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The Impact Of RPA On Employee Experience

Table Of Contents

- 1 Executive Summary
- 2 Employee Experience Moves To Center Stage
- 4 The Forces Of Automation Are Already Upon Us
- 6 Organizations Must Overcome Both Operating Model Issues And Psychological Challenges
- 8 The Psychological Impact Of Rpa: Humans Need To Play A Bigger Role
- 9 Done Well, RPA Leads To Increasingly Engaged Employees
- 11 Key Recommendations
- 12 Appendix

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Executive Summary

Succeeding in any digital transformation initiative requires engaged employees. With firms across geographies and industries now focused on harnessing robotic process automation (RPA) and capturing its well-documented benefits, businesses recognize the need to keep employees at the core of their change efforts. Deploying RPA is a multifaceted task that must not be taken lightly.

In this study, Forrester conducted eight interviews and gathered data from a survey conducted in August 2018 with 100 decision-makers at manager level or above from operations groups, shared services, finance and accounting, HR, and other core business lines to evaluate the effectiveness of RPA on employee engagement and experience. We found that firms are increasingly concentrating on employee experience, as they tackle the changes being wrought by automation and RPA, and operating model issues and psychological barriers that could hold back RPA efforts. Ultimately, ensuring that employees are engaged and happy enables organizations to capitalize on the transformative potential of RPA. Our study yielded the following key findings:

KEY FINDINGS

- › **Employee experience takes center stage as RPA marches on across organizations.** Across the eight interviews we conducted, we heard a consistent theme: employee experience is a top priority — and the introduction of RPA has been both a boon and, in some cases, a potential bane to the workforce. In our survey, 66% said RPA restructures existing work, enabling employees to have more human interactions, and 60% said RPA helps employees focus on more meaningful, strategic tasks. However, poorly managed RPA efforts will exacerbate existing fears in the workforce, spreading discontent and dissatisfaction, which will ultimately hit the bottom line. With RPA adoption accelerating, firms must take a broader view of automation efforts, keeping employees at the core as much as customers.
- › **Operating model issues and psychological barriers hold back the potential of RPA.** Firms are struggling to scale their RPA solutions due in part to the lack of trained personnel and resources to support and use RPA technology. Almost half (43%) of firms said that they struggle to understand the different deployment options available to them. Additionally, leaders must overcome the psychological impact of RPA on their workforce. Well-designed change management programs, communication and collaboration, between the business and workers, are therefore crucial.
- › **Capitalize on the transformative potential of RPA by keeping your employees engaged and happy.** The benefits of RPA reported by firms include increased efficiency (86%), deeper insights into customers (67%), improved customer service (57%), and improved employee engagement (57%). Keeping employees engaged and happy must go hand-in-hand with deploying RPA to improve customer outcomes; firms must be employee-centric as well as customer-centric in their approach to truly capitalize on the advantages offered by RPA.

Employee Experience Moves To Center Stage

Ensuring the success of your digital transformation initiatives requires you to ensure the success of one key success factor: engaged employees.

Today, employees often struggle to perform effectively under the weight of mundane and repetitive work — organizations aren't attuned to this workload and it shows. Employees are influenced by their consumer experiences and want similar experiences in their work and job roles.

With the rise of automation tools, many fear a dystopian view that automation solutions, like RPA, will replace jobs causing human workers to be of diminishing importance. While digital transformation efforts sometimes involve redundancies and power shifts, employees tend to overestimate the threat because essentially, automation targets repetitive parts of jobs that typically aren't satisfying in any case.

Forrester conducted eight interviews with senior decision-makers and we heard a consistent theme. Employee experience is a top priority, and the introduction of RPA has been both a boon and a potential bane to the workforce. RPA has removed some of the menial, administrative tasks on employees who can instead focus on tasks where a human touch is essential, like having face-to-face meetings with a customer or onboarding new employees.

