



A Skills Revolution:

FROM CONSUMERS OF WORK TO BUILDERS OF TALENT





**Jonas Prising,
Chairman & CEO
ManpowerGroup**

“We are seeing the emergence of a Skills Revolution – where helping people upskill and adapt to a fast-changing world of work will be the defining challenge of our time. Those with the right skills will increasingly call the shots, create opportunities and choose how, where and when they work. Those without will look to the future and not be able to see how their circumstances will improve. This polarization of the population that is playing out in front of our eyes is no good for society or for business. We need aggressive workforce development to address the widening gap between the Haves and the Have Nots.

Now is the time for leaders to be responsive and responsible: we cannot slow the rate of technological advance or globalization, but we can invest in employees’ skills to increase the resilience of our people and organizations. Individuals also need to nurture their learnability: their desire and ability to learn new skills to stay relevant and remain employable. We need to take immediate action to fast track the upskilling and reskilling of existing employees to ensure we have a workforce with the skills required for the future. We also need to draw in those that are not fully participating in the workforce. **We need to be ready for new jobs and new skills. That’s what we mean by the emergence of the Skills Revolution.**”

A Skills Revolution in the Human Age

Business Models are Being Disrupted

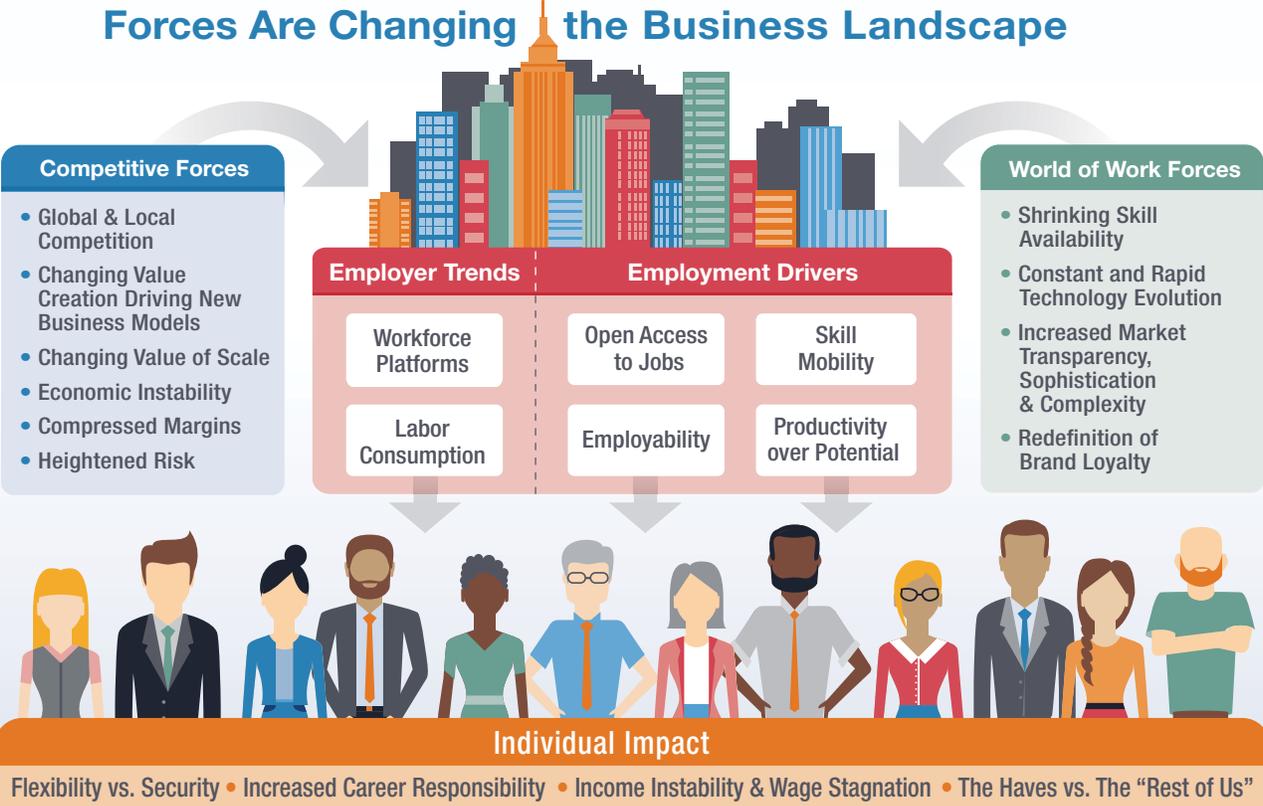
From the rise of robots, globalization and mass migration to the shock vote of Brexit, the U.S. elections and wider geopolitical uncertainty, the Human Age has arrived. **The macroeconomic forces ManpowerGroup identified a decade ago – shifting demographics, greater individual choice, client sophistication and technological revolution – and their structural impacts are evident as we predicted.** This confluence of digitization, machine learning, aging and shifting populations, polarization, consumerization and alternative ways of working means business models are being transformed.

