ManpowerGroup

Humans Wanted:

Robots Need You

The focus on robots eliminating jobs is distracting us from the real issue. More and more robots are being added to the workforce, but humans are too. For three consecutive years our research shows most employers plan to increase or maintain headcount as a result of automation. Tech is here to stay, and it's our responsibility as leaders to work out how we integrate humans with machines.

We have an important role in creating a culture of learning and building talent. Skills are the passport to growth and resilience for organizations and individuals alike, so we must nurture people's learnability and encourage continuous learning for all employees, not just those who would develop their skills anyway. Learning cannot be done as it was in the past. We must help people learn how to work with automation and develop the new skills they need to integrate with machines. We need quick bursts or cycles of learning so we can capture these opportunities as technology transforms markets.

This report provides a real-time view of how automation is changing the way organizations operate: hiring more people, creating more jobs and upskilling more so that they have the workforce they need to succeed. This is not an either - or, human versus machine. I'm convinced: organizations and individuals really can befriend the machines and collaborate in harmony to create a stronger, better society.

Jonas Prising,
Chairman & CEO, ManpowerGroup

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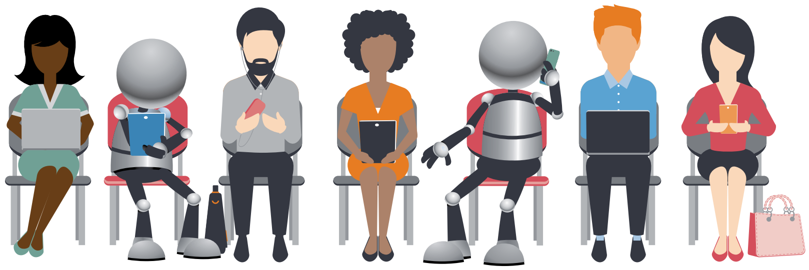


Robot workers replacing human jobs – the debate of the decade. In reality, the opposite looks true. Our research shows **more employers than ever - 87% - plan to increase or maintain headcount as a result of automation for the third consecutive year.** Rather than reducing employment opportunities, organizations are investing in digital, shifting tasks to robots and creating jobs. At the same time, companies are scaling their upskilling so their human workforce can perform new and complementary roles to those done by machines. **The Skills Revolution is in full flow.**

*More employers than ever – **87%** – plan to **increase** or maintain headcount as a result of **automation***

Q

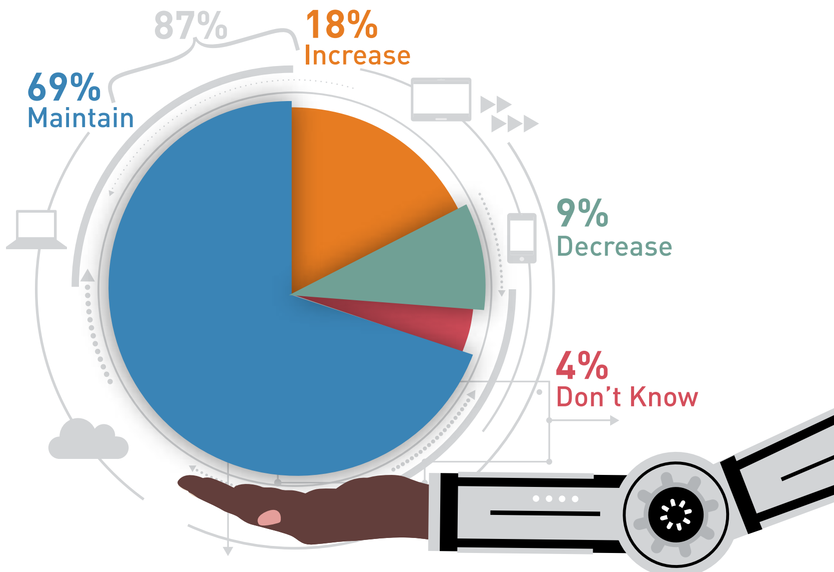
WE ASKED **19,000 EMPLOYERS IN 44 COUNTRIES** ABOUT:

- **The impact of automation on job growth in their organizations in the next two years**
- **The functions they plan to increase headcount the most, and the types of skills they are looking for**
- **The talent strategies they are implementing to ensure a future-fit workforce**

LEARNABILITY
the ability and desire to quickly grow and adapt one's skillset to stay employable for the long-term

AUTOMATION IS CREATING JOBS – AND THE TREND IS SET TO STAY

More employers than ever anticipate increasing or maintaining their workforce as a result of automation - up from 83%[1] to 87% in three years. At the same time, the share of companies predicting job losses has fallen from 12%[2] to 9%.



