

FROM OUR MEMBERS



Digitalization and the reason skills and talent matter

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In Workplace 4.0, we are seeing the emergence of a skills revolution where helping people upskill and adapt to a fast-changing world of work is the defining challenge of our time. Digitalization and growth in skilled work will bring opportunities as long as organizations and individuals are ready.

Employers need to focus on reskilling and upskilling people more than ever

Employers in the US expect automation and the adaption to digitalization to bring a net employment gain. In a ManpowerGroup survey,* 21% of employers say they intend to increase their headcounts as a result of automation, but only 4% intend to decrease them. Within Europe, an average of 16% expect their workforces to increase. But large differences exist among the surveyed countries: Italian employers are most optimistic, with 39% intending to employ more individuals. In Germany, 13% plan to expand and 14% to decrease their workforces due to the changes brought about by digitalization.

Technology will replace both cognitive and routine manual tasks so people can take on non routine

tasks and more fulfilling roles. Creativity, emotional intelligence and cognitive flexibility are skills that unlock human potential and allow people to augment robots rather than be replaced by them. Skills adjacency, agility and learnability will be crucial.

The future of work will require different skills, and employers need to focus on reskilling and upskilling people more than ever before to address today's talent shortages and anticipate the demands of tomorrow. Almost three-quarters of employers around the globe are investing in internal training to keep their workforces' skills up to date. A total of 42% are recruiting additional skill sets rather than replacing them and more than one-third are easing the transformation by bringing in contractors or third parties to transfer expert skills to their own workforces. The survey shows the main differences between the US and Europe is that American employers focus less on external training and outside experts when it comes to ensuring an organization has the skills required for technological advances in the workplace.

Now is the time for executives to be responsive and responsible: The rate of technological advances and globalization will not slow down, but we can invest in employees' skills to increase the resilience of our people and organizations.

* Source: "A Skills Revolution," a report by ManpowerGroup:
www.manpowergroup.com/workforce-insights/

Workplace of the future calls for more flexibility

Flexibility and digitalization will strongly shape the workplace of the future. Increasingly, data will arrive around the clock, seven days a week, thus driving the need for new action. This will require flexibility in many areas and a move toward an anywhere-anytime approach demanding substantial initiative and motivation from employees. Companies need to prepare for these developments by establishing the right organizational structures and defining work regulations. These need to allow room for flexibility while at the same time guaranteeing a sufficient work-life balance for individuals. The legislative environment must also be capable of adapting and adjusting to these new circumstances. This is something Germany needs to proactively address in the immediate future.

Digitalization will not only change office jobs, but also the manufacturing environment. As companies look to boost productivity, people in positions requiring lower qualifications will face increasing challenges from automation. Rather than just cutting the workforce, however, smart repurposing can create new job roles. We are in the early phase of this development. But in Germany we're at risk of being too skeptical and less open to such changes. This causes us to move too slowly and limits our ability to consider the vast opportunities that early adoption of digital concepts could help us realize. Just think about how much data will be available, which can create value and competitive advantages when used intelligently. Digitalization requires a new way of thinking. These developments are also driving the need for a different approach to education, as required

skills and qualifications change and increase. Work will be different, more complex and intense – but also more interesting.

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The German educational system has a solid foundation that enables students to pursue a variety of paths, a trait that distinguishes it from other countries including the US. The economic and scientific communities must work together to ensure we are making the best use of our strengths by adapting the educational system to meet the needs of tomorrow – new ways of learning must be developed quickly. Rather than focusing on the complexities, we must view these developments as an exceptional opportunity. We must learn from the American can-do attitude so we don't miss out.



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