Preparing for a Skills Revolution

The first phase of this transformation manifested itself in faster speed to market and new models competing with traditional businesses. Agility and performance were critical. As the business landscape continues to change we have entered a

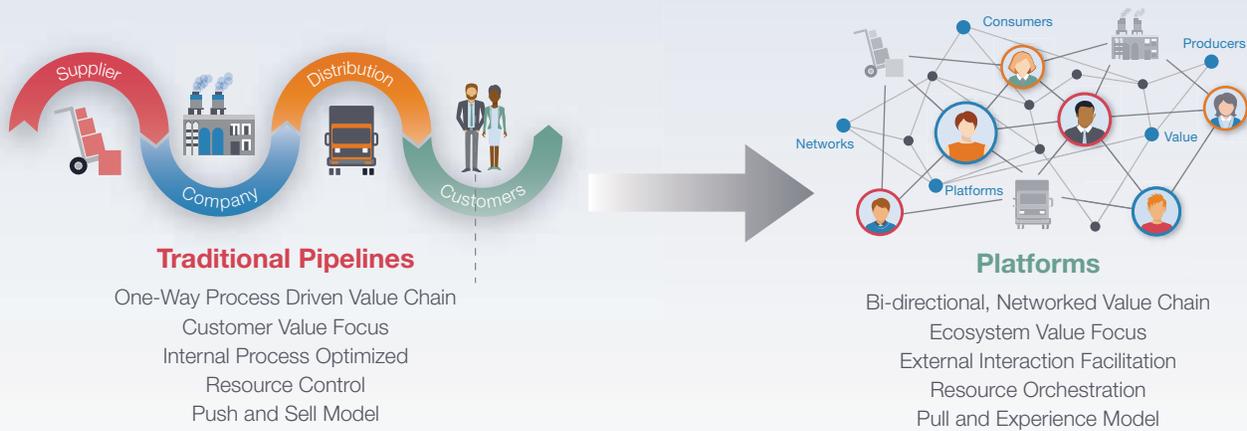
second phase. Technology is transforming the need for physical infrastructure and assets, enabling organizations to create value through capture, analysis and exchange of vast amounts of data. And, **we are seeing the emergence of a Skills Revolution – where finding the right balance of technology, talent and human connection will be what enables both people and businesses to succeed.** Individuals with in-demand skills will continue to call the shots on how and where they work, while those without will be at greater risk of being left behind.

Organizations must be nimbler than ever in this environment of heightened risk and compressed margins. The move to non-asset intensive platforms with access to people, reach and value creation will define success. It will be these new business models and their network effects that will make it easiest to compete and win, capturing competitive advantage that is increasingly transient.



Transformation of Business Models

Technology reduces the need for physical infrastructure and assets while enabling the ability to create value through the capture, analysis and exchange of large amounts of data



Less Really is More

In the future, business models with fewer assets will dominate. Interactions and information will bring together producers and consumers in exchanges that create value for both and competitive advantage for the platform business. Organizations like Amazon with its more than 300 million active users¹ will continue to leverage Prime efficiency and seemingly infinite choice. A trusted brand with little need to advertise and an easy to use interface, they can move into new markets overnight: logistics, groceries, music and more. Loyal consumers will enjoy even more ease of consumption and innovation. And **mighty platforms will benefit from their exponential ability to create greater value out of an existing value chain and continue to dominate the purchasing environment.** They will upset old models, outcompete them and in some cases lead to their extinction, unable to contend with lower prices, greater choice and online convenience. Bookstores, video stores, taxi companies and travel agents are already casualties; others need to watch their back. Sectors like logistics are ripe for disruption as old faithfuls may decelerate in anticipation of supersize newcomers. The fine line between winners, laggards and losers will undoubtedly be their bi-directional networked value creation, global and local interaction and of course, speed.

Hello Platforms, Goodbye Bricks and Mortar

Some of the most successful newcomers in the Human Age have been platforms like Alibaba, facilitating exchanges between buyers and sellers, or Uber, defining on-demand and disrupting transport without vehicles or drivers, **both creating opportunities beyond borders with lower costs and seemingly limitless scale.**

Amazon's Alexa-enabled Echo is also upending traditional players, paving the virtual way for thousands of online services, skills and applications, from cookbooks to smart home control and management of share portfolios.² Taiwan's online marketplace Pinkoi, with customers across 47 countries, has more than 20,000 independent designers and artists showcasing work.³ Artisans, entrepreneurs, app developers, freelancers, small businesses and individuals can come together and exchange more than ever before. As Millennials and Generation Z especially go ever more digital — over a third are online almost constantly⁴ — the potential of platforms is only going in one direction: up.



¹ 2016. "Amazon.com Announces Fourth Quarter Sales up 22% to \$35.7 Billion," Business Wire, 28 January.

² Stangler, Cole. 2016. "Meet The Gig Economy Companies That See Investing In Workers As A Smart Business Strategy," International Business Times, 15 March.

³ Lund, Susan and Manyika, James. Globalization for the little guy. New York: McKinsey & Company, 2016.

Up Close and Personal: Candidate Intimacy is King

Technology, transparency, choice and control mean new models are emerging, forcing the shift from pipeline businesses, intermediaries and mass markets to platform businesses and their one-size-fits-one approach.

Consumerization is on the rise. Individuals, whether customers or employees, want to decide where, what and how to consume, work and live.

In the world of work,

increasing candidate intimacy means people

will want more than access to jobs: they will want value, choice and a personalized approach to help progress their careers and lives.