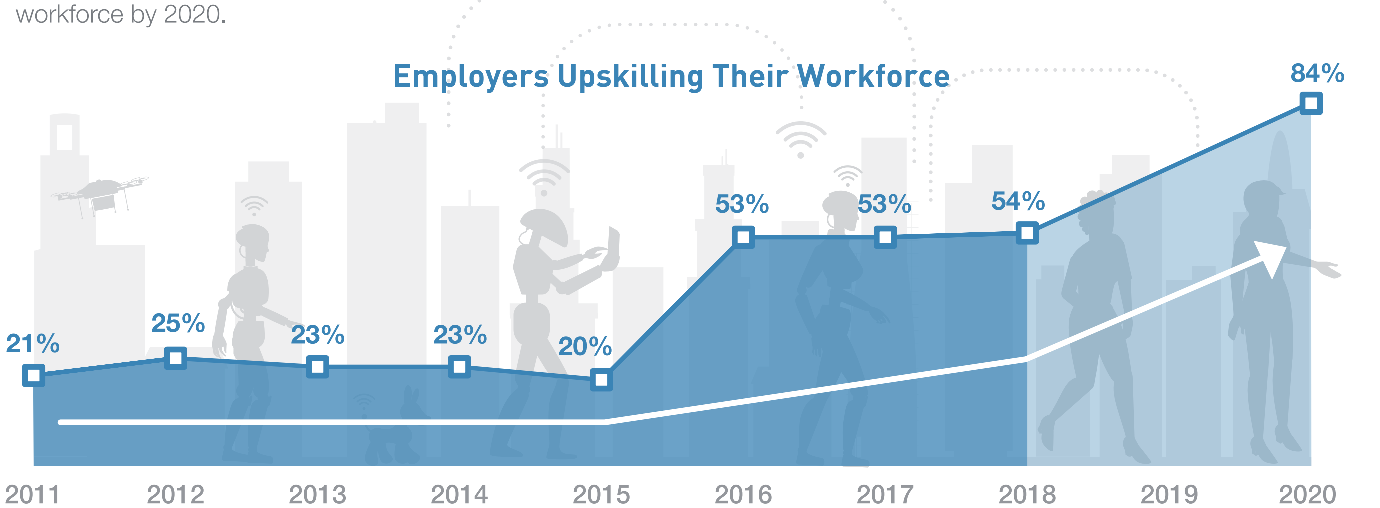
... AND ORGANIZATIONS THAT ARE AUTOMATING MOST ARE CREATING THE MOST JOBS

Companies that are digitizing are growing, and that growth is producing more and new kinds of jobs. Those **organizations that are already automating tasks and progressing their digital transformation are also most confident** of increasing headcount. Twenty-four percent of those companies say they expect to create more jobs in the next two years. Only 12% of those that are automating say they will reduce headcount, while 3% are not sure what the future holds.

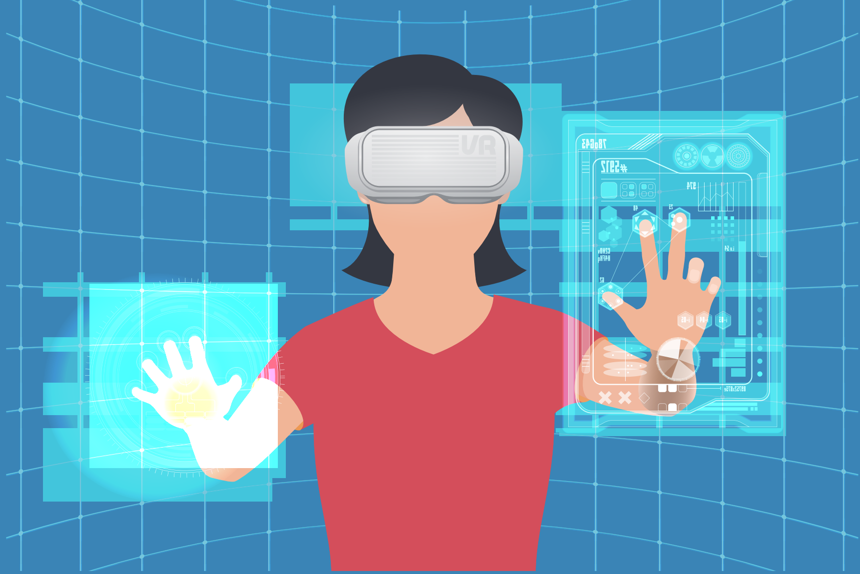
*Of the **41% of companies** that will automate tasks over the next 2 years, **24% will create more jobs**, 6 percentage points more than those who don't plan to automate*