A regional HR director of an oil and gas firm said: *“My responsibility in terms of RPA and employee experience is to ensure that any personal and human impacts on those sorts of processes are managed correctly. Importantly, I also look at the personal consequences associated with RPA and how it impacts employees.”* Whilst the head of organizational excellence in the government sector said: *“My job is designed to contribute directly to enhancing employees' career paths with the help of RPA such as personnel information, trainings, need analysis, and so on. The initiatives we take will have several benefits.”*

In a survey conducted in August 2018, Forrester found that investments in RPA effect employees' jobs by (see Figure 1):

- › **Creating contingent work.** When implementing RPA, it creates a chain effect — menial tasks are replaced, enabling employees to use more intellectual reasoning and spend more of their time interacting with customers. Sixty-six percent said RPA restructures existing work, enabling employees to have more human interactions.
- › **Unlocking much needed employee creativity.** RPA is not a silver bullet for businesses, nor should it be. However, RPA helps employees focus their attention on more meaningful, strategic tasks (60%). In fact, the director of people analytics at an insurance firm reinforced this point when we asked him what benefits for employees he's seeing from the implementation of RPA: *“Menial tasks have reduced significantly for our employees, they're more engaged and focused. Dare I say it, they seem to care more . . . we want to give our employees and our customers a good experience, and with RPA we're able to give them a great one instead.”*



How much of a priority is employee experience? Any broad initiatives taking place to improve employee experience?

“It's a huge initiative, we conduct an employee engagement survey twice a year — it's one of the core aspects of my job and I'm measured on that. Initiatives include automation on the backend to free worker time so they can focus on more face-to-face and value-giving propositions.”

Head of employee proposition, financial services



› **Improving customer service and delivery.** The human brain isn't designed to remain engaged with menial or repetitive tasks, which leads to errors and can stifle engagement and creativity. RPA reduces manual errors (57%), a point emphasized by the head of employee proposition of a financial services firm, "We're highly regulated as a financial services firm, which means a reduction of human error is needed in today's current environment."



Figure 1

"What effect does investments in RPA have on the employee's job?"



Base: 100 manager level and above from operations groups, shared services, finance and accounting, and other core business lines
 Source: A commissioned study conducted by Forrester Consulting on behalf of UiPath, August 2018

RPA frees humans to do what they do best: engage in richer interactions with others, perform work that requires more brain power, and make fewer mistakes.

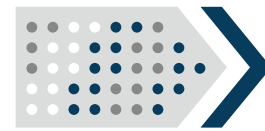
The Forces Of Automation Are Already Upon Us

When the first Industrial Revolution began, it automated the work that was performed by manual laborers — with an emphasis on “labor.” Today, automation is not only expanding in this blue-collar workforce, but the automation revolution is also taking hold in white-collar fields like, finance, legal, HR, and technology. For instance, a VP of talent acquisition at a financial services firm said: “Eventually we want to deploy RPA enterprise-wide, but right now, we’re focusing on a few functions like HR and finance. In terms of HR, we want to create exceptional experiences for our candidates/interviewees. Automating processes like applications or providing onboarding material enables us to have more face-to-face time.”

RPA is also being leveraged in specific functions at the departmental level. The director of HR strategy at a retail firm explained, “We’re using RPA in many areas from invoicing to processing invoices to onboarding new candidates to producing financial reports — it’s propelling our game to another level.”

While RPA is growing quickly, organizations must take a broader view of automation efforts because technology applied in a vacuum won’t drive meaningful or impactful change. Instead, a holistic approach that addresses a wider context including people, process, and technology is necessary. This, crucially, begins by developing an iterative change management approach. Regardless of the scale of implementation, employees often fear disruption, job loss, and impact to their overall performance, which is why it’s critical for organizations to be clear on the process and intent — even if there are no concrete answers — to ensure that changes happening on the floor makes sense to the workforce. Forrester’s research reduces the effect of advancing automation on the future of work to three primary forces (see Figure 2):

- › **RPA shifts scaling digitally, not through people.** New scale factors influence the future of work by providing a 21st century formula for organizational growth that’s not based on the traditional recipe of land, capital, and people.
- › **Control moves to machines with rich data sets and advanced algorithms.** One major aspect of restructuring work is the shift of control from humans to machines. The bottom line is that machines will make more of the decisions going forward and this will affect many human jobs.¹ As a senior director of HR at a US-based retail firm said: “We’ve actively rolled out RPA in our manufacturing chain and it’s a global initiative. Essentially, it helps us keep track of machines, products, and the operational processes — if something breaks down, a new part is ordered automatically. This is all done in real time.”



