THE SKILLS REVOLUTION

THE FUTURE OF HUMANS IN THE DIGITAL AGE

THURSDAY 12TH APRIL 2018

DISCUSSION SUMMARY



THE SKILLS REVOLUTION SERIES

WELCOME TO MANPOWERGROUP'S NEW EVENT SERIES: THE SKILLS REVOLUTION

For the past four years, ManpowerGroup has hosted <u>The Human Age Series</u>, a calendar of quarterly private lunch events, created for our most forward-thinking clients and associates. Based around our global research that pointed to four mega-trends driving change in workforces around the world and creating a significant impact on organisations today - our events focused on a different world of work trend each quarter.

Shifting demographics, greater individual choice, client sophistication and technological revolution have become increasingly evident since ManpowerGroup identified these trends a decade ago as part of <u>The Human Age</u> era. Together, they have contributed to the emergence of a Skills Revolution, which will provide the key focus for our events moving forward.

We will invite a variety of guest speakers and industry experts to join us throughout the year at our interactive events to inspire, share their insights and ensure the discussions are practical in focus. The purpose of our interactive events is to ensure our clients are kept on the pace with the latest developments affecting their talent strategy based on current trends.

By being part of our event series, you will have the opportunity to join a select community of senior professionals from across the business world and influence our thinking on future events and research papers.

THURSDAY 12TH APRIL 2018

THEME: THE FUTURE OF HUMANS IN THE DIGITAL AGE

Senior business leaders from the following industries were present:

Central Government, Engineering, Fleet Management, Financial Services,
IT Consultancy, Media, Oil & Gas, Technology Solutions, Telecommunications

Developing a blend of technical skills and soft skills is the solution to the Skills Revolution for individuals and employers alike.

INTRODUCTION: MARK CAHILL, MANAGING DIRECTOR, MANPOWERGROUP UK

Technology is reshaping the world of work at an unprecedented pace. Skills needs are changing rapidly, yet companies cannot find the talent they need. New thinking is required to attain a successful outcome for organisations and individuals alike.

ManpowerGroup UK's Managing Director, Mark Cahill, set the scene for the discussion to follow by sharing some of the highlights from our recent global research, focused on the impact of technology on jobs and the skills employers value most.

The emergence of the Skills Revolution

Mark opened the discussion by acknowledging the transformative effect that technology is having on the way we live, work and lead. Regardless of which region we live, sector we operate in, or organisation we work for, we are being impacted and faced with the prospect of business disruption and the need to change. In the past, transformation took decades, even centuries. Today, the speed of change is unprecedented – yet the outcome is not predetermined.

Among other significant effects, Mark acknowledged that digitisation is calling for new skills requirements.

The questions were raised: What will digitisation mean for humans? What will it mean for businesses?

Key research findings: Human strengths are the solution for the Skills Revolution

To find out how employers expect technology to transform the future of work, and what they are doing to prepare their organisation, ManpowerGroup surveyed 20,000 employers in 42 countries regarding:

- The likely impact of automation on their headcount in the next two years
- Which functions within their organisation will be most affected
- The human skills they value most and which they struggle to find

Our research found that developing a blend of technical skills and soft skills is the solution to the Skills Revolution for individuals and employers alike. And, as companies go digital, in the near-term most will need more people, creating more jobs, not fewer.

Eighty six percent of employers globally say their headcount will increase or remain flat in the next two years because of automation. Looking inside organisations, the impact varies by function: IT came out on top as organisations invest in digital skills and Frontline & Customer-Facing functions followed close behind. In contrast, Administrative and Office functions expect the greatest decrease in headcount as a result of automation.

Overall, the rise in consumerism and the value companies now place on customer service is increasingly evident in the digital world and human strengths are more valued than ever before.

> Continued on following page

With the right skills mix, people will augment - rather than compete - with technology.

In this digital world, success will not always require a university degree. Instead, it will rely on an appetite for continuous skills development. Mark emphasised the importance of organisations and employers creating an environment of 'Learnability' and actively supporting individuals to develop new skills to ensure they can remain employable long-term and that organisations will have the needed skills to remain competitive.

How ManpowerGroup is helping organisations to support skills adjacencies and find the skills they need

Mark shared one example of what ManpowerGroup is doing to upskill and reskill for growth sector roles.

Automation is changing how work gets done and we must find solutions for workers who are displaced from declining industries. This public-private partnership, led by employers, offers a compelling upskilling solution and is transforming hiring demand and revitalising communities.

