

# The Future of Work in the Customer Experience Environment



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## Introduction

**In February 2021 at the height of the Covid-19 pandemic, the HCCM workshop focused on the Future of Work.**

In particular, we reported on the macro level changes affecting how we work, including how changes such as remote working are affecting the workplace and specifically customer service delivery. As this topic is evolving rapidly this report is a summary of the presentations made, but also includes more recent perspectives by the end of 2021.

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# Resetting the Workplace Agenda

For the past few years, but more recently during the pandemic period, a number of drivers or imperatives have been forcing change or a resetting of the agenda around how we work today.

Figure 1 below identifies 5 such imperatives as stated by the (World Economic Forum and Mercer 2020).

**Figure 1: Five imperatives for resetting the future of work agenda**

## Five imperatives for resetting the future of work agenda

### Transform organization design and work design

Transition into a more simple and agile structure, moving away from traditional multi-layered organizations.

### Cultivate health and well-being

Support the total well-being of employees with dedicated programs for physical, social, financial and mental well-being.



### Align new technology and skills

Embrace the necessary integration of technology and skills to transform the workplace.

### Build human-centric leadership culture

Adopt a people-focused approach when connecting with workers.

(Source: World Economic Forum and Mercer, 2020)

We are seeing world governments, private and public organisations, and grass-roots communities focusing strongly on socially responsible and sustainable ecosystems that will address the pressing dangers of climate change and the environment. This will inevitably lead to a new form of capitalism centered on beneficial outcomes for all stakeholders and not solely those who are producers of capital. To achieve this there will be an imperative to change how organisations are designed, structured, and operate.

At the same time, we are embracing new technologies that will transform how, where and when we work. Now termed the **4th Industrial Revolution**, advances in artificial intelligence (AI) and machine learning are creating changes both to our experiences as workers and customers.

The Covid-19 pandemic in particular taught us that the health of a workforce is core to effective performance, and so we see a move to greater awareness of the impact on staff of health and wellbeing. As such, there will be an increased focus on these factors by organisations towards their staff. Finally, in order to adopt a more people-focused approach with strong employee connection, there will be a need for a new form of human-centric leadership culture. New leadership models will emerge with

focus on skills such as distributed team working, reverse and reciprocal mentoring, and inclusive leadership.