Developing an iterative change management approach from the start is critical to ensure that employees understand the why, the process, and the intent.



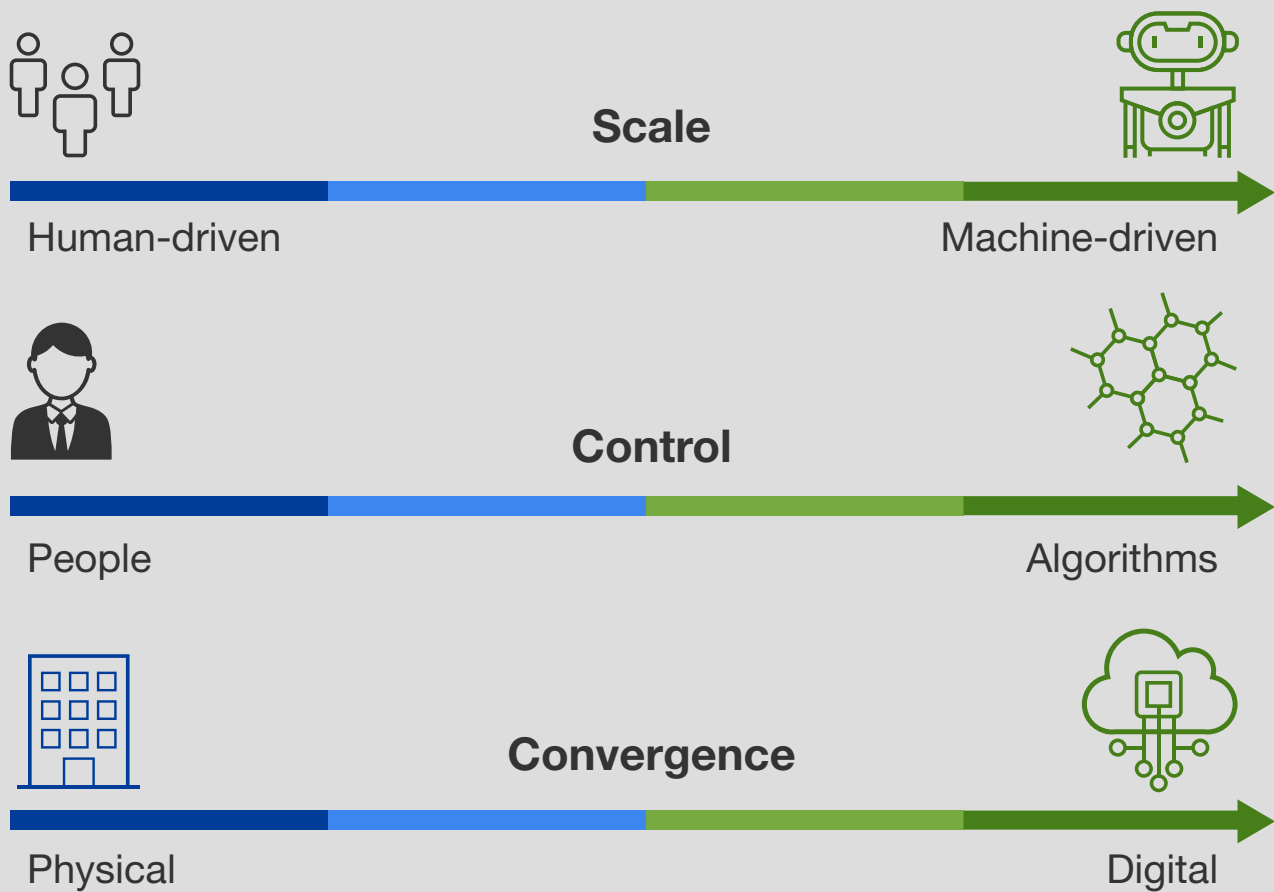
WHAT IT MEANS:

A well thought-out execution of RPA initiatives will not only improve operational efficiencies, but it will also simultaneously boost employee experiences.