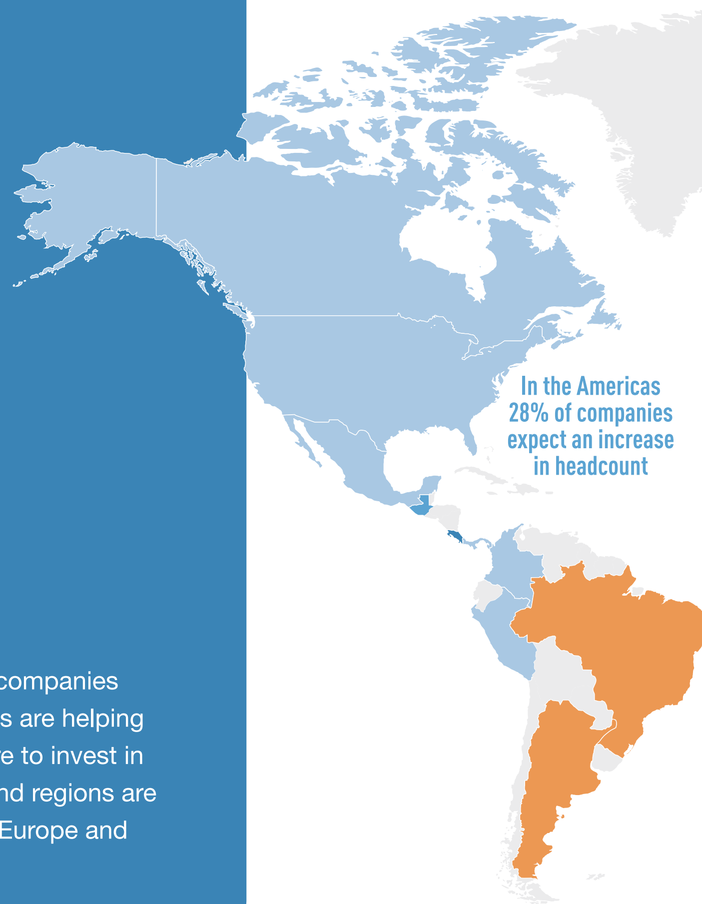
... AND UPSKILLING IS ON THE UP: COMPANIES ARE BECOMING BUILDERS OF TALENT

With talent shortages at a 12-year high[3] and new skills appearing as quickly as old ones disappear, **more companies are planning to build talent than ever before**, and this is projected to increase by 2020. Companies are realizing they can no longer expect to find just-in-time talent, on tap. Eighty-four percent of organizations expect to be upskilling their workforce by 2020.



(2011-2018)[4]





HIGH HIGH HOPES FOR AUTOMATION

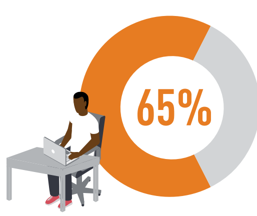
Confidence in automation is growing globally. In 35 of 44 countries more companies are planning to grow or maintain rather than shrink their workforce. Robots are helping to boost productivity and proving to be critical to economic growth. Failure to invest in automation risks missing out on creating wealth and jobs. Yet countries and regions are adopting robots at vastly different rates: Southeast Asia is outperforming Europe and North America, and China is outpacing the U.S.[5]

DEMAND FOR DIGITAL SKILLS GROWING: OUT WITH THE OLD, IN WITH THE NEW

Automation is changing the skills companies need from workers, yet the speed with which this is happening across functions within organizations varies.