Pure transactional relationships will build neither trust nor brand loyalty as they see there is no job for life, yet long working lives ahead. Employers will need to do things fundamentally differently to attract, retain and engage people for varied careers over the long-term not just a job, even if they will not be the employer for life.

From Art to Science: The Shift in HR Decision-Making

Talent will be the single most important factor to competitiveness, inclusive growth and the ability to transform and compete with newcomers. Work is being reorganized and businesses will need to adopt more sophisticated people management practices to respond to these pressures. Digitization and demand for workforce data will play a more critical role than ever, enabling better and faster decision-making and greater market transparency.



Helping people upskill and adapt to this fast-changing world of work will be the defining labor challenge of our time.

Leaders will need to rethink the structure of work and be clear which roles could be done where, by whom or by what.

HR must shift from an art to a science and will require a more coordinated, precise talent strategy that aligns to real-time business needs. Forty-four

percent of leaders say they are already using workforce data to predict business performance — up from 29 percent in 2015.⁵ Hitachi is using sensors to capture happiness metrics from its Human Big Data, while Bank

of America has sensors to understand how group dynamics impact performance. Company expectations will continue to shift as they demand more data-based people decisions; the playbook is changing and basic concepts of scale, value and competition are being redefined.

Back to the Future: From Consumers of Work to Builders of Talent

Skills and talent matter. Skills cycles are shorter and 65 percent of the jobs Generation Z will perform do not even exist yet. The need for robust talent pipelines with relevant skills and an appetite for continuous learning will be greater than ever in a Skills Revolution, where the focus will be on developing resilient careers versus just jobs. (Yet in recent decades, employers have gone from being builders of talent to consumers of work.)



⁵ Perrin, Andrew. 2015. "One-fifth of Americans report going online 'almost constantly,'" Pew Research Center, 8 December

⁵ Global Human Capital Trends 2016, Deloitte University Press, February 2016

In the future, a more attractive and sustainable approach will be required. Helping people upskill and adapt to this fast-changing world of work will be the defining labor challenge of our time.

Businesses should ask themselves — how are we ensuring our workforce is agile enough so we can continue to compete?

Call to Action: Responsive and Responsible Leadership

Polarity between old and new will continue to create tension in politics, media, societies and even within companies. Old versus new strategies, technologies and ways of getting work done will mean that becoming more agile can cause internal friction, impacting decisions and progress, just as it does in the disengaged communities not experiencing growth or development. **Companies will need to adapt so they can keep the business running smoothly with one hand while preparing for a different and uncertain future with the other.**

Leaders steering into uncharted waters will need to drive innovation, disrupt and blaze a trail towards new ways of working while managing short-term goals and shareholder demands. In this increasingly choppy environment with the dichotomy of achieving today's targets while preparing for tomorrow, responsive and responsible leadership will be required to drive future competitiveness, growth and inclusiveness. The countering forces will be strong, and the desire for protectionism, conformity to old norms of security and predictability will cause significant tensions and political polarization.

TECHNOLOGICAL REVOLUTION: THE IMPACT OF DIGITIZATION ON PEOPLE AND SKILLS

Faster and Different: Skills Disruption Like Never Before

Rarely a day goes by without news of digitization, robotics, artificial intelligence and virtual reality impacting the workplace. Up to 45 percent of the tasks people are paid to do each day could be automated with current technology.⁶ We have adapted to the evolution of the labor market before — from tellers to customer services, typists to word processors and personal assistants — disrupting, destroying, redistributing and recreating work is nothing new. The difference now is the life

Automation to Disrupt, Not Destruct

In-Demand Skills	2020 / 2015
Complex Problem Solving	1 / 1
Critical Thinking	2 / 4
Creativity	3 / 10
People Management	4 / 3
Coordinating with Others	5 / 2
Emotional Intelligence	6 (new)
Judgment & Decision Making	7 / 8
Service Orientation	8 / 7
Negotiation	9 / 5
Cognitive Flexibility	10 (new)

Automation Can Replace:



65% of Gen Z will perform jobs that do not exist yet.

⁶ Chui, Michael, Manyika, James, and Miremadi, Mehdi. Four fundamentals of workplace automation. New York: McKinsey & Company, 2015.

⁷ Shin, Laura. 2016. "How The Blockchain Will Transform Everything From Banking To Government To Our Identities," Forbes, 26 May.

Sources: The Future of Jobs, World Economic Forum 2016. Four Fundamentals of Workplace Automation, McKinsey, 2015.

cycle of skills is shorter than ever and change is happening at an unprecedented scale. **The impact may well be hyperinflated today, but as the cost and complexity of implementing technology lowers the pace is set to accelerate.** We cannot predict the future impact on job elimination versus job creation, but we can learn from history. We can be certain there will be skills instability and be reassured by experience that this will happen across different skills sets, in different sectors and at different times in different countries. And, it will be global organizations that will likely weather that storm and be better able to deal with these waves of disruption.