› **Jobs converge as the physical and digital worlds collide.**

Components and equipment, including worksites, factories, machines, and the surrounding infrastructure, make up the physical world. Millions of jobs involve managing assets like trains, tractors, and buildings, but sensor data, combined with machine learning, provides a smarter alternative.² The US Bureau of Labor Statistics shows 2.5% labor productivity gains since 2006, since then it's been growing at only 0.2%. Technologies will improve human effectiveness, they'll be the key to increasing productivity — to achieve scale and keep pace, businesses will need to embrace technologies such as RPA.

Figure 2: Shifts In The Three Forces Of Automation Will Transform The Workplace



Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited

Organizations Must Overcome Both Operating Model Issues And Psychological Challenges

Organizations need to change their operating models to maximize value by not only exploring how RPA affects their operating model, but also consider the psychological implications of implementing a solution of this nature. Why? Emotional resistance can kill an RPA initiative if employees feel at risk, or fear working side by side with robots (see Figure 3).

› **RPA architecture and improper deployment is a cause for concern.**

Even though RPA has proven to support a wide-spectrum of business applications and use cases, firms are facing numerous challenges. Due to the lack of trained personnel and resources to support and use RPA technology, almost half (43%) of firms said they struggle to understand the different deployment options available to them. In other words, firms are struggling to scale their RPA solutions.

› **RPA and the impact on the workforce.** Workers who are used to the certainty of which tasks they do on a day-to-day basis – in other words, menial tasks — will no longer need to focus on them as the focus will shift and new opportunities will be unlocked. These new tasks will inevitably be things that workers can do better than robots and machines. A recent Forrester report states that robot monitoring, data scientists, automation specialists, and content curators are just a few of the many new human role opportunities being created. Forrester forecasts 14.9 million new job roles will be created in the US alone by 2027. This notion is reinforced by the head of organizational excellence at government institution who said: “Over the next few years, RPA will continue to add more capabilities, and it will reduce manpower. And although it will replace jobs, if companies are willing like ours, they’ll create strategic jobs for those jobs being replaced by RPA.”

› **RPA implementation requires a well-thought out change to management programs. According to regional director of HR at an oil and gas firm in the UK:** “Change management must be prioritized and taken into consideration because it’s important people continue to be motivated and aligned to the organization’s strategy. We knew that RPA replaces jobs, so we strategized to make a plan to help those jobs being replaced by introducing new manuals to operate machines.” The director of HR strategy at a retail firm said: “You have to make sure you have an extremely rigorous change management structure and plan in place, you have to make sure that there’s also trust, because I think there will usually be some sort of impact. It’s also dangerous to think that RPA is the magic bullet to everything — the human element is required in many parts of the business, that’s never going to go away — don’t think it’s all just RPA.” In our survey, 82% emphasized change management as a challenge, especially when it comes to cultural issues. In other words, efforts to improve employee experience and tackling the change management aspects of automation will increase in importance. These efforts will have more impact if organizations focus on daily journeys rather than on the employee life cycle.

“Deploying this will raise questions and a good leader will always address those problems even if they’re criticized for it. For me, I can see us going through a process of advice automation of the HR function so it’s private between you and the bot.”

