Modularisation simply divides these parts down into individual pieces that both you and your customers can easily mix- and-match based on your needs, and is only limited by your creativity and innovation. As prices continue to be pushed down due to global advancements in technology, a company can remain competitive using modularisation.

3 Rethink Your Risk Universe

5IR will shift your company's risk profile. Ethical concerns, AI and data will inevitably shift the risk universe of a corporation, and organisations are best advised to continuously re evaluate risks as the era continues to develop.

Of these concerns, data management will become one of the most important risks to address.

5IR depends on data to derive insights and automate mundane tasks. Customers will be sharing more private data than ever, either deliberately or through IoT technology.

But this also means that you are more vulnerable to data hacks or mismanagement of that data.

Consequently, it's important to place an emphasis on data security — something that should already be at the forefront of your thinking.

④ Upskill Your Employees

One of the easiest ways for employers to visualise the workforce in five years is to look at the types of jobs that will become redundant in the near future.

Unfortunately, a Future of Jobs report has projected that jobs will be destroyed more quickly than new jobs will be created in the future. As such, there is a renewed focus on workforce reskilling, with [Forbes](#) revealing that 34% of HR leaders are investing in workforce learning as part of their strategy to prepare for the future of work.

It is imperative for companies to reskill or upskill existing employees that may be at the brink of being redundant — to both mitigate the job loss issue and to ensure that a company is already staffed by employees who are already equipped with the necessary skills to embrace new roles.

The silver lining: learning new skills will be easier than ever.

Onboarding and upskilling will be made easier with interactive, simple and easy-to-digest tools that already exist in the market — there is no need to reinvent the wheel. There are already plenty of resources available that can be easily adapted to suit your company's needs.

Simply plan ahead, bring in expert counsel if it's financially feasible, and curate a library of useful resources for employees to access at their convenience. Existing employees will also need to be reeducated to learn the new ins and outs of new technology as 5IR continues to develop.

You'll need to invest in time and resources at the start of this process, but you'll reap the rewards in the future with intuitive upskilling and learning for your employees, saving on time and other costs. Notable technologies that are expected to expand in this space include Virtual Reality (VR) and Augmented Reality (AR) — but you can also begin your organisation's learning curve with more accessible technologies such as automation platforms, or even digital skills such as Search Engine Optimisation (SEO) and web design.

How 5IR Will Revolutionise The Malaysian Workplace

When Industry 4.0 arrived, many feared that robots would be stealing their jobs. In 5IR however, we now envision a world where humans and robots collaborate. Here are some projected examples of this:

① The War for Talent Will Heat Up

Since mundane tasks will likely be taken over by cobots, 5IR will place a greater importance on what was considered "soft skills" — like creativity, ingenuity, wisdom, innovative thinking, problem-solving, etc.

For example, recruitment will be made much easier since AI will enable recruiters and employers to capture better profile matches. Selecting the best candidates for jobs with the most specific requirements will be made easier, while candidates will be able to enjoy a more personalised experience in their job search.

However, this also means that the candidates who actually have the soft skills necessary to thrive in 5IR will be in higher demand, so it would be best for employers to review the employment packages offered to talented candidates to determine if it is attractive enough for a candidate to choose your company over others.

② Remote Work Will Become More Common (and Accessible)

The global health crisis has paved the way for remote working culture, and now many employees no longer want to work 9–5 jobs. As more valuable talent look for more flexible job options, companies will be forced to adapt to the changing landscape — likely creating companies that embrace a hybrid work model balancing fully onsite employees, those with more flexible arrangements, and fully remote employees.

This change will drive a need for solutions that automate employee task tracking, like software that incorporates survey-based tools that can help simplify collecting reviews and reports on employee performance.

③ Paperless Technology Can Completely Transform The Workplace

Paperless technology already exists in the fourth industrial revolution, helping to simplify taxing paperwork across all industries without compromising the quality of reporting. It helps to reduce manual effort, reduce careless mistakes and streamlines complex processes such as in banking, finance, and law sectors.

