THE one BRIEF
AON EXPLORES THE WORLD'S MOST PRESSING BUSINESS ISSUES

RISK & INNOVATION

Wish You Were Here? VR, AI And The New World Of Work

OVERVIEW

Imagine the first day of your next job. You've never visited the office before or sat down with anyone from the company in person. In fact, the first person you meet face-to-face is the security guard, who hands you your building pass at reception. However, even though you've never been here before, you make your way to your desk, and see familiar faces and spaces. You wave hello to your manager, sit down at your desk, and begin work like you've been with the company for years.

Your immediate familiarity with your working environment is thanks to the latest in immersive technology. Although you've never set foot in your new workplace before, you've already interviewed, participated in training exercises, and got to know your new team – with the help of virtual reality (VR) and artificial intelligence (AI). These two technologies are not only better preparing people to begin their job, they're also helping business leaders find top talent to fill critical roles.

"We are in an age of massive disruption on the hiring front," says Ernie Paskey, Partner and North American Practice Leader, Assessment, Aon. "All sorts of technologies – digital interviewing, predictive analytics, gamification, for example – have emerged or are emerging." And they are drastically changing the world of work.

With respondents to Aon's 2017 Global Risk Management Survey citing "disruptive technologies / innovation" such as VR and AI, as an "emerging risk" – one predicted to be in the top 10 list of risks in just a few years – it becomes clearer that forward-thinking about how best to use these technologies is a growing priority for business leaders.

IN DEPTH

In the last few years, VR – along with its assorted headsets, haptic gloves and motion controllers – has moved from the labs of Silicon Valley into the hands of consumers and businesses.

VR's ability to create fully immersive environments has its most obvious applications in gaming and entertainment. But increasingly virtual reality is being used in the workplace.

Engineers have started using VR to review schematics and models in 3D. Real estate agents are using it to show prospective buyers around properties. And the technology's ability to collapse distances and host meetings between people who may be thousands of miles apart is making it increasingly attractive to talent managers.

"Virtual reality is a very enticing technology for businesses – especially as it relates to recruitment," says Paskey. "Through VR, you can place different candidates in very specific working environments and assess them based on their actual behavior in that given environment."

From shortening the hiring process, to helping reduce recruiting risk, artificial intelligence is also gaining traction in how leaders attract talent. Unilever, the Dutch-British consumer goods giant, is already using the technology to screen entry-level candidates, and has seen time spent reviewing applications falling by 75 percent.

Finding Talent

It is estimated that as many as 40 percent of the world's employers struggle to fill positions, often due to the increasing need for digital skills. Technology can help close this gap.

One area where AI is proving invaluable is in identifying so-called "passive candidates" – people not actively looking for work, but with the skills that a business is looking for.

Recruiting platform Connectifier (recently acquired by LinkedIn) uses AI to identify these potential candidates. By monitoring a candidate's digital output – such as blogs, social posts and what content they engage with – recruitment platforms can build a rich picture of a person's skill set, strengths and interests. This allows the platforms to build a database of potential employees, without ever advertising a position.

Trying Out Your New Job

Employers and applicants both benefit from the chance for candidates to experience a job before they are hired. Millennials and members of Generation Z, for example, tend to value workplace experiences more than their predecessors. Offering an immersive VR office tour could help a prospective employee decide if the company's offices and culture suit them. One VR tour of Toyota's facilities proved so popular that applicants asked for it to be extended.

VR also allows employers to give candidates a taste of what their role will involve. Pilot Flying J operates a network of truck stops across the U.S. and Canada, and have created a VR experience to show potential candidates what it is like to work at their locations. These VR taster experiences can also make a job much more attractive if it is exciting or adventurous. The U.S. Navy has achieved a 126 percent increase in leads since implementing its own VR experience – allowing candidates to experience a mission.

AI-enabled assessment platforms can also help test for other qualities, like personality, values and interests, which help candidates get a picture of how they will fit into their new roles. Recruitment platform and Aon company cut-e uses games and puzzles to assess some candidates' suitability for a role. This experience also has the advantage of being more engaging to applicants than written tasks.

Enhanced Interviews

For positions that attract a large number of applicants, a company's first challenge might be eliminating inappropriate candidates – and once again, AI can help. "A business like an airline has wide reach, but might do all its hiring from one central location," says Andreas Lohff, Managing Director and Owner, cut-e. "They could get about a million applicants per year which is challenging for a single office to handle. AI recruitment technology can help streamline the process and cut the applicants down to a number that you can actually see face-to-face."

