



Turn your talent into a business:
Employability is the new currency

*Slovak Presidency Conference – Fostering & the development of talent
12-13 September, Bratislava*

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Thank you.

Today I want to speak about the changing labour market, and what this means for talent: employability is the new currency.

Content

- ▶ The World Today: the Employability Imperative
- ▶ 5 Key Drivers for the Labour Market
- ▶ Recommendations to boost talent and tackle youth unemployment

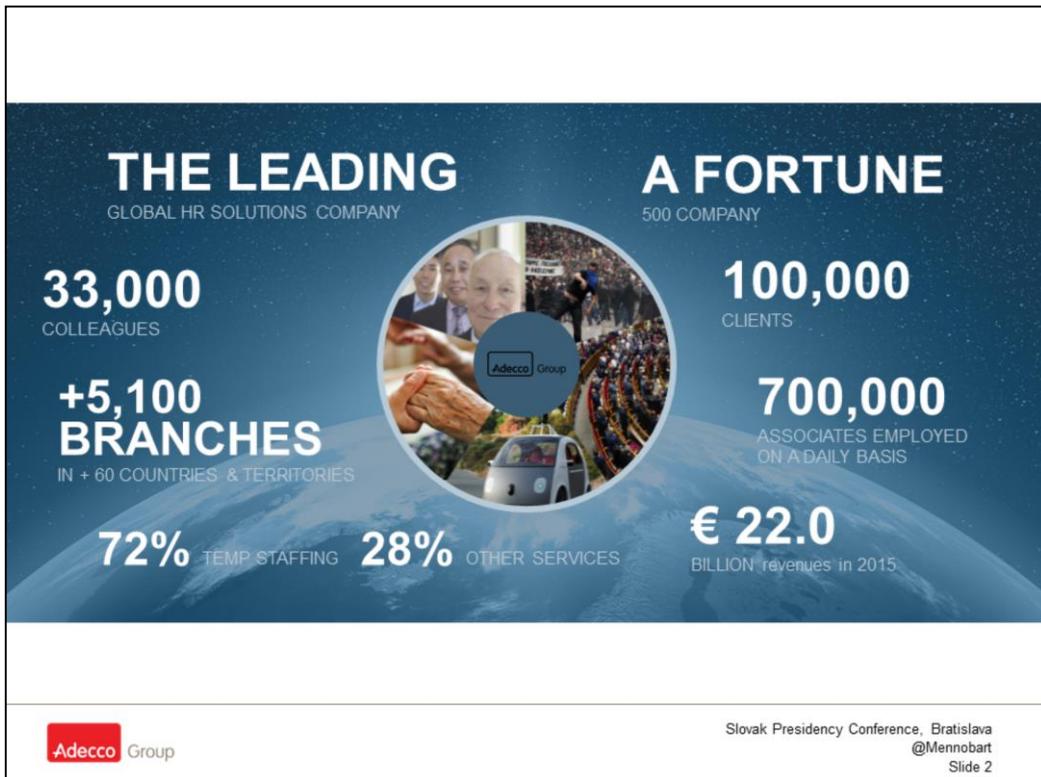
In this presentation I will share our views on the current labour market and on what is driving change on the labour market.

(3 KEY MESSAGES) Looking at these changes labour market, there are three main points I want to talk about today:

1. High quality education is a key priority to boost employable skills.

2. public-private partnerships in education are key to produce the skills markets require. Switzerland is an example in Europe.

3. Students must focus on emerging sectors, develop soft-skills and embrace mobility. As the only constant is change, the value of soft skills such as creativity, problem solving, empathy becomes every day more important



- We are the world's leading provider of HR solutions
- we address clients' need for flexibility and we support them in their sourcing, screening and assessment and administration processes, as well as on the offer management and candidates' on-boarding
- We provide consultancy on talent management and development as well as career transition and outplacement services
- Active in more than 60 countries
- 1 of the top 10 employers worldwide – more than 1 million people including:
 - 32,000 FTE
 - 700,000 associates placed every day