The Rise of the White Collar Robot

Manufacturing has seen the greatest technological disruption. As the so-called Fourth Industrial Revolution⁷ takes hold, total employment has declined while output has skyrocketed. Between 1990 and 2014, manufacturing's share of total employment fell across almost all advanced economies — Japan (-34 percent), France (-33 percent), United States (-31 percent) and Germany (-25 percent).⁸ **And digitization is by no means reserved for manufacturing and factory workers** — white collar work is being transformed too. There are more monthly visits to virtual health advisors on the WebMD network than there are to doctors across the U.S. In the legal world, 60 million disagreements among eBay traders are handled using online

dispute resolution rather than lawyers and judges — three times the number of lawsuits filed each year in the entire U.S. court system.⁹

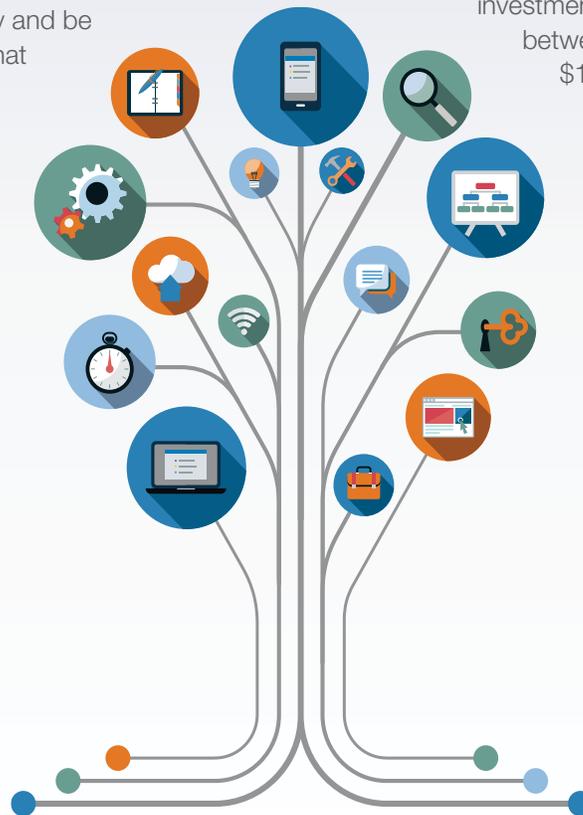
Finance is bracing itself for disruption, from clerks to client-facing employees and market analysts. Up to 54 percent of finance jobs are at risk, more than any other skilled industry in the U.S., after investments in financial technology tripled between 2013 and 2014 to reach \$12.2 billion:¹⁰ Add retail into the mix, where 47 percent of activities salespeople perform day-to-day could be automated with current technology and that soars to 86 percent for the sector's accountants, bookkeepers and other data processing tasks.¹¹

The integration of technology — from RFID tags and scanners that simplify store inventories and speed self-checkout, to the surge in online shopping — means the sector is poised for impact on white-collar jobs as well as blue.

Human Versus Robot or Luddites Versus Technophiles?

New technologies can be expensive and require people with specialist skills, so employers are still hesitant to say hello automation, goodbye workers.

Of more than 18,000 businesses across 43 countries, 62 percent do not expect automation or digital technology to impact headcount in the next two years,¹² and 20 percent expect automation to increase hiring levels.¹³ But they are anticipating



⁶ Levinson, Marc. U.S. Manufacturing in International Perspective, Washington: Congressional Research Service, 2016.

⁹ Susskind, Daniel and Susskind, Richard. 2016. "Technology Will Replace Many Doctors, Lawyers and Other Professionals," Harvard Business Review, 11 October.

¹⁰ Popper, Nathaniel. 2016. "The Robots Are Coming for Wall Street," New York Times, 25 February.

¹¹ Chui, Michael, Manyika, James and Miremadi, Mehdi. Where Machines Could Replace Humans - And Where They Can't. New York: McKinsey & Company, 2016.

¹² Impact of Automation in the Workforce, ManpowerGroup, January 2017.

¹³ Global Human Capital Trends 2016, Deloitte University Press, February 2016.

Employability — the ability to gain and maintain a desired job — no longer depends on what you already know, but on what you are likely to learn.



change: nearly two-thirds are investing in internal training to keep skills up to date, 42 percent are recruiting additional skillsets rather than replacing and more than a third are easing the transformation by bringing in contractors or third parties to transfer expert skills to their own workforce.¹⁴ Human sentiment and anxiety add more blockers than technophiles care to admit.

The bold exodus of call centers to the East has been hampered by service challenges and the customer has won: in 2016, BT and EE repatriated hundreds back to British shores.¹⁵ The ability to automate planes has existed for years, but few would board a flight without a pilot and the driverless Uber taxi cruising Pittsburgh, Pennsylvania will wait years before there are empty seats up front. Foxconn, the Chinese manufacturing giant supplying Apple and Samsung components, said in 2011 they would install more than a million robots over the next two years. By 2015 only 50,000 were fully operational in its factories.¹⁶ **Transformation of work in the machine age need not be a battle of human versus robot, and we should not underestimate the value of human connection.**

Constant Currency: Skills Adjacency, Agility and Learnability

The value we place on different skills will change. Digitization and growth in skilled work will bring opportunities, as long as organizations and individuals are ready. Technology will replace both cognitive and manual routine tasks so people can take on non-routine tasks and more fulfilling roles.