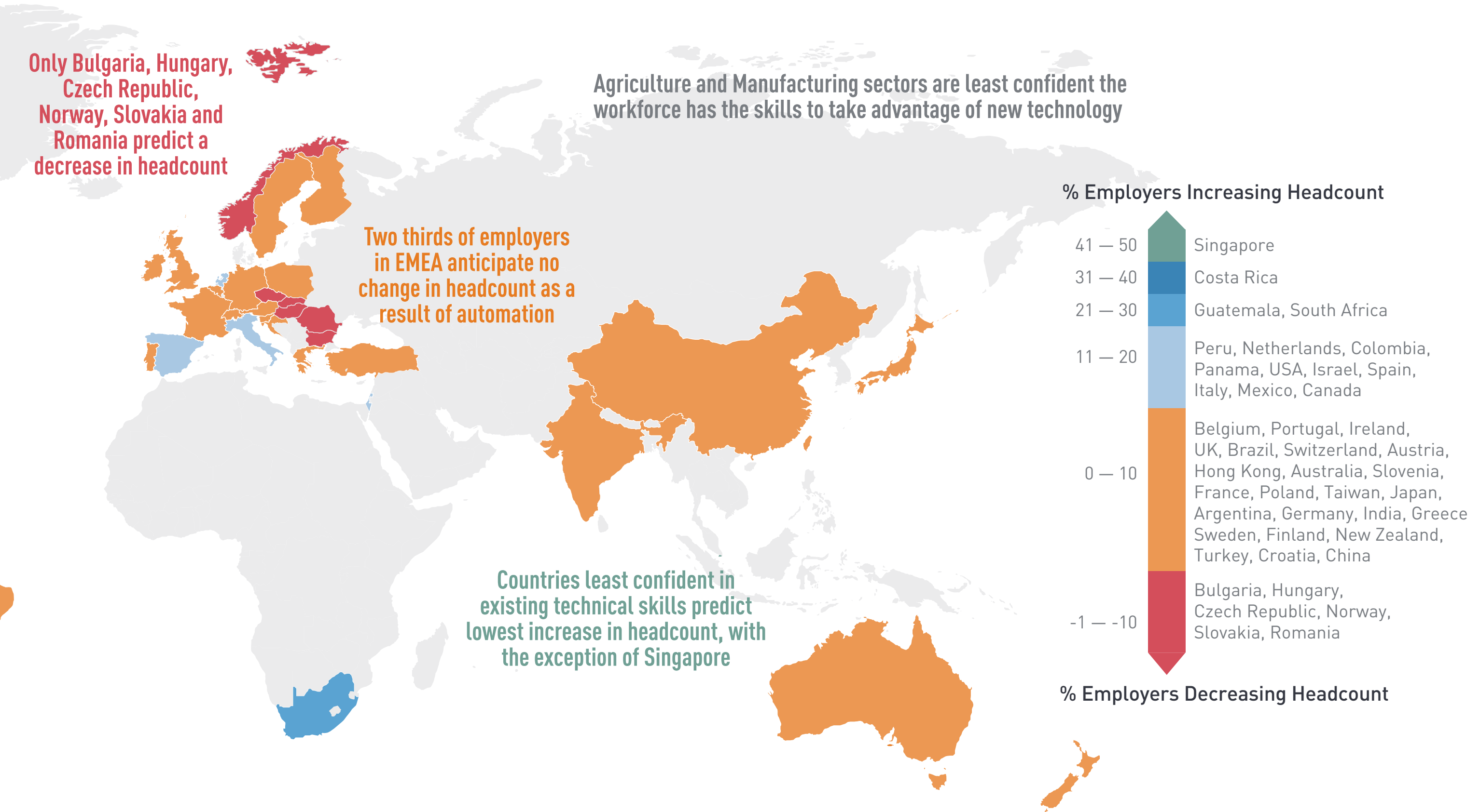
Demand for IT skills is growing significantly and with speed: 16% of companies expect to increase headcount in IT - five times more than expect a decrease. Meanwhile **the availability of tech talent is increasingly scarce,[6] and the education and experience employers require versus what exists is presenting a mismatch.** In the U.S. 86% of IT vacancies require a bachelor's degree in computer science, yet just 43% of IT workers have one; 92% of Java developer job ads ask for a degree when only 48% of developers have one. In the U.K., only 25% of IT workers have a degree yet for 46% of open roles it's a mandatory requirement.[7]

Manufacturing and production anticipate the most change: 25% of employers say they will employ more people in the near-term while another 20% say they will employ fewer – resulting in job growth together with significant skills disruption in the industry. **Growth will come too in frontline and customer-facing, engineering, and management roles, all of which require human skills** such as advanced communication, negotiation, leadership, management and adaptability.[8] In other functions, administrative and office roles are shrinking and overall HR headcount is expected to stay the same.



