

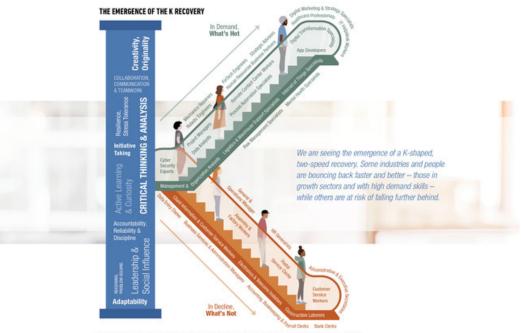
New Research on the Impact of COVID-19 on Digitisation and Skills finds UK Lags Behind the Rest of the World

LONDON, February 11, 2021 – The latest in the <u>Skills Revolution</u> research, released this week, by ManpowerGroup (NYSE: <u>MAN</u>) found the COVID-19 pandemic has led companies to rapidly accelerate digitisation plans. The survey of over 1,000 employers in the UK and more than 26,000 employers worldwide finds those companies that are digitising are creating the most jobs.

Across the UK organisations are accelerating their digitisation as a result of the pandemic: 23% are speeding up their plans. This is below the global norm of 38% of organisations accelerating digitisation as a result of the pandemic. Yet fewer UK businesses have put plans on hold, 14% compared to 17% of organisations globally. UK employers remain positive, 84% of those who are automating plan to increase or maintain their headcount, compared to just 15% of employers who plan to reduce or have put hiring plans on hold.

"The UK, like the rest of the world, is experiencing a two-speed, K-shaped, recovery. With some sectors able to bounce back, and adapt at speed while others risk lagging behind," said Chris Gray, Director ManpowerGroup UK. "The trends we have seen in recent years - the call for more flexibility, more of a work-life blend, upskilling & autonomy over roles - have sped up in the space of a year as a result of the pandemic. And, the workforce has transformed in a relatively short period of time thanks to greater use of technology – employers need to catch up. Our data shows that those industries which are digitising and adapting to the health crisis are hiring, and will be attracting the best talent, while other sectors run the risk of falling behind the curve."

"Upskilling and reskilling people into growing industries is crucial to combat ongoing workforce displacement," continued Gray. "Our research found that hiring confidence as a result of digitisation in Production & Manufacturing has grown from 3% to 64% over the space of two years – here is an industry desperate for talent, and one we should be looking to redeploy displaced workers into. At the same time across the UK more than half of employers say it is difficult to train in-demand technical skills – which is why employers need to work together to help employees bridge between industries and prepare for the roles of the future. Regardless of where a business is in their digital journey, what we are seeing is that those companies which are digitising are hiring."



Sources: ManpowerGroup Soft Skills Research 2019, ManpowerGroup Talent Solutions Insight 20 The Future of Jobs Report 2020. World Economic Forum, October 2020.

Key results from Skills Revolution Reboot: The 3rs - Renew, Reskill, Redeploy

- Large organisations (250+ employees) are most likely to accelerate digitisation as a result of the pandemic 26%, compared to just 8% of micro- (1-9 employees) and 6% of small-organisations (10-49 employees).
- The greatest increase in headcount comes from Production & Manufacturing sectors where 64% of employers intend to hire more as a result of digitisation; compared to just 9% across the global study. For all other sectors, Administration & Office roles, Finance & Accounting, Human Resources, IT, and, Front-Line Customer Service the UK fairs worse when compared to the global data.
- Employers say soft skills are both hard to identify and difficult to develop. 21% of UK organisations said it is more difficult to teach the soft skills they need, such as analytical thinking and communication, than technical skills. While 53% of organizations say it is difficult to train in-demand technical skills. And while technical skills matter, soft skills build employability and resilience for the long-term and continue to support an individual's appetite for all learning and development.
- Within organisations there has been a shift towards employee health and wellbeing, HR leaders see this as the most important focus area (64%). Other leading priorities are 'New Work Models', including part-time, contract and flexible work (22%) and 'Upskilling, Learning & Development' (21%).

When skills needs are changing faster than ever, organisations need refreshed workforce development strategies to attract, develop, engage and retain the best talent. Skills Revolution Reboot provides innovative solutions for the Skills Revolution – find out more <u>here</u>.