Creativity, people management, emotional intelligence and negotiation are skills that will tap human potential and allow people to augment robots, rather than be replaced by them.¹⁷ People will increasingly find they need to upskill and diversify into new areas. Skills adjacency, agility and **learnability — having the desire and ability to learn new skills to become and stay employable throughout long career journeys** — will be crucial. Across OECD countries, jobs requiring higher levels of skills proficiency are growing fastest.¹⁸ Industries most affected will disproportionately impact some workers more than others: low-skilled, low-learners and women. Roles in sales, business & financial operations and office & administration are all threatened by automation, and all tend to have higher proportions of women, so will have societal implications especially on gender parity. If the current trajectory continues women could face 3 million job losses and only half a million gains, more than five jobs lost for every job gained. Those organizations that can blend the right combination of people, skills and technology are those that will win. To do this organizations will need to invest more in training and development to address today's talent shortages and anticipate the demands of tomorrow. Employability — the ability to gain and maintain a desired job — no longer depends on what you already know, but on what you are likely to learn.

¹⁴ Impact of Automation in the Workforce, ManpowerGroup, January 2017.

¹⁵ Burton, James and Davies, Emily. 2016. "EE ditches foreign call centres - as new boss looks to create 600 jobs and put customers first," This is Money, 24 April.

¹⁶ Wages and Employment. China Labour Bulletin. 2016.

CUSTOMER SOPHISTICATION: THE POWER IS SHIFTING

From West to East and Back Again: the Global Power Shift

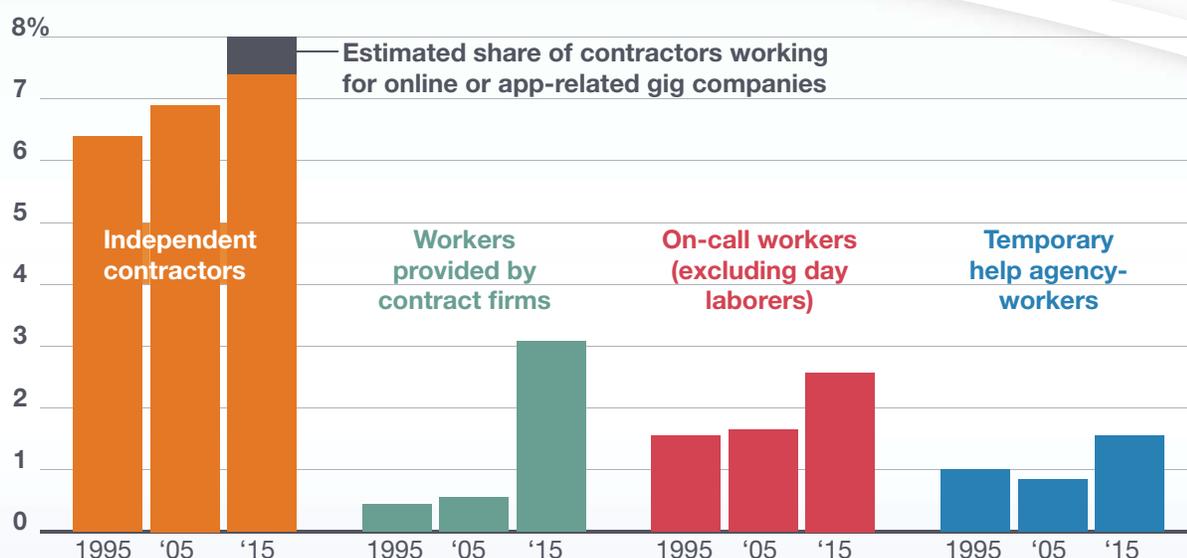
Talent destinations are changing. Globally, easternization is reorienting economic power from West to East.¹⁹ For decades, Western multinationals with few international competitors enjoyed first-mover advantage and rode the wave of globalization leveraging low labor costs and mastering complex supplier networks that drove prices down and turned record profits. Now the world playing field is leveling. In 1990, among the global Fortune 500, only five percent were headquartered in emerging markets. By 2013, 26 percent were and the number is set to climb

to 45 percent by 2025 — half of which are projected to be Chinese firms.²⁰ Newcomers and emerging markets will continue to shift up the value chain. In 2016 ManpowerGroup’s TAPFIN ranked labor markets based on more than 50 criteria — including talent availability, cost efficiency, productivity and the regulatory environment — and the top five destinations to do business were New Zealand, Singapore, the Philippines, Israel and India.²¹ Choosing where to locate, source and hire a global workforce with in-demand skills will depend on more variables and fewer constants than ever.

Supersize Me: Scale is Everything

Competitive forces are changing the value of scale. Just as technology allows small companies to scale at speed and shift the power, it also creates opportunities for large companies to swiftly supersize if they are nimble and prepared to innovate. Established firms like GE are reinventing themselves, shedding financial services and

Share of Workers in Each Type of Alternate Work Arrangement



Sources: Labor Dept. (1995, 2005); Alan Krueger of Princeton U. and Lawrence Katz of Harvard U. (2015)
THE WALL STREET JOURNAL

¹⁷ The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution, World Economic Forum, January 2016.

¹⁸ OECD Skills Outlook 2013: First Results from the Survey of Adult Skills, OECD, 2013.

¹⁹ Campbell, Kurt, 2016. “Easternisation: War and Peace in the Asian Century,” Financial Times, 12 August.

