



The Future Technology and jobs

Since the early 18th Century when industrialisation started, workers have been afraid that machines will cost them their jobs. Their fears have proved unfounded. History shows that innovation has transformed living standards. Life expectancy has gone up; basic health care and education are widespread; and most people have seen their incomes rise. Yet, concerns about the future remain. **...To Page 2**



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In this edition:

- **The Future: Technology and jobs**
- **Succession Planning: Five implementation “dos”**
- **Employment Law: The Constitutional Court rules on precautionary suspensions**

Technology and Jobs

From Page 1...

Despite the evidence, employees' concerns about the future remain. The biggest fear in current times is that robots and other AI based technology will displace humans in the workplace. People fear a sweeping negative impact of technology on employment. (World Bank, 2019)

Reasons underlying current levels of fear about machines displacing people in the world of work are that during the last 5 – 8 years there has been remarkable progress with artificial intelligence, autonomous systems, and robotics systems when compared to the previous 50 years. Whereas automation of the past was more about adding “muscle” or mechanization to what people did, now machines are becoming capable of tasks which are cognitive in nature and apply “machine learning” to discover things themselves (Manyika, 2017). This triggers existential questions. Cognitive capacity separates humans from all other species on earth. If machines render this differentiator redundant, then what is humanity's purpose? And like many science fiction writers have portrayed, will machines rule the world? What hope can a school leaver in an underdeveloped economy have for a fulfilling life of meaningful work?

Manyika (2017) notes that McKinsey estimates that 51% of USA jobs could be automated through application of available technology. However, whether technology can displace people is just the first question to answer. It must be followed by: what's it going to cost to develop and deploy those technologies?

How does that play into labour-market dynamics in terms of the relative cost of having people do that? What is the availability of people who can do that task instead of a machine? What is the quality needed? What are the skills associated with the labour force? McKinsey research suggests that by 2030, in a broad sample of developing and developed economies, the midpoint of a wide range of occupations that will have been automated will be 16%.

“By failing to prepare, you are preparing to fail.”

- Benjamin Franklin

While the rate of automation may be far lower than feared by many people, it is inevitable that there will be a shift over time to a different mix of jobs in the economy. Still referring to McKinsey's take on the future, there will be fewer jobs involving data gathering and processing and more occupations requiring care work and work that requires empathy, judgment, and so forth. The latter jobs require a higher level of skills. (Manyika, 2017). This transition will create a need (or opportunity) for reskilling of the workforce.

Another trend stemming from the growing array of technologies, is that productive high-tech tools are increasingly accessible to smaller businesses. Possessing the best “machines” is no longer limited to large scale enterprises with deep pockets. A consequence is that the demand for talent will shift from “big company” to “small company” (Hagel, Schwartz and Bersin, 2017). And with that shift, employment practices will change. Small companies traditionally favour flexible and cheaper labour and more often do not provide expensive and admin intensive employee benefits.

Technological advance will in our view also dramatically impact the practice of



HR management. Aside from changing how HR practitioners will access and apply information, we see three trends emerging:

- Workforce planning will rise in priority as a key HR process. HR practitioners must identify and analyse what organisations will need in terms of the size, type, mix of experience, knowledge, and skills to navigate a tech-dominated working environment.
- Learning and development programmes will be ever more critical in getting the right number of the right people with the right mix of competencies in the right place at the right time.
- A growth segment in HR jobs will be in the gig economy where organisations increasingly rely on independent contractors to take on specific short-term engagements.

This note is a modified extract from a THCS article, "The Future of Work – Scenarios for South Africa, 2030", which discusses forces shaping the future and how they may impact business.

References:

1. Hagel, J. Schwartz, J. and Bersin, J. (2017) Navigating the future of work: Can we point business, workers, and social institutions in the same direction? Deloitte Review, issue 21 [Online] Available at: <https://www2.deloitte.com/insights/us/en/deloitte-review/issue-21/navigating-new-forms-of-work.html> Accessed 18 October 2018
2. Manyika, J. (2017) The Future of Work [Podcast transcript online] Available at <https://www.mckinsey.com/featured-insights/future-of-organizations-and-work/what-is-the-future-of-work> Accessed 25 September 2018
3. World Bank. (2019) World Development Report 2019: The Changing Nature of Work. Washington, DC: World Bank. doi:10.1596/978-1-4648-1328-3. License: Creative Commons Attribution CC BY 3.0 IGO

Succession Planning

Five implementation "dos"

Succession planning is a proactive process to identify and develop talented employees within the organisation who can be considered for promotion when vacancies in senior positions arise. Succession planning perpetuates the business by creating a supply of readily available high performing people at key leadership levels.