***of companies** planning to **increase headcount in IT roles** say **communication** is the most valued soft skill*[9]

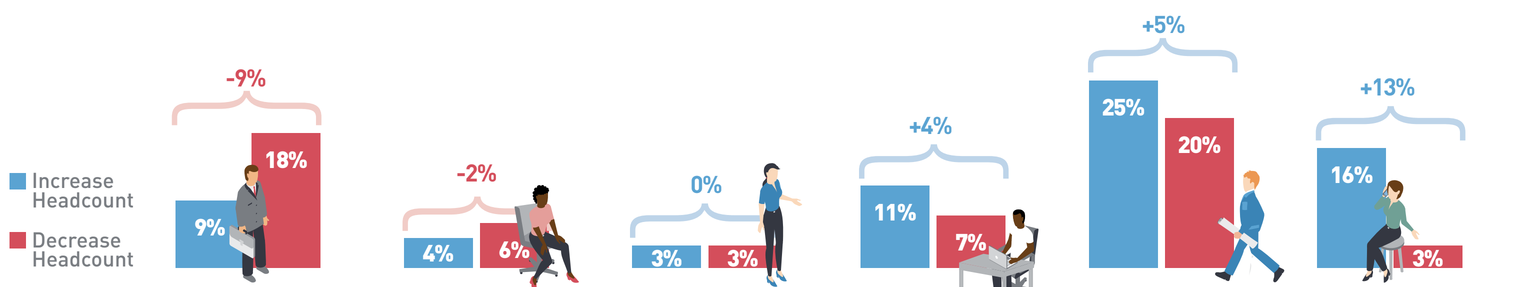
ManpowerGroup is closing the gap. Working with clients like Microsoft, we are assessing role requirements, identifying skills adjacencies and upskilling people to become certified games testers in just three months. Passion for gaming, excellent problem-solving skills and the ability to learn quickly are key components, and to date we have upskilled over 500 people in these in-demand skills.



HUMAN SKILLS TRENDING: HARD TO FIND, EVEN HARDER TO TEACH

Demand for tech and digital skills is growing across all functions[10] yet **employers place increasing value on human skills as automation scales and machines prove better at routine tasks.** While 38% of organizations say it is difficult to train in-demand technical skills, 43% said it is even harder to teach the soft skills they need such as analytical thinking and communication. Candidates who can demonstrate higher cognitive skills, creativity and the ability to process complex information, together with adaptability and likeability, can expect greater success throughout their careers. By 2030, demand for human skills – social and emotional soft skills – will grow across all industries by 26% in the U.S. and by 22% in Europe.[11]

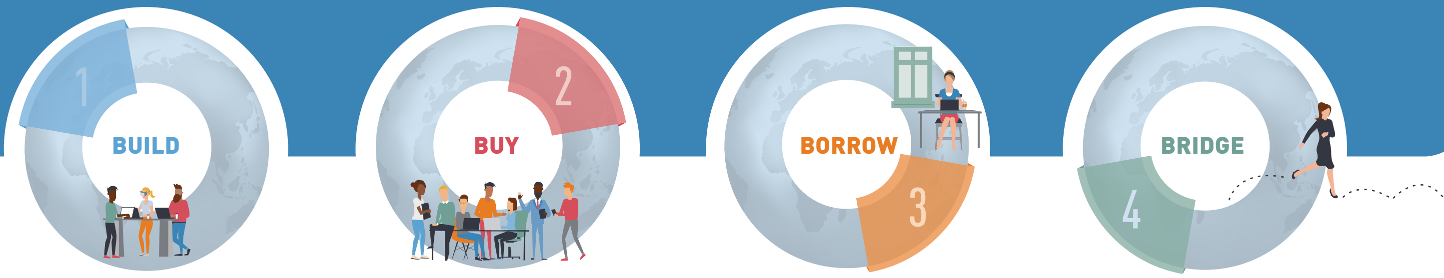
Functions Anticipating the Largest Increase and Decrease in Headcount in the Next Two Years



	Administrative & Office	Finance & Accounting	Human Resources	IT	Manufacturing & Production	Frontline & Customer-Facing
SKILLS TODAY	• Record keeping • Coordination & time management • Cost tracking	• Adherence to process & detail • Compliance • Record keeping	• Policy & procedure • Employment law • Recruitment	• Technology installation & maintenance • Technology use, monitoring & control • Strong IT skills	• Operating machines • Physical skills • Adherence to order & procedure	• Data entry • Basic literacy, numeracy & communication
SKILLS TOMORROW	• Communication & relationship building • Critical thinking & analysis • Networking & influence	• Recognizing patterns & trends • Business translation • Presentation & customer service	• Understanding human behavior • Data analysis & assessment • Talent strategy & planning	• Critical thinking, analysis & problem solving • High learnability • Technology design & programming	• Managing machines • High learnability • Complex problem solving	• Problem solving • Communication & relationship building • Managing machines

TALENT STRATEGIES FOR THE SKILLS REVOLUTION:
BUILD, BUY, BORROW, BRIDGE

Talent shortages are at a 12-year high and new skills are appearing as quickly as old ones disappear. Almost all (94%) employers are pursuing one or more talent strategies to secure the skills they need and companies with a plan are more confident of expanding their headcount than those that are hesitating.



