

digitization
HUMAN SKILLS MACHINE LEARNING
new ways of working
AUTOMATION AI VR
Robots GROWTH

Humans Wanted: Robots Need You AUSTRALIA





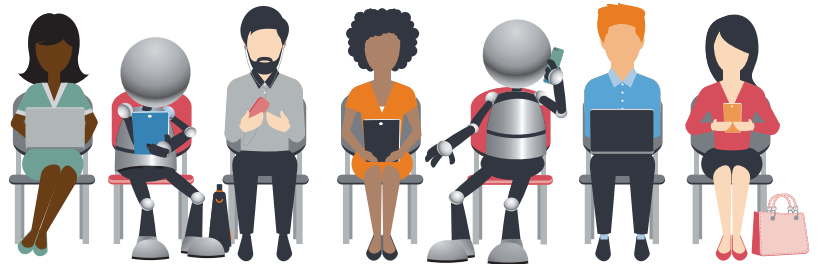
The focus on robots eliminating jobs is distracting us from the real issue. More and more robots are being added to the workforce, but humans are too. For three consecutive years our research shows most employers plan to increase or maintain headcount as a result of automation. Tech is here to stay, 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 organisations 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 organisations 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: organisations and individuals really can befriend the machines and collaborate in harmony to create a stronger, better society.

Richard Fischer,
Managing Director, ManpowerGroup ANZ

Humans Wanted: Robots Need You



Robot workers replacing human jobs – the debate of the decade. In reality, the opposite looks true. Our research shows **more Australian employers than ever - 84% - plan to increase or maintain headcount as a result of automation for the third consecutive year.** Rather than reducing employment opportunities, organisations 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 Australian employers than ever – 84% – plan to *increase* or maintain headcount as a result of automation

WE ASKED **19,000 EMPLOYERS** IN **44 COUNTRIES** WITH **MORE THAN 500 ACROSS AUSTRALIA** ABOUT:

- The impact of automation on job growth in their organisations 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



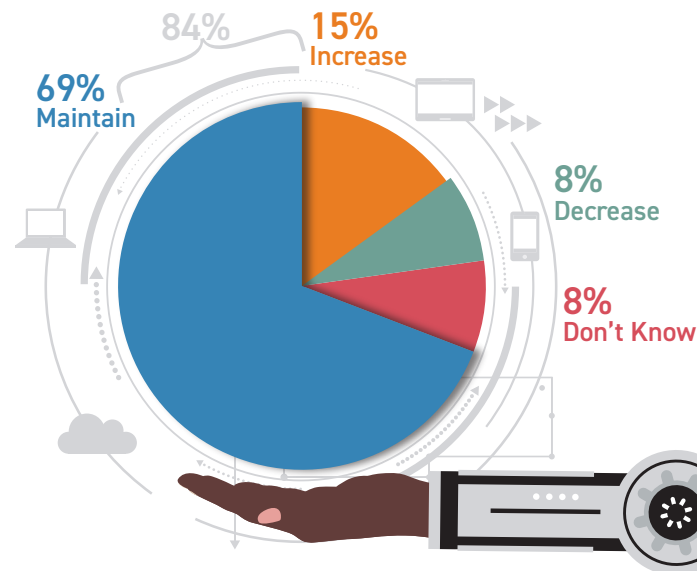
LEARNABILITY

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

THE HIGHLIGHTS

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 84%. At the same time, the share of companies predicting job losses has fallen from 12%¹ to 8%.