Succession planning requires executive sponsorship and a significant investment of time and money to implement. Here are five implementation elements which will contribute to succession planning adding value to an enterprise:

1. Ensure line management ownership. If succession planning is done only because HR insists, it is doomed to failure. A simple way to encourage management commitment is make managerial promotions dependent on having developed subordinates.
2. Tell employees when they are on the plan. It may be too late to tell a star employee that you had big plans for them when they have accepted an offer elsewhere.
3. Invest heavily in training so that longer term- promotion prospects progressively advance to promotion readiness.
4. Integrate the succession planning process with other HR processes such as coaching & mentoring, performance management, and remuneration to optimise the success and business value of the succession planning process.
5. Insist on a diversity bias in identification of successors. Warning signs are to address are having no AA candidates or having only AA



candidates who are identified as being “long-term” promotion prospects.

Employment Law

Constitutional Court Rules on Precautionary Suspensions

It is common practice in South Africa for employers to suspend employees on full pay pending finalisation of disciplinary processes in serious misconduct cases. Reasons for such suspensions include:

- The risk that the employee will interfere with the investigation.
- A concern that business interests would be harmed by the employee's continued presence in the workplace.
- The employee's presence would negatively affect working relationships.
- The employee has access to confidential information.
- The misconduct is of a very serious nature.

In recent years the CCMA and courts have required employers to give employees a chance to make representations why they should not be suspended before implementation. In a case finalised this month, the Constitutional Court has provided definitive guidance on precautionary suspensions.

The case was an unfair dismissal dispute between a senior line manager and the country's largest brewery. The company suspended the manager while he was being investigated for dereliction of duties and gross negligence. Arising from a fatal motor vehicle accident involving one of the company's trailers,

which was unlicensed and unroadworthy.

After the investigation was completed, the manager was called before a disciplinary hearing which led to his dismissal. The employee disputed the fairness of the dismissal. In the arbitration which followed, a CCMA commissioner found that while there was a valid reason to suspend the manager, the company committed an unfair labour practice by not giving the manager an opportunity to make representations why he should not be suspended. The commissioner ordered the company to pay the manager two months remuneration as compensation. The commissioner also found the dismissal to be substantively unfair, an aspect of the case which will not be discussed further in this note.

The company took the arbitration on review to the Labour Court and on the issue of placing the employee on paid precautionary suspension was successful. The Labour Court held that the suspension was not an unfair labour practice and that the arbitrator's decision was unreasonable. The manager was also on the losing side of the other aspects of the dismissal before the Labour Court.

The manager tried to take the case on appeal to the Labour Appeal Court but leave to appeal was refused. He then approached the Constitutional Court where he submitted that the Labour Court's finding that employees are not entitled to a pre-suspension hearing does not pass constitutional muster and goes against existing case law.

“... there is no requirement to afford the employee an opportunity to make representations.”

- Constitutional Court



In respect of the merits, Constitutional Court concluded that the Labour Court's reasoning regarding the precautionary suspension cannot be faulted. The suspension imposed on the manager was a precautionary measure, not a disciplinary one. Consequently, the requirements relating to fair disciplinary action under the LRA are not applicable. Where the suspension is precautionary and not punitive, there is no requirement to afford the employee an opportunity to make representations.

The Constitutional Court also held that where suspension is for a fair reason, namely for an investigation to take place, and generally where the suspension is on full pay, cognisable prejudice will be ameliorated and the employer is entitled to suspend without the opportunity for pre-suspension representations by the employee.

References:

1. Long v South African Breweries (Pty) Ltd and Others [2018] ZACC 7

- The contents of Human Resources Notes do not constitute legal advice. For specific professional assistance tailored to your needs consult an expert.
- Peter Fisher is the writer of these HR notes. His opinions expressed in the notes do not necessarily reflect the views of Tennant Human Capital Solutions (Pty) Ltd or other companies within the Tennant Group.





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valuable of all
capital is that
which is
invested in
human beings**

- Alfred Marshall