In Italy, the world's most advanced motorsport manufacturers – Ferrari, Maserati, Lamborghini and Dallara – were struggling to find enough skilled workers to fabricate the stronger, lighterweight components used in their high performance cars. Partnering with local technical schools, universities and government, ManpowerGroup's Experis team developed the Labs and Academy Training Centre to bridge the talent shortage and meet marketplace demand. We deliver training in seven Italian cities that helps upskill and reskill displaced textile workers for in-demand roles in high-end automotive manufacturing and design.

Leveraging a uniquely targeted curriculum, the Experis Lab has retrained hundreds of workers. Scaling across Europe and US in 2017, the programme has placement rates of 70% and increases the earning potential of participants by 30%. This is a formula that can be scaled elsewhere too.

Humans augmenting technology

Mark concluded by confirming that in the midst of a Skills Revolution, human ingenuity will be the linchpin for how we leverage technology in our lives and businesses. With the right skills mix, people will augment – rather than compete – with technology.

FOR FURTHER INFORMATION ON THE SKILLS REVOLUTION WE INVITE YOU TO DOWNLOAD:

Practical recommendations to help employers adjust their workforce strategy to prepare for digital transformation: Robots Need Not Apply: Human Solutions in the Skills Revolution.

Interview with Stefano Scabbio, ManpowerGroup's President of Northern Europe, Mediterranean & Eastern Europe: Navigating the Skills Revolution to shape a brighter digital future

Transformation has to start at the top and leaders need to lead differently today than they may have done in the past: From C-Suite to Digital Suite: How to Lead Through Digital Transformation

AUDIENCE DISCUSSION:

FACILITATED BY MARK CAHIL AND JAMES HICK (MANPOWERGROUP)

Even if employers can find the needed talent to fill new roles, added difficulties come in retaining them particularly when 'the world they come from collides with

the business world."

IMPACT OF TECHNOLOGY:

On workforce planning

The audience discussion opened by addressing how the organisations of attendees are ascertaining what skills will be required in the next 2-3 years, and what challenges they are facing in doing so.

Attendees noted the uncertainty that often exists around workforce planning and the struggle to have access to good data. The need to connect with government was also cited, as well as the necessity for organisations to be willing to invest in training and up-skilling people.

On future opportunities

The way technology will continue to take over low-end, low-margin, repetitive jobs was noted by one attendee as a fantastic opportunity. It was proposed that the more this can be done, the more organisations can focus on high-margin jobs, on up-skilling people, and on providing extra value to customers.

It also presents a real opportunity for organisations as new generations come into the business who have already embraced technology. To encourage an exchange of knowledge, their organisation holds regular training sessions where apprentices train others in technology, sharing best practice and new ideas with more experienced colleagues.

On new job roles

As more organisations and functions are poised for greater levels of digitisation, attendees noted that new roles and job titles are emerging, such as 'Head of Bots.' For organisations that already recognise the need for such roles, the challenge lies in recruiting for them. For example, with new skills coming up, there is no experience to weigh against. Even if employers can find the needed talent to fill new roles, added difficulties come in retaining them - particularly when 'the world they come from collides with the business world.'

On society

As skill requirements change as a result of technological advances, a concern was raised regarding the impact on an already divided society. If large numbers of manual or lowskilled jobs are lost, could this create a greater gap? It was noted that real pressure needs to be applied to government to provide support to ensure existing gaps do not widen further, creating deeper divisions in society.

> Continued on following page

It is becoming critical for business to be at the forefront of leading and driving future skill requirements.

On education

Rapid changes in technology are presenting a challenge to educational institutes who are not always sure what training should focus on. While attracting and training talent based on high potential is vital, it was noted it is equally important to ensure talent possess the right technical skills too. It is therefore imperative that education systems keep pace with future skill requirements.

The need for educational institutes, business and government to work together is essential. When a disconnect between the three perspectives exists, a skills mismatch will arise. It was suggested that it is becoming critical for business to be at the forefront of leading and driving future skill requirements.

NEW APPROACHES TO MEETING FUTURE SKILL REQUIREMENTS

To successfully meet future skill requirements, the audience discussed several options that could be considered - all of which require the need to be open to new approaches and ways of doing things.

Sector collaboration

With skilled talent in short supply, the questions were raised: How good are we at collaborating with our competition, or even across different sectors? It was noted that some sectors (e.g. Construction), have already set the lead in collaborating. It was suggested that in today's digital landscape, the business world could benefit from applying these lessons.