Head of employee proposition, financial services

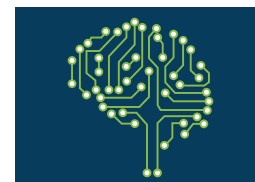
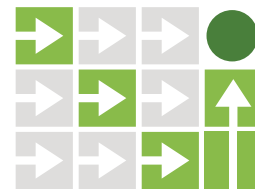
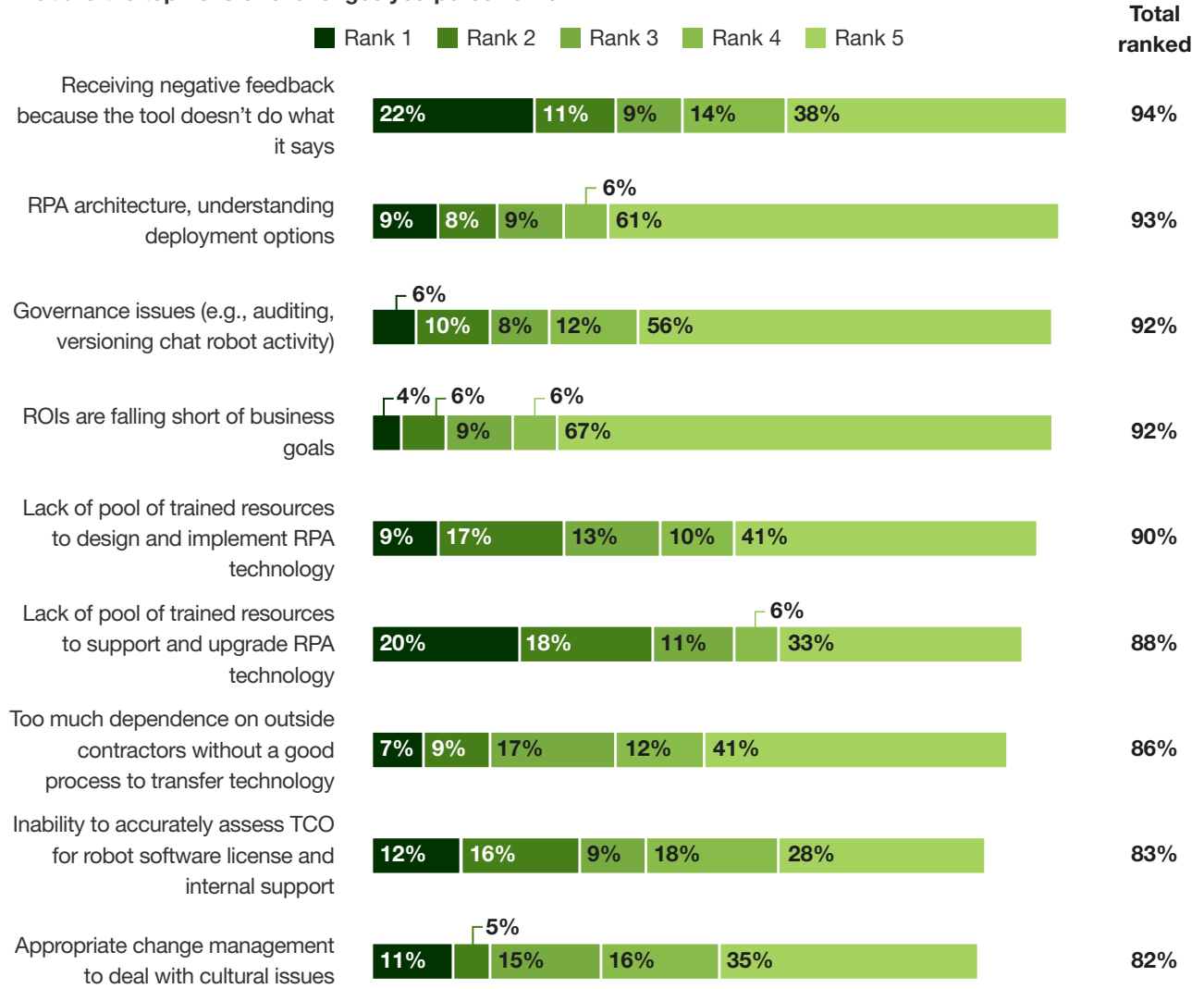


Figure 3

“What are the top risks or challenges you perceive from RPA?”