²⁰ Agyenim-Boateng, Yaw, Dobbs, Richard, Manyika, Jonathan, Remes, Jaana, Mit, Sven, and Woetzel, Jonathan. Urban world: The shifting global business landscape. New York: McKinsey & Company, 2013.

²¹ Contingent Workforce Index 2016 Global Analysis, ManpowerGroup Solutions, 2016.

The **new normal for people and businesses**, especially in open markets like the U.S. and UK, is the movement of talent into and out of organizations through a **growing array of options — freelance platforms, temporary, contract, part-time, statement of work (SOW), on-call, crowdsourcing, gigs and lending or borrowing arrangements.**

innovating in renewable energy, aerospace, healthcare and software, even marketing their own cloud-based operating system Predis to others. The supersized, super-fast companies including Google, Facebook and Apple are buying nimble start-ups to help them get faster on their feet and capitalize on new platform opportunities in growth areas: think IBM Watson and Apple's ResearchKit.

Better the Devil You Know

The recent surge in mergers, acquisitions and innovative partnerships demonstrates that foes can quickly become friends. In 2015 global M&A activity hit its highest level ever totaling U.S. \$4.7 trillion with 71 deals valued over \$10 billion. And there are no signs of slowing: 60 percent of executives plan similar bold moves into new industries by 2020.²²

Odd-couple partnerships, co-opetition and third-party relationships mean companies will find new ways to focus on core business, share costs and operate more efficiently — Apple producing cell phones with Samsung-made components, Toyota and Peugeot-Citroen collaborating to build commercial vehicles, Coca-Cola and Heinz developing sustainable containers and Spotify looking to acquire SoundCloud. Nothing is certain, except to expect the unexpected.

Changing the Way Work is Organized in the Human Age

Companies are increasingly tapping alternative work arrangements to acquire in-demand skills that meet vital and fast-changing capabilities — over half plan to increase the use of contingent workers in the next three to five years.²³ Multiple ways for individuals to work and for organizations to get work done, mean alternative work models have created the most employment growth in the U.S. in the last ten years.²⁴ Meanwhile the traditional model — the full-time, 40-hour week, permanent job — while still dominant, has been in decline for decades, together with falling trade union membership. The new normal for people and businesses, especially in open markets like the U.S. and UK, is the movement of talent into and out of organizations through a growing array of options — freelance platforms, temporary, contract, part-time, statement of work (SOW), on-call, crowdsourcing, gigs and lending or borrowing arrangements. In our own ManpowerGroup Solutions business, we see that nearly half of our clients now blend permanent and contingent workers to achieve a just-in-time solution and the best skills mix.²⁵

The Forgotten Workforce and the Rise in Total Talent Management

When unintended consequences mean 80 percent of companies have no coordinated

²² Busch, Wayne and Moreno, Juan Pedro. 2014. "Banks' New Competitors: Starbucks, Google, and Alibaba," Harvard Business Review, 20 February.

²³ Global Human Capital Trends 2016, Deloitte University Press, February 2016.

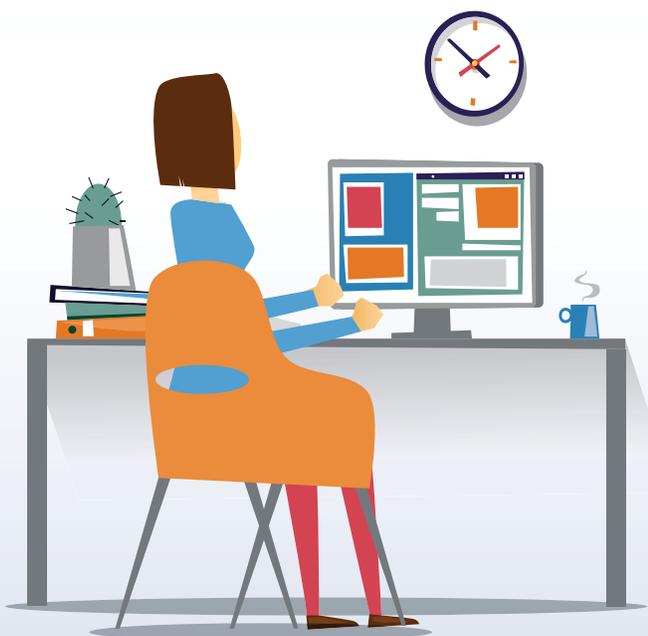
²⁴ Lawrence Katz and Alan Krueger. "The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015," 2016.

²⁵ Contingent Workforce Index, 2013 Global Analysis, ManpowerGroup Solutions, 2013.

view of locations, costs and contractual arrangements of their people, businesses will need to use new Total Talent Management strategies to get a good view of how productive and engaged their contingent workers are. In the old model, HR recruited permanent employees while procurement concentrated on the rest. In the future they will need to share knowledge and create an integrated talent strategy to know who and where their talent is, so they can lower their risk and realize untapped value across their total talent investment.

In one forward-thinking global technology company today 49 percent of its skilled talent is contingent or temporary and includes those that hold intellectual property and possess critical skills in sales and engineering. Entire teams of non-permanent business critical skills will increasingly be the norm as innovative organizations realize that workforce composition no longer divides easily between traditional employment and alternative models. The demise of the traditional work model - and with it job security - will bring a new model that will challenge businesses and individuals to strike the best balance between flexibility and a framework of career security in the twenty-first century world of work.