In 5IR, these paperless solutions can be taken to another level with [machine learning](#), which is trained to help streamline digital collaborative business processes and automation. Take the insurance industry for example, where machine learning can be trained to automatically detect fraud, while new technology behind chatbots can help companies create detailed profiles about a customer's lifestyle and needs.

Going completely paperless doesn't have to be scary. Collaboration will become a cornerstone to the future of work, meaning companies must be mindful of including everyone in the company on a team-to-team level. This means enhanced communication channels, collaborative whiteboards, video conferences, and a secure environment for task sharing monitoring and collaboration.

4 Shifting The Focus Towards Doing Good for Society

The question of "what will be the next tech innovation" will no longer lead the conversation. Instead, companies must intentionally — and with moral clarity — spearhead the thinking towards running a business that does social good from its core, backed by technology.

AI can also improve human labour productivity. Blockchain can help the underbanked gain access to banking and capital. Robots can help humans to consider return of investment (ROI) with a social slant.

Something else for companies to consider for 5IR is the United Nations Sustainable Development Goals (SDGs) — which offer an idea on the social factors that need to be considered. Adapt your businesses to suit this mindset, as global trends are expected to inevitably shift towards these benchmarks.

Source: Economic Planning Unit, Prime Minister's Department

5 Empowering Human Resources

Cobots will also help HR to automate much of the tasks they perform now, such as payroll, attendance, insurance, leaves, claims, onboarding, and even to check on the status and satisfaction levels of employees. In fact, much of this can already be done on Digi's super app, altHR — an easy to use, all-in-one HR solution used by over 1,500+ employees at the Malaysian-based telecommunications giant.

Software such as altHR frees up human resource personnel to fine-tune and answer any talent requirements, and allow them to focus on the wellbeing of the people and the growth and productivity of their organisation.

Getting your HR practices 5IR-ready with altHR

- AI will enable employers and recruiters to capture better profile matches in a workplace that values human intelligence.

- But with a more socially conscious stakeholder base, HR will also be crucial in ensuring that employees are treated fairly in the workplace, including women, racial minorities, and employees with disabilities. With 5G technology pushing remote collaboration to new heights, virtual meetings and augmented solutions are set to become a new normal in the digital workplace — including augmented reality (AR) and virtual reality (VR) solutions.

- Consequently, HR professionals will face one of the biggest disruptions in 5IR as social consciousness takes the forefront in 5IR.

- Modern technologies, in that regard, are essential in ensuring that this transitionary period is handled as seamlessly as possible. Digi's super app, altHR, will empower HR practitioners to stay ahead of the digital curve by embracing features that are tailored to improve employee engagement — streamlining physical and digital teams.

- For example, the Highlights module on the platform allows both management and HR to push timely announcements to staff at a moment's notice, while other features such as Team Calendar and Documents modules are crucial in helping to keep the team aligned. And with the future looking digital and flexible, functionality offered by altHR's modules like Spaces and Rostering will play a pivotal role in building a successful digital workforce in 5IR.

- The modular altHR platform allows employers to create schedules, prepare for Business Continuity Plans and enables clock-ins/outs from anywhere, be it the home or designated work areas. It is an end-to-end comprehensive solution that covers many core HR responsibilities, including Payroll Beta, and even an Onboarding module to (virtually) welcome new employees into the team.

Thinking about 5IR can be a scary concept — but it doesn't have to be

It's important to remember that the 4th industrial revolution has already been utilised to help create more productivity and increase output by using automation and smart technologies. 5IR is simply a movement to shift the use of these ever-evolving technologies for the good of humanity and employee wellbeing as a whole. As such, Creativity and entrepreneurial drive will only flourish in this new world.

There are already plenty of software solutions out there that embody this thinking today that can be tapped into to ease your company into this brave new world.

Digi's super app, altHR, is one of those platforms. It's a powerful digital solution that is both simple to use and flexible for all types of businesses in Malaysia, and beyond. By 2025, the 5th industrial revolution will lead to robots taking over most tedious, manual process — altHR is paving the way forward.

Looking to embrace the 5IR future today? Click here to find out more about future-proofing your workforce with digitalisation.