Base: 100 manager level and above from operations groups, shared services, finance and accounting, and other core business lines
 Source: A commissioned study conducted by Forrester Consulting on behalf of UiPath, August 2018

The Psychological Impact Of Rpa: Humans Need To Play A Bigger Role

Psychological research proves that people are happiest at work when they're most productive, and further, when they're happy, employees are more willing to try harder to win, serve, and retain customers.³ In order for leaders to maximize the positive psychological impact of RPA, implementation, communication, and collaboration between the business and its workers is an absolute requirement. While the fear of losing their jobs could become a reality for some workers, automation will also spur on the growth of many new jobs including some entirely new job categories. Yet, the largest transformation will be for those human workers that will be working side by side with robots. This is exactly why organizations must prioritize:

- 1. Retraining workers.** This includes encouraging continued innovation and research and, at the same time, developing workers' skillsets to adapt to automation. A regional director of an oil and gas firm based in the UK said: "Operating computer-powered machines enables intellectual stimulation to spill over to more creative aspects of the business and that results in employees feeling good about their work. In turn, our customers are being better served." In fact, one of the most profound responses was given by a director of HR strategy at a retail firm who said: "Happier employees lead to better-served customers. If those employees are focused on routine, menial tasks, they're going to give you a 3/10 effort. Empowering the employee leads them to want to do more — that's the biggest indicator — they want to improve their relationship with the customer because psychologically, the machine has already taken their job. Now human workers can give them something machines cannot — empathy and compassion — we need both."
- 2. Communicating to employees.** One head of employee proposition of a financial services firm said: "It's extremely critical to communicate to your employees exactly why the move to RPA is being made. It gives them a sense of belonging, instead of feeling isolated, to know how exactly it will interact with our strategy and also their job." If employees understand how RPA fits into your business strategy, the benefits that RPA brings, and what organizations plan to do with the jobs being transformed, organizations can manifest significant support.

Failing to effectively engage with your employees at both a developmental level and at a communications level will result in a disjointed RPA initiative that is unable to meet the wider demands of digital transformation. Only by coordinating the RPA program effectively can organizations transform their workforce by enabling a better workforce experience.

WHAT IT MEANS:

Human workers react emotionally to major changes, especially if it impacts their well-being. Failing to answer the question of "What will happen to me?" will spark emotional resistance. Preparing for this psychological impact requires structured change management programs to be put in place.