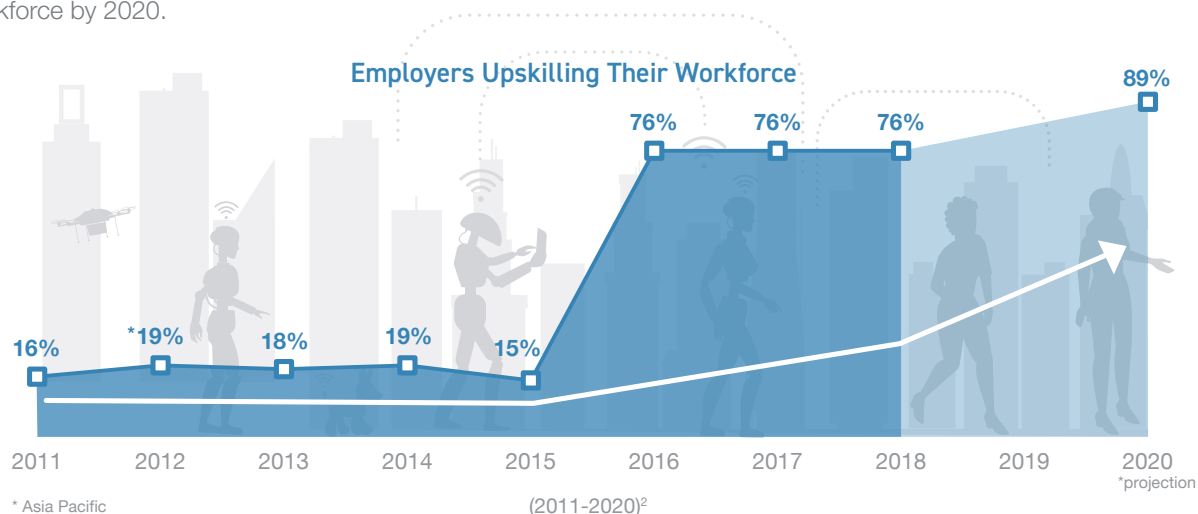
... AND ORGANISATIONS THAT ARE AUTOMATING MOST ARE CREATING THE MOST JOBS

Companies that are digitising are growing, and that growth is producing more and new kinds of jobs. Those **organisations that are already automating tasks and progressing their digital transformation are also most confident** of increasing headcount. Twenty-one percent of those companies say they expect to create more jobs in the next two years. Only 13% of those that are automating say they will reduce headcount, while 8% are not sure what the future holds.

Of the 47% of companies that will automate tasks over the next 2 years, 21% will create more jobs.

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

With talent shortages at a 12-year high² 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 realising they can no longer expect to find just-in-time talent, on tap. Eighty-nine percent of organisations expect to be upskilling their workforce by 2020.



DEMAND FOR DIGITAL SKILLS GROWING: ESPECIALLY IN I.T. AND CUSTOMER FACING

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

Demand for IT skills is growing significantly and with speed: 16% of companies expect to increase headcount in IT - four times more than expect a decrease. Meanwhile the availability of tech talent is increasingly scarce,² 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.³

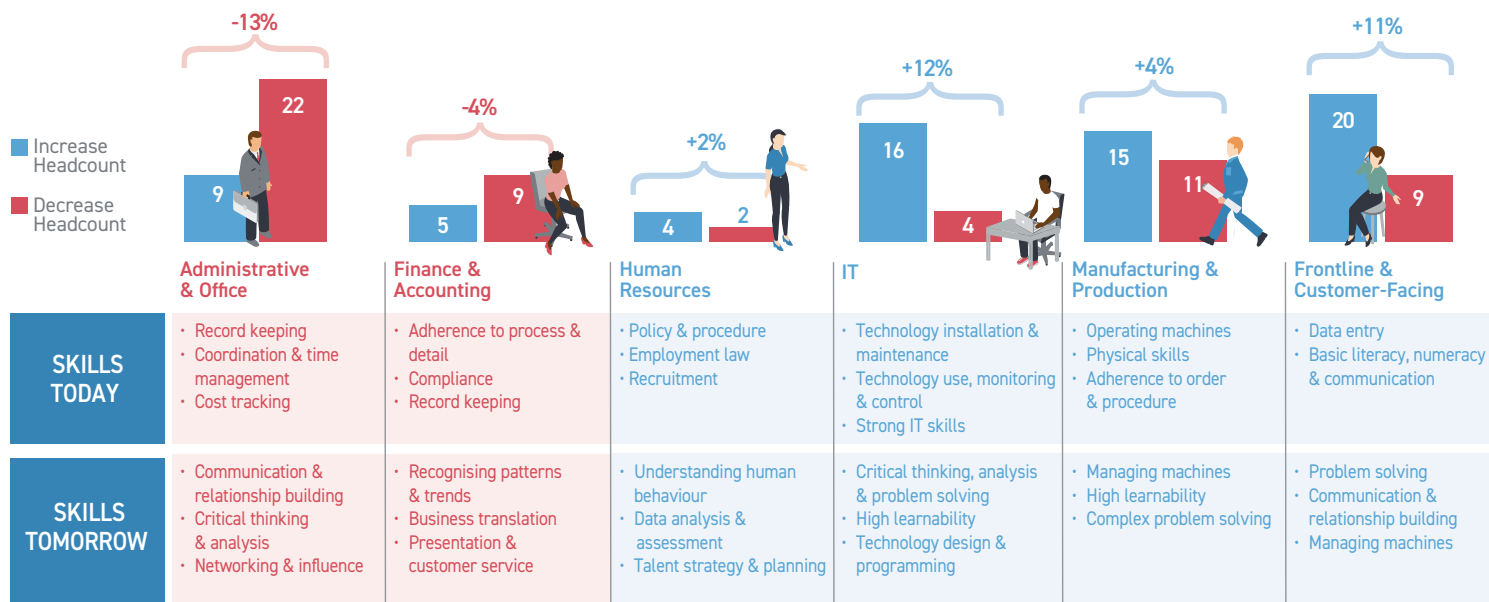


ManpowerGroup is closing the gap. Working with clients like Microsoft, we are assessing role requirements, identifying skills adjacencies and upskilling people to become certified games testers in just three months. Passion for gaming, excellent problem-solving skills and the ability to learn quickly 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 functions⁴ yet **employers place increasing value on human skills as automation scales and machines prove better at routine tasks.** While 35% of organisations say it is difficult to train in-demand technical skills, 45% said it is even harder to teach the soft skills they need such as analytical thinking and communication. Candidates that 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.⁶

Functions Likely to See the Largest Increase and Decrease in Headcount in the Next Two Years



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

BUILD THE BUILD SOLUTION: UPSKILLING IS SCALING UP

More companies are planning to build talent within their workforce than ever before. Eighty-nine percent plan to upskill employees by 2020 – an exponential increase from 16% in 2011.² **Companies are realising they can no longer expect to find just-in-time talent, even if they are willing to pay the premium for it.**



89% of employers will upskill their current workforce versus 16% 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.⁵ 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,⁶ while the cost of training remains less than 10% of wages.⁷ As well as providing internal in-person and online training, companies are tapping external resources to do this: 52% are partnering with outside organisations such as schools, colleges and industry bodies to build communities of talent.