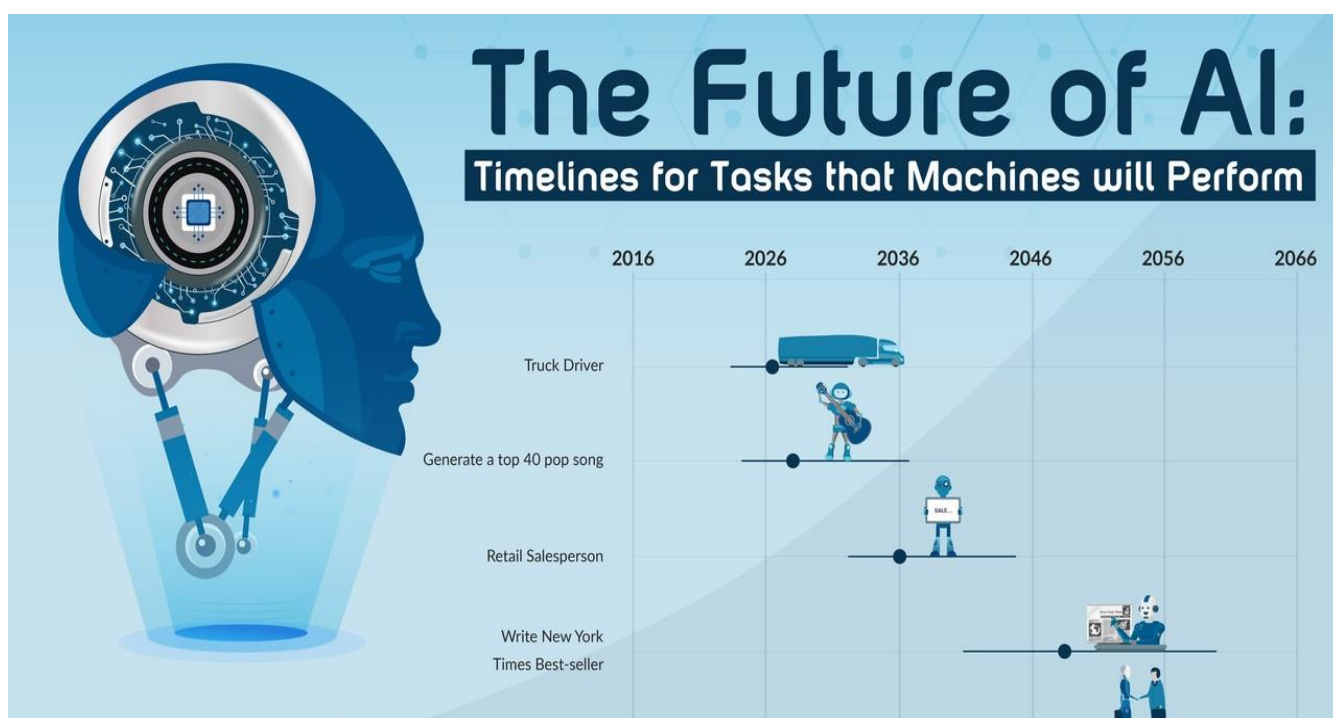
## Meta-Skill Sets

Work conducted by Dr Naeema Pasha has identified the need for ‘meta-skilling’ which is the requirement for higher order skills that enable development of functional skills. Pasha (2020) proposes that meta-skilling relates to three specific areas of change affecting the future of work: Technology (AI and digital); human; and activism.

### 1. Technology and work

The World Economic Forum (2020) proposes that we will see significant changes to the jobs landscape due to AI and digitalisation suggesting that up to half of all work tasks will be handled by machines by 2025 (tasks being sub-components of jobs). Figure 2 gives indication of the nature of tasks that will be performed by machines in the future.

**Figure 2: Tasks and Machine Learning**



New jobs will emerge, and others will be displaced by shifts in the division of labour between humans and machines. There will be growth in the demand for specialist jobs such as those related to data analysis, AI, digital transformation, process automation, and software and application specialisms. It is predicted there will be a decrease in demand for jobs such as assembly and factory work,

administration, data entry, accountants and auditors, business services, and general and operations management, all of which will see some or all tasks automated.

Research conducted by the Pasha in her World of Work series identifies that the first casualties of automation and robotics is likely to be low-paid and low-skilled workers meaning that AI adoption will exacerbate many existing inequalities. Adoption of AI can now be seen in many industries such as robotics in healthcare or automation in retailing.

As organisations adopt new technologies, workers will need to adapt and develop new skills and behaviours. Some adaptation may be at the task level in the context of existing jobs meaning they will change to some degree in nature. Whilst other jobs may disappear being replaced completely by automation.

The global pandemic has accelerated our understanding of the role that technology can play in changing working practices such as remote working and virtual connectivity which has changed how we meet and connect both internally and externally. Technology adoption will need a new 'meta-skillset' to support technical skills such as quantitative and analytical skills for example as workers work with large data sets, the Internet of Things, conversational AI, virtual or augmented reality or other forms of automation.

## **2. Humanity at work**

Alongside meta-skills for technology will be a need to develop relevant skills for human interactions that will work alongside machine-based automation. As technology takes over much at the task level, this will require workers to be more highly attuned to interact at the human level of the organisation both internally and externally (such as with customers).

Workers will need confidence and motivation to re-skill technically but also and learn new personal level meta-skills. These may include relationship building, networking, and resilience to withstand uncertainty and change as we continue to move through complex times.