In the Human Age individuals will increasingly choose new ways of working to suit their needs and enable One Life that blends work and home.



INDIVIDUAL CHOICE: FROM JOB FOR LIFE TO CAREER FOR ME

The Gig Economy: A Hyperinflated Bubble?

Sharing economy platforms — such as Uber and Lyft, Thumbtack, Habitissimo and TaskRabbit, Upwork and Freelancer.com — have become increasingly visible to consumers and turned attention to the uberization of work. While the headlines may be large, the number of people working in gigs is still small: in the U.S. less than 0.5 percent of workers

work²⁶ for online or app platforms. Globally only about four percent of the working-age population use digital platforms to generate income and of all “independent workers” (gig workers and self-employed, freelancers and temporary workers) — less than half (44 percent)

derive their primary income from it.²⁷ The rise of gig work, whether real or perceived, means policymakers talk of regulation while companies and individuals want to avoid restraint and encourage enabling. The hybrid model of flexibility with responsibility will allow the protection of individuals together with freedom to choose where, when and how they work. While the gig model is not the reality for the majority, there is no doubt that the trend towards the Career for Me is on the rise. In the Human Age individuals will increasingly choose new ways of working to suit their needs and enable One Life that blends work and home.

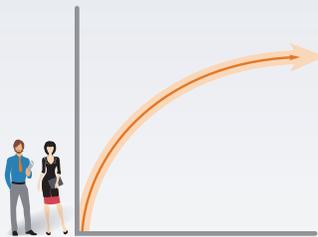
Employment Security Trumps Job Security

Full-time permanent work is in decline and the Job for Life is fast becoming a thing of the past.

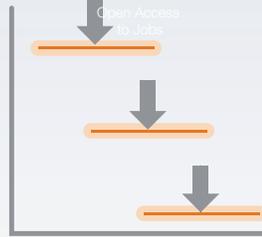
²⁶ Zumbrun, Josh. 2016. “The Entire Online Gig Economy Might Be Mostly Uber,” The Wall Street Journal, 28 March.

²⁷ Independent Work: Choice, Necessity and the Gig Economy, McKinsey Global Institute, October 2016.

Evolution of the Employer-Employee Relationship – What Next?



- Little or no movement between companies
- Dependent on employer for pay, goods and services, even housing; e.g. Port Sunlight, Hershey.



- Move between employers a few times throughout career
- Reliant on company for pay, benefits, pension and development



- Progress careers independently as freelancers, contractors, etc
- In search of pay, purpose and development
- Hiring based on demand for and access to talent



- Freelance workers, digital communities
- Algorithmic management
- Who is the organization?
- Who is the employer?

In the first decade after college Millennials will jump jobs four times, nearly double the job hopping their parents did.²⁸ One-third of workers today are Continuous Candidates, keen to advance their career and update their skills by changing jobs frequently,²⁹ staying relevant and employable to achieve career security rather than job security. To attract and retain the best talent employers will need to be more transparent about what they can offer existing employees and new recruits beyond a paycheck. Millennial workers agree: the majority rank improving skills and qualifications at the top of their career wish list and many are even willing to spend their own time and money to do so. As Millennials and Generation Zs will make up two thirds of the workforce by 2030,³⁰ employability will depend less on what you already know and more on your ability to learn, apply and adapt.

Workforce 2030: The Evolution of Employment

The relationship between employee and employer continues to shift in developed nations. Once workers' rights, responsibilities and even housing, were tied to the employer, in model villages like Port Sunlight, England or company towns like Hershey, Pennsylvania.³¹ With urbanization and high growth came more choice of where to work. The employment model evolved into the Job for Life, based on mutual loyalty, where a junior was hired and regardless of skills or seniority was developed to bring a return on investment until the end of their career. Declining growth markets, cost pressures, downsizing and layoffs shifted the model to a Job for Now often eliminating trust and creating an "every man for himself" approach. As a result, a Career for Me model has meant companies and individuals engage on terms that suit them at that time.

²⁸ Long, Heather. 2016. "The new normal: 4 job changes by the time you're 32," CNNMoney, 12 April.

²⁹ Always Looking: The Rise of Continuous Candidates, ManpowerGroup Solutions, 2016.

³⁰ United States Labor Bureau.

³¹ Hirsch, Michele Lent. 2015. "America's Company Towns, Then and Now," Smithsonian, 4 September.

³² Shin, Laura. 2016. "How The Blockchain Will Transform Everything From Banking To Government To Our Identities," Forbes, 26 May.



Employers will be increasingly challenged to attract people who do not want to be hired as traditional employees, while those with in-demand assets will have greatest control.

Blockchain Future: Conscious Decoupling of Worker and Organization

As technology advances and needs shift, skills and workers could become totally decoupled from the organization. Bitcoin already challenges global currencies. The same blockchain concept may be extended to labor markets, transforming how organizations are structured, introducing smart contracts and removing the need for central authority, and shifting power yet further. Algorithmic management is nothing new and people with low skills will increasingly be at risk of it or of being automated out.