Invest in learning and development

Go to market to attract the talent that cannot be built in-house

Cultivate communities of talent beyond the organization

Help people move on or move up to new roles inside or outside the organization

THE **BUILD** SOLUTION: UPSKILLING IS SCALING UP

More companies are planning to build talent within their workforce than ever before. Eighty-four percent plan to upskill employees by 2020 – an exponential increase from 21% in 2011.[12] **Companies are realizing they can no longer expect to find just-in-time talent, even if they are willing to pay the premium for it.**

84%** of employers will upskill their current workforce versus **21% in 2011

ALL ROADS LEAD TO LEARNING

By 2022, over half (54%) of all employees will require significant reskilling and upskilling. Of these, about 35% are expected to require training of up to six months, 9% will take six to 12 months to reskill and 10% will require additional skills training of more than a year.[13] Learning will be essential.

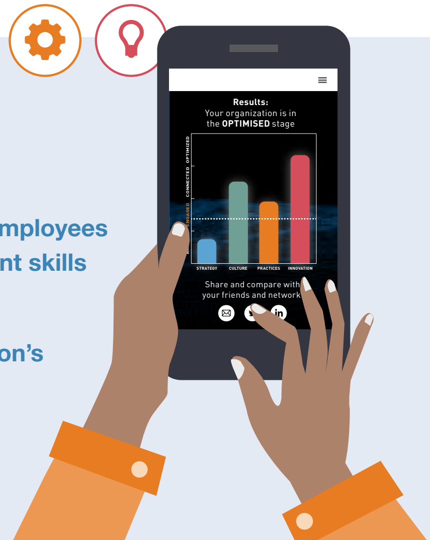
Companies are deploying a myriad of approaches to address this. In North America, online Learning Management Systems are the primary means of training the workforce at scale, providing mass content, especially for onboarding, compliance and cyber security training.

But to really compete in the Skills Revolution, **companies need to promote a culture of learning, provide career guidance and offer short, focused upskilling opportunities.** People need to know how to prepare for high growth roles of the future and that their employer supports their learning. The return on investment for upskilling is clear: in North America the cost of turnover and replacement can exceed 30% of wages,[14] while the cost of training remains less than 10% of wages.[15] As well as providing internal in-person and online training, companies are tapping external resources to do this: 39% are partnering with outside organizations such as schools, colleges and industry bodies to build communities of talent.

Companies prioritize talent strategies differently depending on where they are on their digital journey. Trailblazing organizations – those most advanced in automating tasks and increasing headcount – are utilizing the following strategies in this order:

1. Automating work
2. Increasing salaries
3. Bridging unneeded talent out
4. Recruiting for temporary skills
5. Redeploying internally
6. Offering better benefits
7. Upskilling existing employees
8. Hiring new permanent skills

ManpowerGroup's Digital Evolution Pathway assessment helps leaders measure their organization's digital maturity across four areas: strategy, people and culture, process and innovation.
Find out yours at: *www.digipathway.com*



BUY

79% of employers plan to buy the skills they need, either paying higher market prices or improving compensation for existing staff

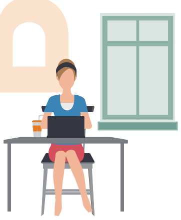
THE **BUY** SOLUTION: WAGES ARE RISING FOR THOSE IN DEMAND

Organizations have long been used to being able to spend to find the skills they need, when they need them. Not so today. In this tight labor market when skills needs are changing faster than ever, the most **in-demand talent can call the shots**. While wage stagnation is much talked about and wage growth is stubborn for low-skilled workers, companies are happy to pay more for sought-after skills. Twenty-nine percent are offering higher salary packages to solve recruitment problems and 46%[16] are paying more to attract and retain existing staff. The challenge comes when those skills are not available. Then the only option is to build.

BORROW

THE **BORROW** SOLUTION: NEXTGEN IS THE NEXT BIG THING

Digitization has created **new ways of working and new generations of workers who are increasingly comfortable clocking in part-time, working on a contract or project basis** and pursuing other forms of alternative labor. But here's the rub: 87% of workers say they are open to these NextGen work approaches[17] yet only 32% of employers are offering alternative ways of working. Companies need to address this disconnect to be able to attract NextGen workers while retaining and motivating those they have today.



*Only **32%** of organizations will use contractors and other forms of alternative work models even though **87%** of workers say they are open to this NextGen work*

BRIDGE

THE **BRIDGE** SOLUTION: REDEPLOY, REASSIGN OR RELEASE

Over half of organizations (56%) are helping people move on, move up or move out to new roles inside or outside the organization as part of their talent strategy. Of those, 47% of employers are moving employees around within their organization, while 27% are helping workers whose skills no longer fit move to roles outside the organization. **Bridging requires tools including assessment, big data and predictive performance to define adjacent skills, identify strengths and help workers create clear career paths.** Companies need to treat workers fairly and with compassion if their skills are no longer required.