At the same time there will be a need for greater level of critical thinking, empathy, and compassion as we compensate with more direct human contact and connection.

Examples of both technical and human level meta-skills proposed by the World Economic Forum (2020) are shown at Figure 3.

Figure 3: Key Meta-skills required by 2025



(Source: Future of Jobs report: World Economic Forum, 2020)

### 3. Activism at work

As workers move into a new space in terms of their interactions with colleagues, external stakeholders (including customers) and organisational leaders, Pasha (2020) proposes that workers will be required to have more agency over the decisions they make and ‘doing the right thing’ in their jobs.

Personal feelings and actions around leading topics impacting society such as diversity, inequality, climate, or ethical-AI will be areas that workers will seek to understand and have a voice on. Corporate activism will increase, and brands will be required to communicate their support for leading topics relevant to their employees and customers.

Brands will be increasingly judged by their activist position rather than traditional brand values. This shift is already evident in Generation Z who are currently entering the workplace today. Research shows that 66% of Generation Z say they want a career that helps them to make a positive impact on society (HBS World of Work 2019)

In summary, to steer through the uncertainty and non-linear change occurring now and as we move forward, there will be a need to develop functional level skills, meta-skills and competencies, and the

recognition of the role of personal traits such as resilience, compassion, and conscientiousness (Pash, 2019). People development resource will be even more important as we navigate the new workplace environment.

## The Connected Customer

The application of AI and digital will create several new customer behaviours and expectations. As rich networks of information and exchange proliferate online the customer has become more knowledgeable and confident. They often arrive at an interaction with a brand having researched and obtained significant prior knowledge. The assumption that knowledge and therefore power resides only with the brand is no longer valid.

We can now view customers as highly connected and more empowered as they engage with brands (via contact centres, websites or while digesting social media messaging).

Secondly, customers increasingly have on-demand expectations which means they expect to be able to interact where and when they choose (particularly Millennials and Gen-Z customers). Whilst this may vary by sector, it is important to use customer insights to closely understand how, where and when they wish to interact. This includes expectations about easy, efficient (don't waste my time), frictionless yet personal engagement. While the underlying mechanics of the digital economy are technologically complex, customers expect ease and simplicity. They want frictionless interactions through the channel of their choice, and seamless movement across channels.

Omnichannel experience will matter. With multiple channel usage the expectation is that they synchronise and enable seamless experiences with the brand.

We have always known that customers are seeking solutions when buying products or services. Now the search for those solutions and where they may reside may be inside or outside our own systems and control. As KPMG state "Awareness of touchpoints has moved outside the enterprise walls, into target markets."

Brands now have to become part of larger experience ecosystems or networks that may include co-creation of new innovations and ideas.

The power dynamic between customers and brands is changing, particularly among Millennials and Gen-Z. They will decide who they will and won't do business with based on more than just products or services or brand image but rather other aspects of how the organisation and its brand(s) behave. As discussed above, social issues now matter and so questions regarding how the organization operates; where it sources ingredients; how it pays its taxes; how it treats employees (throughout the supply chain); how and where it invests money; who its partners are all part of the consideration to remain loyal to a brand. At the same time consumers, and in particular 'influencers', now have a much more powerful voice.



Customer experience is defined by the customer in broader terms and encompasses all engagements, both direct and indirect.