Learning from other countries

It was also put forward that we should not look at the UK economy in isolation. Could the UK learn from initiatives in place in other countries, such as China? Although based on a very different model (in their case, one that is government led, with business and education following), forward-thinking is leading to their digital economy progressing at rapid pace.

> Continued on following page

Talent at all levels requires support to build and nurture future skills needed, whether these are inherently human skills, or digital-focused skills that have not yet been identified.

Attracting untapped talent pools

It was acknowledged that while talent is out there, many do not necessarily have recognisable skills. Employers need to look for ways to draw in those who are not fully participating in the workforce, including talent who have been failed by education but who have the aptitude to learn.

It was noted that organisations cannot afford to have a short-term view of what core skills are needed but need to consider each individual's potential to learn. Attitude, agility, and an ability to relate to others were all noted as critical – rather than focusing on what a person can do currently, the focus should be on what they could do, with the right support.

Realising they could make more of untapped talent pools, one attendee's organisation has set up a Digital Talent Fund that has resulted in creating a Software Engineer Academy. They have drawn on talent pools who haven't found their way into traditional jobs and have recruited a number of 'Digifiers' who already manage their own social channels. Digifiers are being 'parachuted into the business to disrupt and reverse-mentor.' It was noted that people from this background are overtaking traditional graduate roles and are 'naturally carving their own path in a world that many are not familiar with.'

HUMAN STRENGTHS IN A DIGITAL WORLD

While the impact of automation has resulted in much scaremongering, the reality is that as we move to a more digital world, the role of the human has never been more important.

ManpowerGroup's research identified the top 3 soft skills employers are looking for are:

- 1) Communication (written and verbal)
- 2) Collaboration
- 3) Problem Solving

At the same time, finding talent with the right skills mix is a challenge, as employers say problem solving, communication, organisation and collaboration are also the hardest skills to find in candidates.

Confirming how imperative soft skills and life skills have become, one attendee from a leading professional services organisation shared highlights from their research, identifying the top skills needed to help the economy include:

- 1) Psychology
- 2) Counselling
- 3) Healthcare

Recognising the necessity to combine academic development with personal development, some educational institutions have starting shifting their focus and approach. One attendee shared the example of University Academy 92. In helping graduates prepare for life and realise their potential, their curriculum helps students to 'build employer-sought emotional, social and cognitive intelligence, alongside physical wellbeing.'

While education can take people to a point, talent at all levels requires support to build and nurture future skills needed, whether these are inherently human skills, or digital-focused skills that have not yet been identified.

CONCLUSION

Leaders must shift the conversation from "Will Robots Steal our Jobs?" to action on "How to Harness Human Strengths in a Digital World". The Skills Revolution requires a new mindset for both employers trying to develop a workforce with the right skillsets, and for individuals seeking to advance their careers. Education initiatives to strengthen the talent pipeline are important but are not the only answer.

Businesses have a role to play to enhance people's lives and be an important part of the solution – requiring both leaders and individuals to be responsible and responsive.

Identifying in-demand skills, helping people to upskill and future-proof themselves, and providing access to employment will ensure that both workers and organisations have the skills they need to thrive and is the solution for all of us in the Skills Revolution. Leaders must shift the conversation from "Will Robots Steal our Jobs?" to action on "How to Harness Human Strengths in a Digital World".

HUMAN SOLUTIONS FOR A SKILLS REVOLUTION

Steps employers can take to prepare for digital transformation, changing business models and shifting skill needs

1 HIRE FOR LEARNABILITY

Employers can no longer rely on a spot market for talent. We need people with learnability – the desire and ability to develop in-demand skills to be employable for the long-term. Employability today is less about what you already know and more about your capacity to learn. Encourage a culture of learnability to retain and attract the best talent.

2 IDENTIFY SKILLS ADJACENCIES

Set people up to succeed. Map out skill needs, then assess and identify candidates with adjacent skills sets – those skills that are closely connected and can be adapted to new roles. Build on proven talents and equip people to shift from traditional to digital skillsets.

3 DEVELOP DIGITAL LEADERS

While 80% of leadership capabilities remain the same – adaptability, drive, endurance and brightness – a new style of leadership is required for the digital age. What got you here, won't get you there. Leaders today must be able to dare to lead and be prepared to fail fast. They need to nurture learnability, accelerate performance and foster entrepreneurialism. And of course, they must unleash potential in others.