56% of employers will create pathways for people to move around or out by 2020

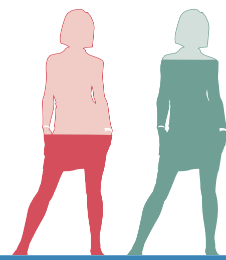
Warning: companies not pursuing any future workforce strategies are only around half as confident of creating new jobs in the near-term as those rolling up their sleeves and putting actions in place.

WHAT NOW, WHAT NEXT?
ASSESSING FOR CURRENT CAPABILITIES AND FUTURE SKILLS ADJACENCIES

People perform at their best when their role is the right fit for their natural capabilities and their strengths are understood. **Assessment is the most valuable way of understanding human potential and matching people to the right role.** This is how employers can identify skills adjacencies - the skills people have that can be easily adapted and applied to new roles.

Assessing people increases the likelihood of placing the right person in the right role from 50% to more than 80%, yet **just 48%[18] of people have actually had an assessment of their skills.[19]** When companies understand their people and can predict their performance, they will see better performance and more engaged, productive and motivated employees.

Assessing people ***increases*** *the likelihood of* ***placing the right person*** *in the right role from* ***50%*** *to* ***80%***



WINNING SOLUTIONS IN THE SKILLS REVOLUTION

LOOKING INTO THE FUTURE OF DIGITAL MANUFACTURING

The manufacturing sector in the U.S. is estimated to produce up to 2 million new jobs over the next decade. At the same time, almost 2.7 million manufacturing workers are set to retire by 2025,[20] while digitization and automation are changing skills at pace. The jobs of today look different to yesterday and will look different again tomorrow.

To find practical solutions to this skills shortage and ensure up to 2 million jobs do not go unfilled, ManpowerGroup convened companies including Siemens, Microsoft, Caterpillar and GE to create an industry recognized taxonomy that defines digital manufacturing roles of the future. **This groundbreaking workforce analysis, developed in partnership with the Digital Manufacturing and Design Innovation Institute (DMDII), identifies 165 data-centric jobs and 20 core roles of the future.**

Detailed descriptions include both the technical and soft skills required for in-demand roles such as collaborative robotics specialists, manufacturing cybersecurity strategists and enterprise digital ethicists. And as these are future roles, in-depth analysis also helps companies to identify people with adjacent skills – those skills that are connected and can be adapted easily, developed and applied to these new roles. This is how manufacturing organizations can source a talent pipeline for existing and future factories, put new technology into practice and remain globally competitive.

Mara Swan, EVP
Global Strategy and Talent,
ManpowerGroup

THE BEST SOLUTION TO THE SKILLS REVOLUTION: TALENT STRATEGY 4.0

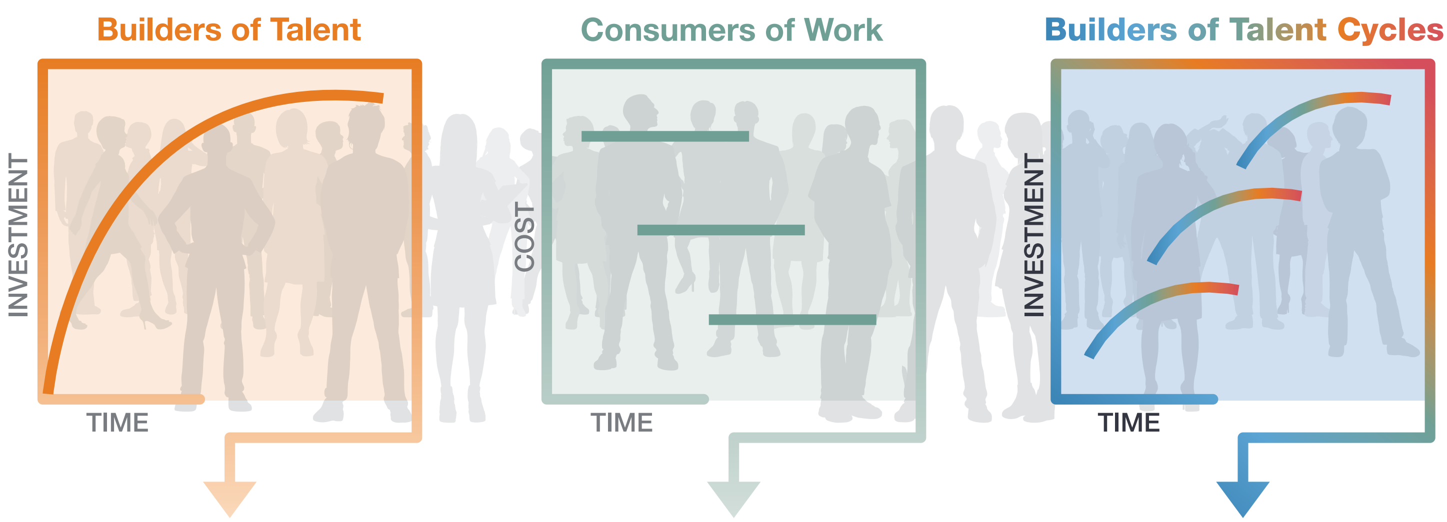
The role of HR needs to continue to evolve to help organizations drive growth and profitability. We need a new talent strategy to help all companies integrate automation with human skills.