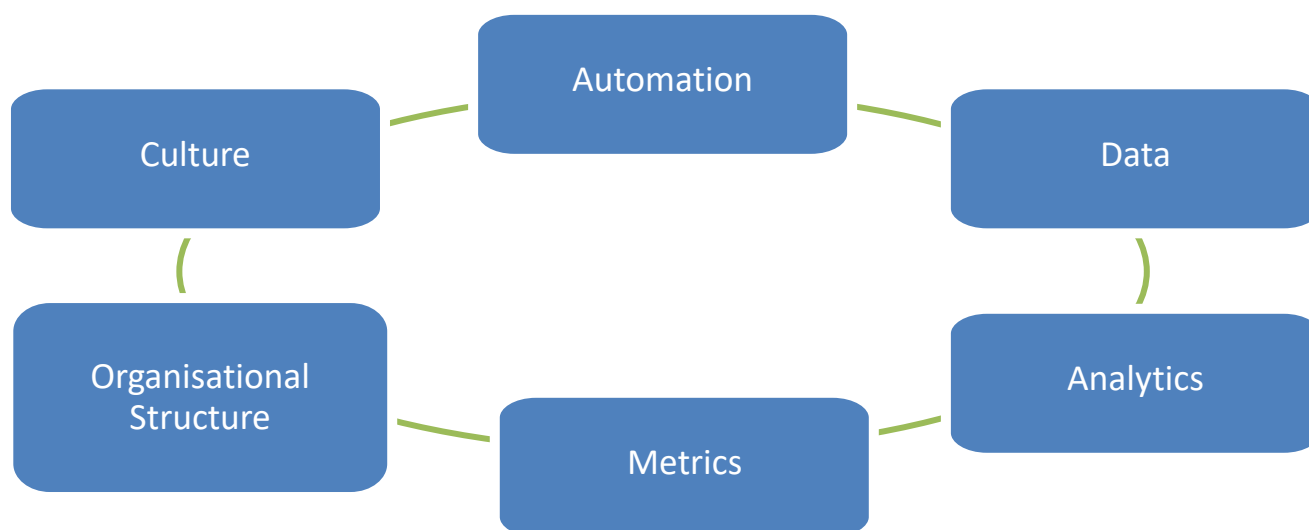
Given these changes in customer behaviour and expectation, the need to recruit and develop customer-facing employees with high levels of technical and human skills at both the meta and functional level will be increasingly important.

## The Changing CX Workplace

Taking the changes identified above we can now map these against the CX work environment. We identify four areas that CX management will need to focus on going forward.

1. First, the adoption of AI and digitalisation in CX delivery will significantly change the tasks, roles and responsibilities of employees. This will affect many specific tasks that form part of the customer service roles (see HCCM workshop presentation June 2020)
2. Second, organisational design will need to adapt and change with the application of technology and the re-structuring of tasks and/or roles
3. Third, changes in the use of technology will lead to changing expectations on the part of employees in terms of working arrangements (as seen with the pandemic). Expectations of greater flexibility in working practices are beginning to emerge and support to skills development is needed as we transition to new working practices
4. Finally, these factors will all impact the nature of service climate within organisations and require new forms of leadership as discussed below

**Figure 4: A new CX operating model**



(Source: KPMG, 2019)

As technology, employees and customers all adapt and change we can question whether existing CX operating models are still relevant and what this means for the organisation of work around CX. Inevitably the operational model for CX work will need to change.

KPMG (2019) identified 6 components as shown in Figure 4. This includes the transition to automation via AI and resulting shifts in organizational structure as discussed above. Structure will need to change as decisions regarding issues such as budget allocation, resourcing, performance measures, and incentive structures all have to become flexible to changes in working practices. Reporting lines may shift as work becomes more fluid and flexible leading to the end of silo separations.

The model also includes a heavy emphasis on data with three of the 6 components relating to data (source, retention, use and management); analytics and performance metrics. Organisations will need to consider ethical issues that arise from the increased application and management of data. Finally, the model proposes that cultural change will be inevitable given these significant changes.

KPMG (2019) point to the important fact that change will not happen in a linear fashion. Disruption and change will be continuous across all components of the model. The days of discrete separate silos across the ‘front office’ will need to disappear.

As these components become digitalised and virtual interaction and collaboration improve, all functions of the front office will need to be able to follow the customer on their journey. In B2B in particular, marketing and sales will operate more closely in relation to where customer interactions are taking place across communication channels in the customer journey.