Organizations like Deliveroo and Lyft steer drivers' behavior using data and surge pricing to incentivize work at peak times or in-demand places and an app assigns pickup requests, captures ratings and even suspends drivers. Just as UK supermarket Tesco provides warehouse staff with armbands that track and send location-specific tasks, more companies will use wearables to track workforce productivity in real-time. And what next? Will we soon see the decoupling of the hands-on manager, or the rise of the algorithmic boss? Is the Blockchain organization the next phase of the employer-employee evolution?³²

SHIFTING DEMOGRAPHICS: BRIDGING THE DIVIDE

Open or Closed, In or Out?: The New Political Divide

Across the world, politics is becoming less about left or right and more about the difference between open and closed borders. As elections play out in front of our eyes — in the U.S., UK, Austria, France, Italy, Netherlands — immigration is central to voters the world over. Welcome migrants or keep them out? Open up to foreign trade or protect domestic industries? Embrace cultural change or promote nativism? And populations are aging while tax-paying talent pools are shrinking. In Germany more than a fifth will be over 65 by 2020, and in Japan — the world's oldest country — 25 percent of people are already 65 or over, expected to reach 35 percent by 2040.

Meanwhile, Europe is also experiencing the biggest influx of people since World War II with some bringing valuable skills. Integration will become an even more critical socio-economic priority, to help individuals utilize or develop new skills, find meaningful work and regain normalcy. Whatever walls may or may not be built, mobility of talent will be increasingly key to businesses particularly in shortage sectors including construction, healthcare and cyber. Global organizations will continue to assess where and when they locate based on criteria that includes the free flow of labor and regulatory environment. Business leaders need to be responsive and make clear that all talent is valued in their organizations and that they will not stop welcoming the people they need to remain competitive.

Echo Chambers: A Tale of Two Societies

As technological disruption continues, the labor market is operating two-speed. Those with skills will increasingly call the shots, create opportunities and choose how, where and when they work. Those without will look to the future and not be able to see how their circumstances will improve. The shock of the Brexit vote, the unprecedented U.S. Presidential



Women plan to take more time out than men to care for others –
for children, older relatives, partners and even to volunteer.

**Organizations that are transparent about not just numbers
but actions will become talent destinations.**

election campaign and surprise result, together with the rising popularity of the far right or left reinforces the emergence of a “bubblized society” made up of groups that share common realities, perceptions and beliefs. While one of the benefits of media, especially social, is the personalization of

pipeline. Labor force participation for women is stagnant: 54 percent for women globally, 81 percent for men.³³ The number of women in senior positions also remains stubbornly low, with only four countries in the world having equal numbers of male and female legislators, senior officials and managers,

Leaders must take individual responsibility as change agents to build trust, demonstrate they are shaping a better future and be in touch with the people they employ and the communities in which they operate.

content, it also means that many consume information and news too carefully curated. They are insulated in an *echo chamber* of similar-minded people, convinced of their own rectitude and taken by surprise when presented with different views and opinions. Leaders must take individual responsibility as change agents to build trust, demonstrate they are shaping a better future and be in touch with the people they employ and the communities in which they operate. Responsive and responsible leadership: the time is now.

Gender Parity, Who’s Counting

When it comes to gender parity in some ways we have made great strides. In Asia, Yuriko Koike recently claimed a historic victory in the race for Tokyo governor. In the U.S., the Democratic party backed its first female Presidential candidate and the newly elected Senate is on track to have more women than ever before. In Europe, Theresa May is the steady hand at the Brexit helm and Angela Merkel has again been named world’s most powerful woman. Female prime ministers in Denmark and Norway are nothing new. At an organizational level, however, companies are still struggling to shift the needle when it comes to accelerating gender parity, at the top and in the

despite the fact that 95 countries now have as many or more women educated at university level.

Employers will find themselves increasingly in the spotlight as regulation calls for more transparency: the UK will join France, Sweden and Denmark as businesses are required to declare median and mean gender pay gaps, identifying roles and levels of seniority of women within their organization. Silicon Valley may be trailblazing transparency or just messaging on their own terms: in 2014 Google disclosed figures quickly followed by Yahoo!, Twitter, Facebook and Apple. Companies with a culture of conscious inclusion will fill their talent pipeline, progress women into senior positions and fare best. Flexibility and the ability to blend work and home will continue to be important, particularly when women typically spend between 90 minutes and several hours a day on caring responsibilities and aging populations will only increase the need for eldercare. Our own *Millennials research supports this; women plan to take more time out than men to care for others – for children, older relatives, partners and even to volunteer. Organizations that are transparent about not just numbers but actions will become talent destinations.*

³³ The Global Gender Gap Report 2016, The World Economic Forum, October 2016.



CONCLUSION

The four forces we identified a decade ago continue to transform the way people live, work, consume and interact with organizations and with each other. The **Fourth Industrial Revolution** and the **Human Age** have arrived. Technology and digitization are transforming business models and will continue to do so. The real revolution will be a Skills Revolution — where **finding the right balance of technology, talent and human connection will be what enables both people and businesses to succeed.** Individuals with in-demand skills will continue to call the shots while those without will be at greater risk of being left behind. Helping people upskill and adapt to this fast-changing world of work will be the defining labor challenge of our time.

ABOUT MANPOWERGROUP

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