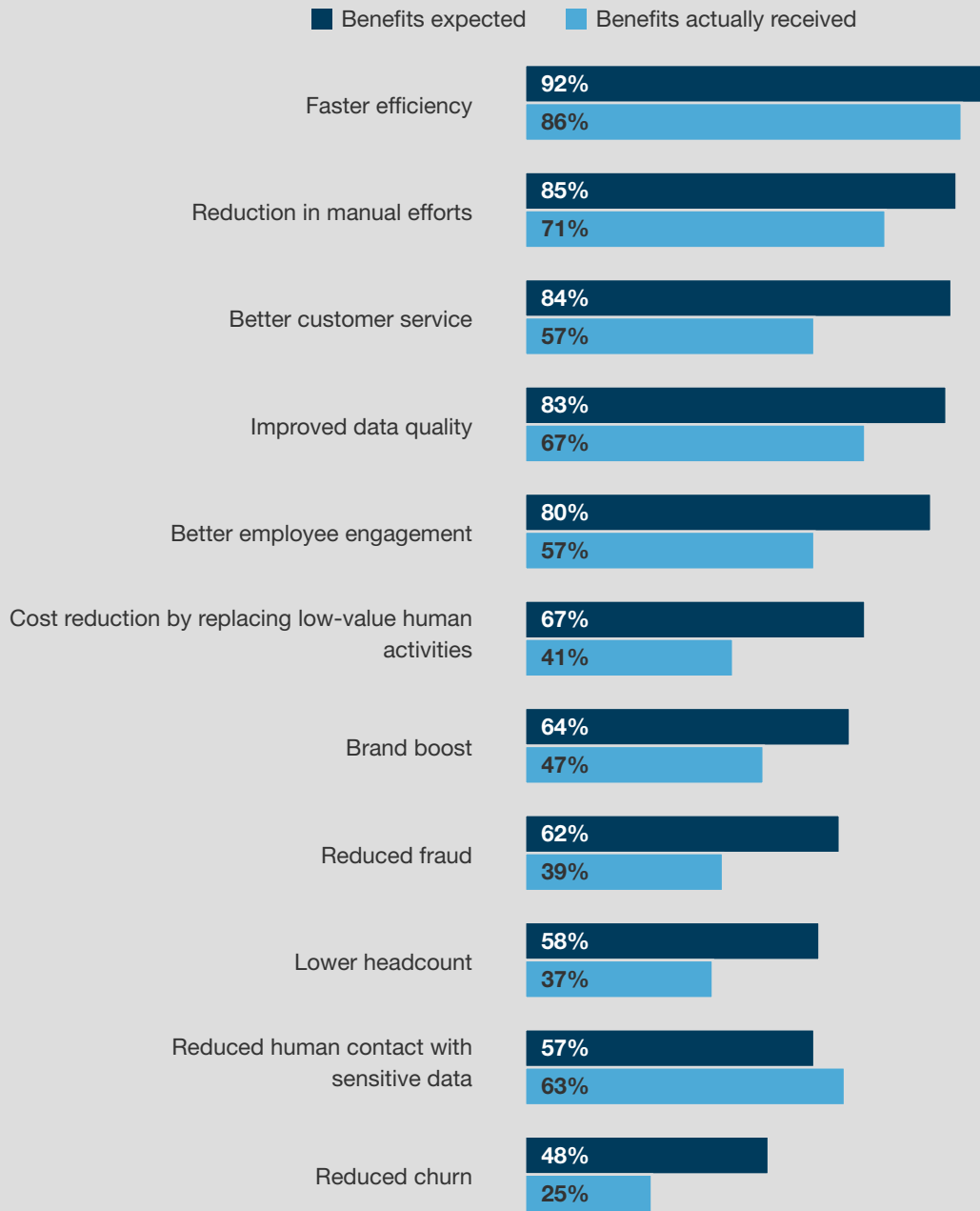
Done Well, RPA Leads To Increasingly Engaged Employees

The motivation of employees, the constructive ambition needed to operate new machines and be part of a new ecosystem, requires communication from both business and IT leaders. The benefits of RPA include reducing manual errors, increasing efficiency, being able to augment human hours by operating 24x7, better employee engagement, and reduction of fraud, to name a few. Just like how the nail gun was a great automation tool for builders, it still requires humans to know where to place the nails. And just like a nail gun is one of the many tools in the builder's toolbox, RPA is similarly one of the many tools that organizations should enlist and implement in order to meet their digital transformation efforts. Organizations that have achieved scale in automation are those with a clear vision, strategy, and approach that includes both business and IT leaders (see Figure 4). When we asked leaders what they expected from the implementation of RPA versus the actual benefits, the results were startling — RPA:

- › **Increases business process efficiency.** With the highly repetitive and rules-based tasks being automated, RPA enables firms to create digital workforces that execute repeatable process steps faster, accurately, and more cost-effectively than traditional human workers. Ninety-two percent expected faster efficiency and 86% said they're seeing exactly that.
- › **Automates role effectiveness.** With RPA taking over menial tasks, workers can focus on what matters to the business most. Eighty-four percent of respondents said they expected to provide better customer service, and more than half (57%) said they're already seeing these benefits today. This is due to workers focusing on more face-to-face, customer-intensive tasks instead of inefficiently focusing on other menial tasks.
- › **Pledges to provide deeper profile of both customers and employees.** The convergence with artificial intelligence (AI) means that RPA is starting to evolve further. Being powered by AI means it will be able to conduct intelligent searches even faster. In the words of a VP talent acquisition interviewee for a financial services firm: *"In the grand scheme of things, RPA is still in its infancy, I think there's a lot more convergence, especially with AI, that will happen in the future. Our budgets have increased in terms of last year. I have more increased expense in this category than I did before."* As RPA matures, data quality will also improve; 83% expected this and 67% are seeing it today. In other words, RPA enables organizations, with the help of other tools, to create a deeper profile of not only the customer, but also the employee. Employees were expected to be more engaged (80%) and 57% are already experiencing higher levels of engagement from their workers.