## Changes in Employee Skills and Expectations

We’ve looked at the meta-skills required to navigate the new workplace – we now look specifically at the workplace skills required for customer interface roles in the new CX workplace. The skills we propose in Table 1 match those discussed previously but are aligned to CX management tasks.

**Table 1: CX new workplace skills**

<b>Task related skills</b>	<b>People related skills</b>
Ability to deal with complex situations	Good communicator
Problem-solving	Emotional Intelligence
Ability to absorb information and be knowledgeable	Interpersonal skills
Comfortable with data	Caring, compassionate and empathetic.
Analytical	

At the same time, we can look at changes in employee expectations and how these align to the 3 meta-skill areas discussed above. This gives us insight into how organisations will need to respond in order to meet changing employee expectations. The pandemic has heightened awareness of mental health issues and the impact of ill-health at economic, social and individual organisational level.

At the same time if technology enables remote/hybrid working for workers, there will need to be consideration of how this impacts the work/life balance particularly for this involved in CX facing roles where an interaction may not always be positive and can be emotionally demanding. It will also be important to explore how remote/hybrid working affects service climate.

**Table 2: Shifts in employee expectations and organisational responses**

<b><i>AI &amp; Digital</i></b>	<ul style="list-style-type: none"> <li>• CX automation to the benefit of employees and customers</li> <li>• Support to new skills development</li> <li>• Transparency and openness in the transition to the new workplace</li> </ul>
<b><i>Human</i></b>	<ul style="list-style-type: none"> <li>• Everyone involved in the transition to a new operating model</li> <li>• Remote/hybrid working model</li> <li>• Flexibility in work/life balance</li> <li>• Genuine focus on health and well-being by the employer</li> <li>• EDI focus</li> </ul>
<b><i>Activism</i></b>	<ul style="list-style-type: none"> <li>• The organisation demonstrates genuine links to societal issues</li> <li>• Employees no longer have to leave their beliefs about social issues or causes at the door</li> <li>• Genuine concern for people – both customers and employees</li> <li>• Employees able to express their viewpoint and feel empowered around decisions</li> </ul>

## Changes to Leadership

The changes discussed in this report indicate that the nature of organisational leadership will similarly need to shift and adapt to the new workplace. It can be assumed that leaders will need to acquire skills and knowledge across the three themes of technology, human and activism. Rather we propose that leaders should also adopt the concept of inclusive leadership which has been defines as:

*“The degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness”*

(Randel, et al., 2018)

This form of leadership looks to achieve two outcomes:

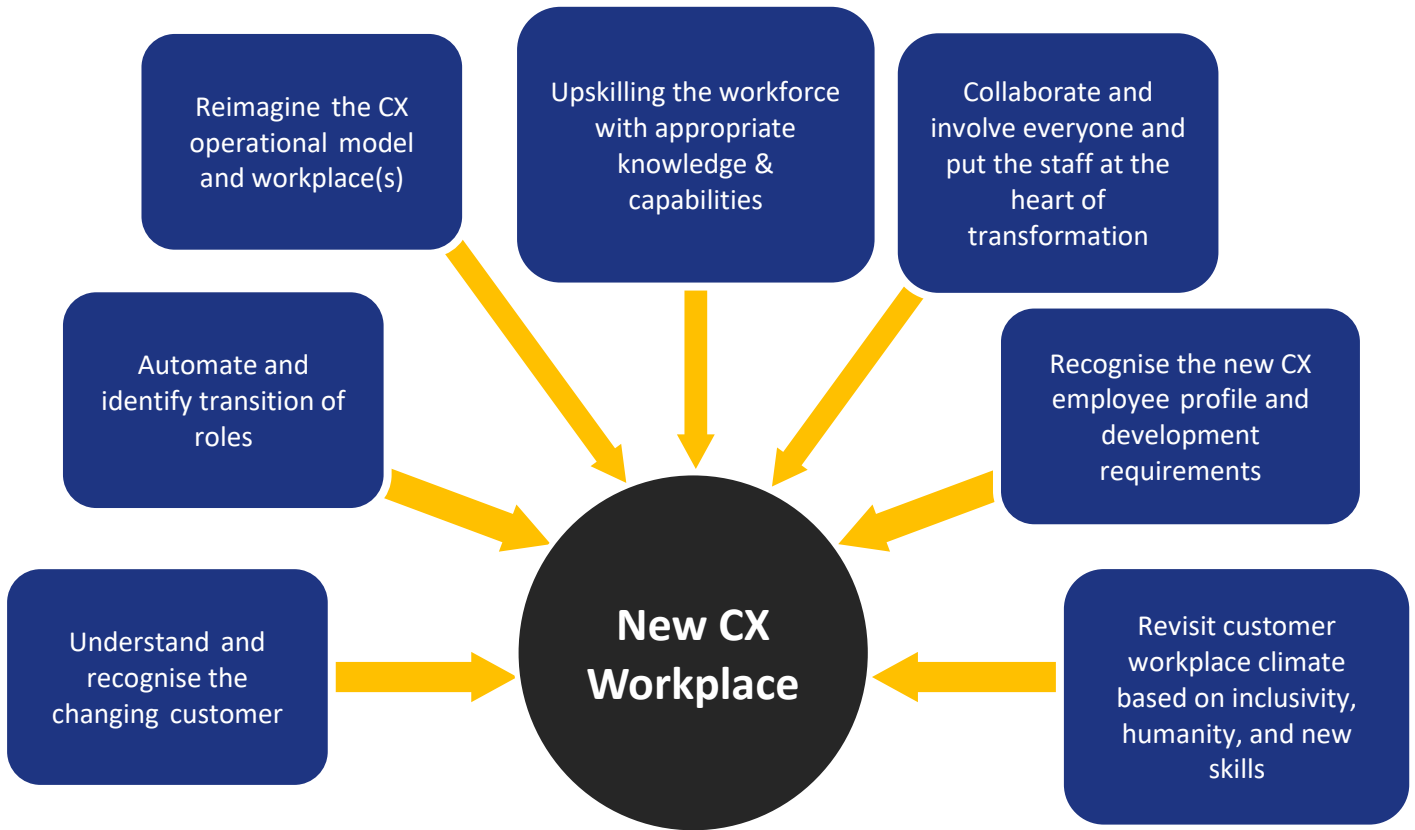
1. First that all employees have a sense of belonging to the group/organisation and a sense that fairness and equity is applied. In such a culture there is a strong sense of shared decision-making
2. Second, inclusive leadership recognises and values uniqueness by encouraging diversity of people, ideas and contributions. Inclusive leadership is about ensuring that all group members are recognised and are able to fully contribute (Randel, et al., 2018)

All of these will be features essential to the transition to a new CX workplace.

## Summary

In summary, we propose that where technological change and human behaviour change come together for both employees and customers this will lead to a new CX environment and service climate. Figure 5 summarises our view of the activities required by CX focused organisations in order to create a new and effective CX workplace.

**Figure 5: Actions to create the new CX workplace**



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# The Henley Centre for Customer Management

The primary objective of the Henley Centre for Customer Management is to promote customer focus and service excellence best practice through observing practice in leading companies and distilling this into useful, easy to digest knowledge that helps members to improve their own customer management and customer service plans and implementations.

## Members

**The Henley Centre for Customer Management is supported by members representing a diverse range of organisations.**

Each year, the Centre aims to attract a diverse membership of up to 10 organisations, each a leader in their sector.

### Members in 2021

- BOC
- Co-op
- GlaxoSmithKline
- Mercedes Benz Financial Services
- Simplyhealth
- TENERITY
- Vauxhall Finance

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