

FUTURE OF SKILLS

BRIEF ANALYSIS

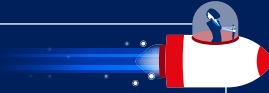
INSIGHT: DISRUPTIONS IMPACTING THE FUTURE OF WORK

The most monumental societal shift since the Industrial Revolution is happening now: transformed business models, reinvented jobs and the accelerated needs for new skill sets redefine how people and businesses operate. Skills shortages have led to a war for talent that is becoming more acute. Action needs to be taken to ensure people and workplaces are sufficiently equipped to meet these challenges.

DEMAND DISRUPTIONS IMPACTING WHAT ORGANISATIONS NEED:

CHANGING CUSTOMER NEEDS AND EXPECTATIONS

Human skills (customer intimacy, innovation, influencing, creativity and problem-solving) will become critical.



ROBOTICS AND COGNITIVE AUTOMATION

While some jobs and tasks will be automated, many roles will be augmented by a new 'people + robots' reality allowing people to focus on tasks requiring higher or more human skills.



ANALYTICS, AI AND DIGITAL

Skills that optimise the use of analytics, AI and digital will become essential for all, but more than one-third of skills needed are not considered crucial today.



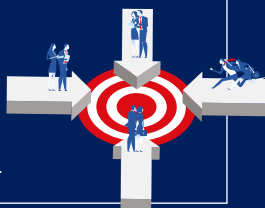
3D PRINTING/ADDITIVE MANUFACTURING

3D printing/additive manufacturing (AM) will revolutionise industry across all sectors, and traditional employees will require upskilling for the 3D digital environment.



AGILITY, SIMPLICITY AND COLLABORATION

This will require people who can implement rapid responses focusing on creativity, innovation and design in a project-based work environment.



DISRUPTIONS IMPACTING WHAT HUMAN CAPITAL IS AVAILABLE:

CROWD-WORKING AND FREELANCING

To attract highly sought-after workers, organisations must have a strong and compelling value proposition for non-traditional workers, as well as regular employees.



EMPLOYEE FLEXIBILITY AND WELLNESS

Flexibility and wellness are of increasing importance and concern to employees. Organisations must embrace the whole person and support their financial, emotional and physical wellbeing.



THE POWER OF PURPOSE

80% of employees report an improvement in job satisfaction if they feel their job aligns with their organisation's core values



SKILLS SCARCITY AND EXPERIENCE GAPS

40% of European employers have difficulty finding people with the skills they need to grow and innovate, and half of the EU population lacks basic digital skills.



LEADERSHIP GAPS

Leadership is the number one area of talent shortage. Leaders of the future need new skills such as virtual leadership, connecting diverse skill sets and managing people with different technical skill sets.



RECOMMENDATIONS FOR ACTION

A population equipped with the right skills will be fundamental to Europe's future growth and viability, its attractiveness for business and the consequent benefit to society. We need a European-level review of how human capital is developed, and Member States cannot solve the issue alone. AmCham EU advocates that policy action is required across all of the following areas to bridge the gap between both short- and long-term skill mismatches.

FOUNDATION:

Increase information sharing and collaboration between businesses, governments and education systems, across Member States

FACILITATE ENTRY:

- Improve the foundation skills of the general population
- Expand the size of the workforce

ACCELERATE ENTRY

- Support business-sponsored pathways that lead individuals to jobs
- Create a rich and sustainable talent ecosystem

ENABLE RE-ENTRY

- Support business-sponsored reskilling and upskilling

SPECIFIC ACTIONS FOR THE EU TO SUPPORT

1 INCREASING INFORMATION SHARING AND COLLABORATION

- Continue and expand the Blueprint for Sectoral Cooperation on Skills
- Increase coordination and best practice sharing among all players on curriculum development and private-public partnerships in skill development
- Provide information and data on forecasts of labour market needs

2 IMPROVING THE FOUNDATION SKILLS OF THE GENERAL POPULATION

- Increase inter-ministerial coordination on youth education and development in schools and vocational training
- Increase inter-ministerial coordination on STEM and digital skills and employability skills
- Support education and training incentives through the EIB and European Fund for Strategy to boost private sector investment in core skills

3 EXPANDING THE SIZE OF THE WORKFORCE

- Provide policy guidance and coordination around initiatives that target youth, women, older workers and low-skilled employees
- Establish the equivalent of the European Alliance for Apprenticeships to facilitate work-to-work transitions for experienced workers

4 SUPPORTING BUSINESS-SPONSORED PATHWAYS THAT LEAD INDIVIDUALS TO JOBS

- Address the Vocational education and training (VET) stigma and promote VET career pathways
- Promote VET careers through public campaigns

5 CREATING A RICH AND SUSTAINABLE TALENT ECOSYSTEM

- Update European Labour statistics reporting to reflect all forms of work
- Update and review regulatory classifications of different types of work
- Provide a framework so that traditional employment benefits move with the worker, through all forms of work contracts

6 SUPPORTING BUSINESS-SPONSORED RESKILLING AND UPSKILLING

- Align micro-credentials with European standards and qualifications frameworks
- Promote the recognition of micro-credentials in Member States