Figure 4

“When your organization implemented RPA, what benefits did you expect the technology to have on your employees? What benefits did the technology actually have on your employees?”



Base: 100 manager level and above from operations groups, shared services, finance and accounting, and other core business lines
Source: A commissioned study conducted by Forrester Consulting on behalf of UiPath, August 2018

Key Recommendations

Forrester's in-depth survey of 100 decision-makers at manager level or above from operations groups, shared services, finance and accounting, HR, and other core business lines about the effectiveness of RPA on employee engagement and experience yielded several important recommendations. Chiefly, getting the most from an RPA investment requires addressing not only technical and operational hurdles, but psychological ones as well. Specifically, leaders of RPA initiatives should:



Make it your aim to improve both operational efficiency and employee experience at the same time. If you conceive of, plan for, and execute an RPA initiative well, you will improve both operational efficiency and employee experience simultaneously. Make achieving both of these often conflicting goals your top priority, with each remaining on an equal footing.



Create a center of excellence (CoE). In order for RPA to be most successful, organizations should scale automation effectively across the entire enterprise. Developing internal, self-sustaining, and scalable RPA will enable maintenance of robots. A CoE is a way to embed RPA into the organization and to distribute the knowledge accumulated across future deployments.



Manage psychological implications from the beginning. Humans don't react to major changes rationally. They react emotionally, with the central question in their mind being, "What's going to happen to me?". Failing to answer this question with integrity and in a way that preserves their sense of safety will spark emotional resistance strong enough to derail an RPA initiative, or at least limit its potential. You must prepare for this in the planning stages and ensure that people who want to have a path forward with your organization, will have one.



Use a human-centric change management process. Your success with an RPA initiative will depend on the quality of the change management processes you use. A good change management process is comprehensive and carefully considers human factors, ensuring that people feel valued and safe. When you communicate the reasons why RPA is being implemented, focus more on emotional factors than on rational ones.

Appendix A: Methodology

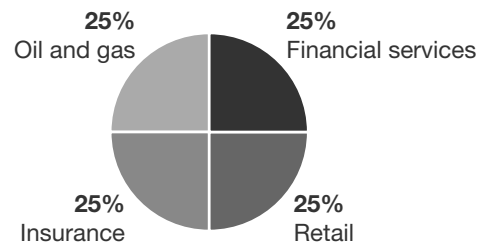
In this study, Forrester conducted eight interviews and leveraged data from a survey conducted in August 2018 with 100 decision-makers at manager level or above from operations groups, shared services, finance and accounting, HR, and other core business lines to evaluate the effectiveness of RPA on employee engagement and experience. Questions provided to the participants asked how much of a priority employee experience is to their organization and how RPA affects employee engagement. The study began in September 2018 and was completed in January 2019.

Appendix B: Demographics/Data

“In which country are you located?”



“Which of the following best describes the industry to which your company belongs?”



“Using your best estimate, how many employees work for your organization worldwide?”



Base: 8 manager level and above from operations groups with responsibility, influence or experience using RPA
Source: A commissioned study conducted by Forrester Consulting on behalf of UiPath, March 2019

Appendix C: Endnotes

¹ Source: “Reinventing Work In The Era Of Automation,” Forrester Research, Inc., August 24, 2018.

² Ibid.

³ Source: “Assess Your Workforce Maturity To Deliver A Better Employee Experience,” Forrester Research, Inc., April 13, 2018.