However, it is VR that is transforming the interview itself. Virtual environments mean that interviews can test the interviewee beyond simply asking them questions. Candidates may soon find themselves being asked to perform future job tasks in certain virtual test environments, from giving a presentation to a small virtual audience to addressing a mock shareholders' meeting.

Enhanced Training

VR has applications beyond the initial hiring stage. As VR can recreate any scenario without physical risk, it can be the perfect environment for training, allowing the trainee to make repeated mistakes without hurting themselves or others. For example, surgeons at UCLA are using VR to practice techniques without endangering patients.

VR is not just good training for jobs that entail serious consequences if mistakes are made – it can also easily and repeatedly recreate real world scenarios. Walmart recently announced that employees across the U.S. will be preparing for the job with VR headsets by the end of the year – learning how to tackle everyday tasks like cleaning up a mess in an aisle or managing a particularly busy supermarket.

Studies have shown that people experience immersive encounters in a similar way to real-world situations, thereby influencing future behavior. In one experiment, researchers found that subjects who had experienced cutting down a giant redwood tree in a virtual environment were then more likely to conserve paper. Providing employees with such experiences could be used for all manner of business applications – from transitioning to a paper-free office, to helping people psychologically prepare for challenging roles in sectors like medicine or social care.

AI's machine learning can help better design training programs – by collecting and analyzing return-on-investment (ROI) metrics on the courses' effectiveness, and advising designers on how to develop them.

Technology And The New World of Work

Our way of working is going through a major period of transition. Technology has already created jobs as well as replacing others – but now it is also finding a broad role in the hiring and training phases of employment.

Digitalization brings opportunities and also challenges. Jordan Stabley, Research Analyst, Global Insights & Innovation, Aon, says: "Technology demands a total redesign and simplification of the policy and process landscape."

People and organizations are sometimes hesitant in the face of change. "Technology implementers often have to fight upstream to change mindsets for employees unfamiliar with new technology," says Stabley.

Piotr Bednarczuk, Strategic Advisory Senior Partner, Aon, and Stabley offer three considerations to ease the path to such digital implementation:

1. **New "customer" experience**: Processes and new solutions based on digital technology should be designed to be customer-centric, with the "customer" being employees and end users.
2. **Efficiency of internal operations**: By undertaking an assessment of which activities can be automated and which processes dramatically simplified, HR departments can improve their value to the business and become a truly strategic asset.
3. **New capabilities**: A business will only make the most of the technology it invests in if it creates a culture that enables the sourcing and retention of digital talent that creates new business capabilities, and maximizes the return on those investments.

Despite the challenges of implementation, technology is changing the way we're currently working and organizations will need to embrace disruption to determine how it can be turned into an opportunity.

Whether it's opening up candidate pools, decreasing time to hire, or improving training, VR and AI are proving useful and offer just a few examples of how technology is changing how we work. Bednarczuk emphasizes the need to embrace such disruption: "All organizations are facing change and digitalization will only continue. Although change does not come easy, firms need to embrace the opportunities of digitalization to remain competitive."

TALKING POINTS

"In theoretical knowledge teaching, [VR] boasts the ability to make abstract problems concrete, and theoretical thinking well-supported. In practical skills training, it helps sharpen students' operational skills, provides an immersive learning experience, and enhances students' sense of involvement in class, making learning more fun, more secure and more active" – Nikitas Glykas, President, MEA, HTC

"The best use case would be solving the matching problem so that you're leveraging the tech to find the best candidate for the employer and vice versa. The question everyone's trying to answer through all the interviews, screenings, tech and coding challenges, is, 'How can I predict someone's performance?'" – Chris Nicholson, CEO, Skymind

FURTHER READING

- How Artificial Intelligence Is Reshaping Recruitment, And What It Means For The Future Of Jobs – Economic Times, October 8, 2017
- Want To Change Job? The AI Will See You Now – Financial Times, October 29, 2017
- The Navy Has A New Recruitment Tactic: Virtual Reality – Fortune, May 30, 2017
- Virtual Reality: Welsh Firms Increasingly Using VR Tech – BBC, June 8, 2017
- How Immersive Technologies Are Transforming Business – Information Age, June 8, 2017

AON
Empower Results®