Companies need to be able to adapt to quicker talent cycles than they have done in the past. They need to create agile teams, multi-functional and multi-skilled - similar to how many IT departments already work. They need to use quality assessments and data to predict performance and have full transparency of people's capabilities. That's how they can know an individual's skills, strengths and styles, beyond just the manager-worker perspective. And that's how they can know where to move talent around so people can perform to their potential.

People will need to do new work with new skills. This will require continuous learning and it's why learnability – the desire and ability to continually develop one's skills – is so important. People with high learnability will be able to develop in-demand skills, while those without will need to be developed in their job or helped to move elsewhere.

Companies can no longer be purely consumers of work. They need to be builders of talent cycles, helping people develop their resilience and ability to move from this role to that. In the Skills Revolution, this is how people will augment robots rather than be replaced by them.

THE EVOLUTION OF TALENT STRATEGY



A high-growth, highly stable environment, where companies had time and resources to be builders of talent. **Individuals joined organizations for life**, and stayed long enough to provide a strong return on investment.

Globalization brought **shrinking margins and cost-cutting**. Companies responded by labor cost reduction and just-in-time recruitment. Wages, once set by the enterprise, are now set by the market, and **the bifurcation of the workforce began**. Higher skilled people enjoyed pay increases, lower skilled people did not. Companies became consumers of talent and minimizers of overall labor costs.

Now, companies need to quickly adjust to what is happening in the market place to get a quicker return on investment and grow. **Talent cycles are shorter so people need to upskill in short bursts**. Training has to impact more quickly and present a faster time to value. Even with low unemployment, wages are rising for people with in-demand skills.

ManpowerGroup

ABOUT MANPOWERGROUP

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organizations transform in a fast-changing world of work by sourcing, assessing, developing and managing the talent that enables them to win. We develop innovative solutions for hundreds of thousands of organizations every year, providing them with skilled talent while finding meaningful, sustainable employment for millions of people across a wide range of industries and skills. Our expert family of brands – Manpower®, Experis®, Right Management® and ManpowerGroup® Solutions – creates substantially more value for candidates and clients across 80 countries and territories and has done so for 70 years. In 2018, ManpowerGroup was named one of the World's Most Ethical Companies for the ninth year and one of Fortune's Most Admired Companies for the sixteenth year, confirming our position as the most trusted and admired brand in the industry. See how ManpowerGroup is powering the future of work: **www.manpowergroup.com.**

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ABOUT THE RESEARCH

ManpowerGroup commissioned Infocorp to carry out quantitative research in 2018 surveying 19,417 employers across 6 industry sectors in 44 countries. The research was conducted in Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Colombia, Costa Rica, Croatia, Czech Republic, Finland, France, Germany, Greece, Guatemala, Hong Kong, Hungary, India, Ireland, Israel, Italy, Japan, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Turkey, U.K. and USA. Data analysis conducted by Reputation Leaders.

FOOTNOTES

[1, 2, 9, 12, 16] The Skills Revolution, ManpowerGroup, 2017 and Skills Revolution 2.0, ManpowerGroup, 2018

[3, 4, 6] Solving the Talent Shortage, ManpowerGroup, 2018

[5] "Robot Reality Check: They Create Wealth – And Jobs," Wall Street Journal, 2018

[7, 22] TalentNeuron, Gartner, 2018 and Market Analysis, ManpowerGroup Solutions, 2018

[8, 10] "Skill Shift: Automation and the future of the workforce," McKinsey & Company, 2018

[11, 13] Future of Jobs Report, World Economic Forum, 2018

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[17] Gig Responsibly: The Rise of NextGen Work, ManpowerGroup, 2017

[18] The Talent Delusion, Tomas Chamorro-Premuzic, 2017

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