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

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

IS THIS THE RECIPE FOR SUCCESS?

To help companies maximise their return on digital maturity, ManpowerGroup has created the Digital Evolution Pathway assessment for leaders to measure their organisation's preparedness across for areas: strategy, people and culture, process and innovation. The assessment generates a tailored report benchmarking where an organisation is on their digital journey from aware, engaged, connected to optimised.

BUY



87% 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

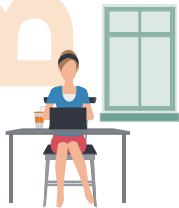
Organisations have long been used to being able to spend to find the skills they need, when they need them. Not so today. In this tight labour market when skills needs are changing faster than ever, the most **in-demand talent can call the shots**. While wage stagnation is much talked about and wage growth is stubborn for low-skilled workers, companies are happy to pay more for sought-after skills. Forty-three percent are offering higher salary packages to solve recruitment problems and 52%² 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

Digitisation 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 labour. But here's the rub: 92% of workers say they are open to these NextGen work approaches⁸ yet only 36%

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 36% of organisations will use contractors and other forms of alternative work models even though 92% of workers say they are open to this NextGen work



BRIDGE

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

More than half of organisations (67%) are helping people move on, move up or move out to new roles inside or outside the organisation as part of their talent strategy. Of those, 60% of employers are moving employees around within their organisation, while 38% are helping workers whose skills no longer fit move to roles outside the organisation. **Bridging requires the use of tools including assessment, big data and predictive performance to identify 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. Assessment and training helps people stay relevant and employable for their next role.

67% 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.



7 WAYS TO ENSURE HUMANS CAN BEFRIEND THE MACHINES:



1 REMEMBER LEADERSHIP MATTERS

Executives need to be the igniters of change, innovation and culture to ensure their companies become learning organisations in an era of rapidly changing skills.⁹



2 ENSURE THAT WOMEN ARE A PART OF THE SOLUTION

Women comprise 50% of the workforce and in 2017 became more educated than men¹⁰. Creating a culture where women can thrive is more critical than ever. And importantly, what works for women works for others too.¹¹

3 UNDERSTAND WHAT YOUR WORKFORCE WANTS



By 2025 Millennials and GenZ will make up more than two-thirds of the global workforce. Companies must respond by incorporating NextGen work models including contract, part-time, and temporary work to attract and retain the best skills - because 92% of workers want that.

4 KNOW THE CAPABILITIES OF YOUR PEOPLE




Organisations need to use assessment, clean data and predictive performance to deploy talent in the most effective way and avoid creating “skills silos.”

5 TAILOR TRAINING



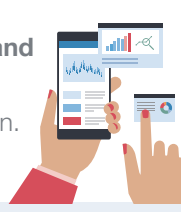
Companies must replace sheep-dip approaches to training with focused strategies and guidance to develop critical, in-demand skills for their workforce.

6 BET ON SOFT SKILLS



Organisations should fine-tune talent strategies to account for the fact that human skills are harder to develop than technical skills.

7 Companies must continuously upskill their workers and create talent. They must assess and reevaluate the skills they need to ensure human talent complements automation.



As digitisation and automation become business as usual, HR needs to evolve.

With record talent shortages around the world and employers planning to automate tasks and create jobs, it's no longer a question of simply finding talent: we need to build it.

A dynamic talent strategy will fuel future growth by employing the right combination of building, buying, borrowing and bridging talent. Developing skills that are core to the business is how companies will develop organisational agility and workforce resilience for the future.



ManpowerGroup®

ABOUT MANPOWERGROUP

ManpowerGroup® (NYSE: MAN), the leading global workforce solutions company, helps organisations 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 organisations 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 ManpowerGroup, Skills Revolution Research, 2017 and 2018
- ² ManpowerGroup, Talent Shortage Research, 2018
- ³ ManpowerGroup Solutions, Market Analysis and Gartner's Talent Neuron, 2018
- ⁴ McKinsey & Company, "Skill shift: Automation and the Future of the Workforce", 2018
- ⁵ World Economic Forum, Future of Jobs Report, 2018
- ⁶ G&A Partners, "How much does employee turnover cost your business?", 2018
- ⁷ ManpowerGroup Solutions, workforce insight, 2018
- ⁸ ManpowerGroup, Gig Responsibly: The Rise of NextGen Work, 2017
- ⁹ ManpowerGroup, From C-Suite to Digital Suite: How to Lead Through Digital Transformation, 2018
- ¹⁰ Institute for Family Studies, "A Record Share of Men are 'Marrying Up' Educationally", 2017
- ¹¹ ManpowerGroup, 7 Steps to Conscious Inclusion, 2015

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