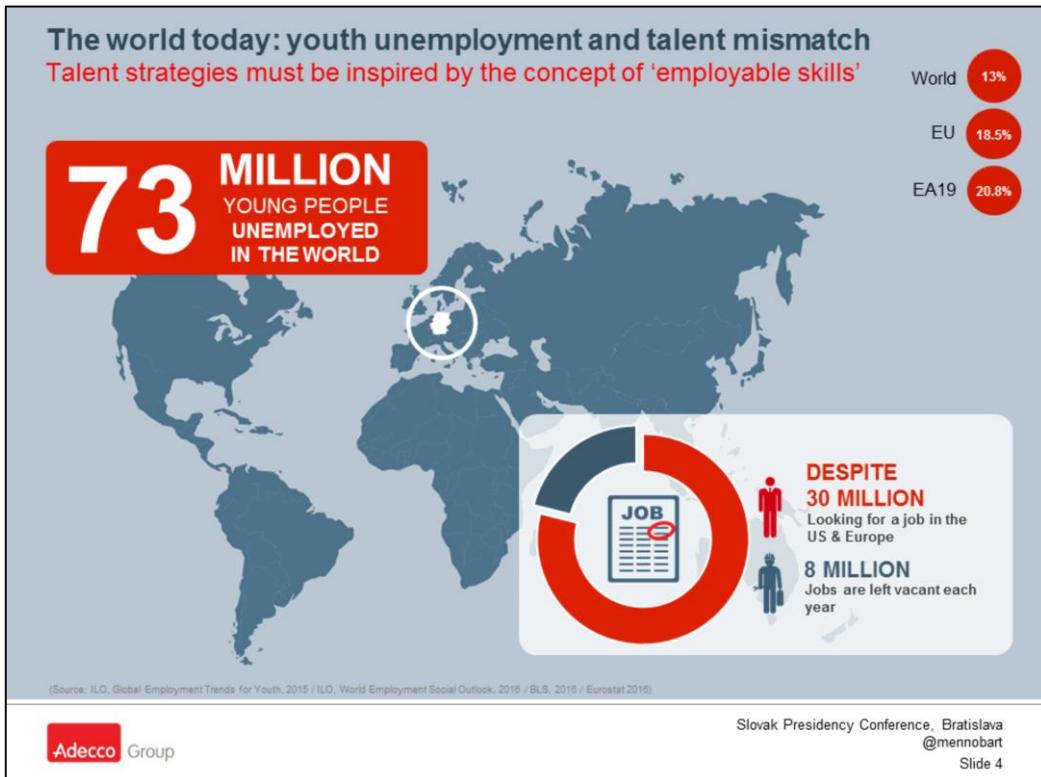


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The World Today: the Employability Imperative

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So this is our world today:

- **73 million young people are unemployed: slightly less than the whole population of Germany (80 mln)**
- **The paradox** is that there are jobs out there, **but too many do not get filled due to skill shortages and talent mismatch**
- Despite around 30M people looking for a job in the **USA and Europe more than 8M** positions remain vacant
- Mismatch of talent leads to a lack of prospects for millions of families, and a shortfall of growth: 40% of employers say they cannot find the **right skills** for their business
- **We are talking about lack of skills, work experience and opportunities. I think in this room there are the right players to address these challenges: educators, institutions, companies.**



5 Key Drivers for the Labour Market

Labour Market: 5 key drivers

Complex and interconnected conditions



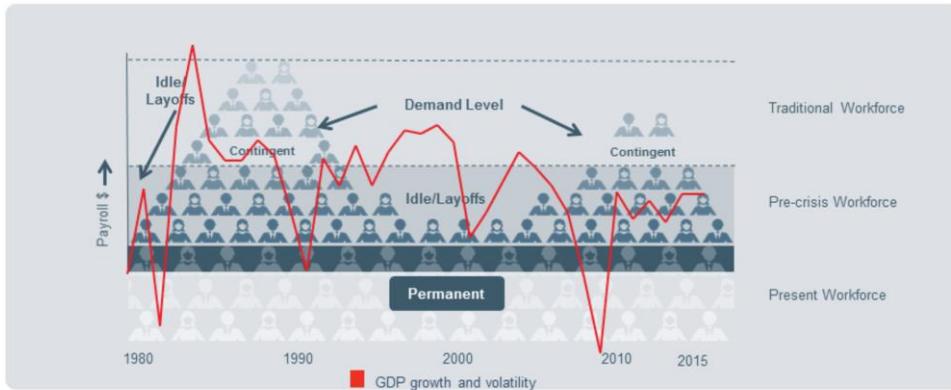
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The world of work has been and will continue to change profoundly.
5 Interconnected factors: Economic, Technological, Demographic, Sociological and Regulatory

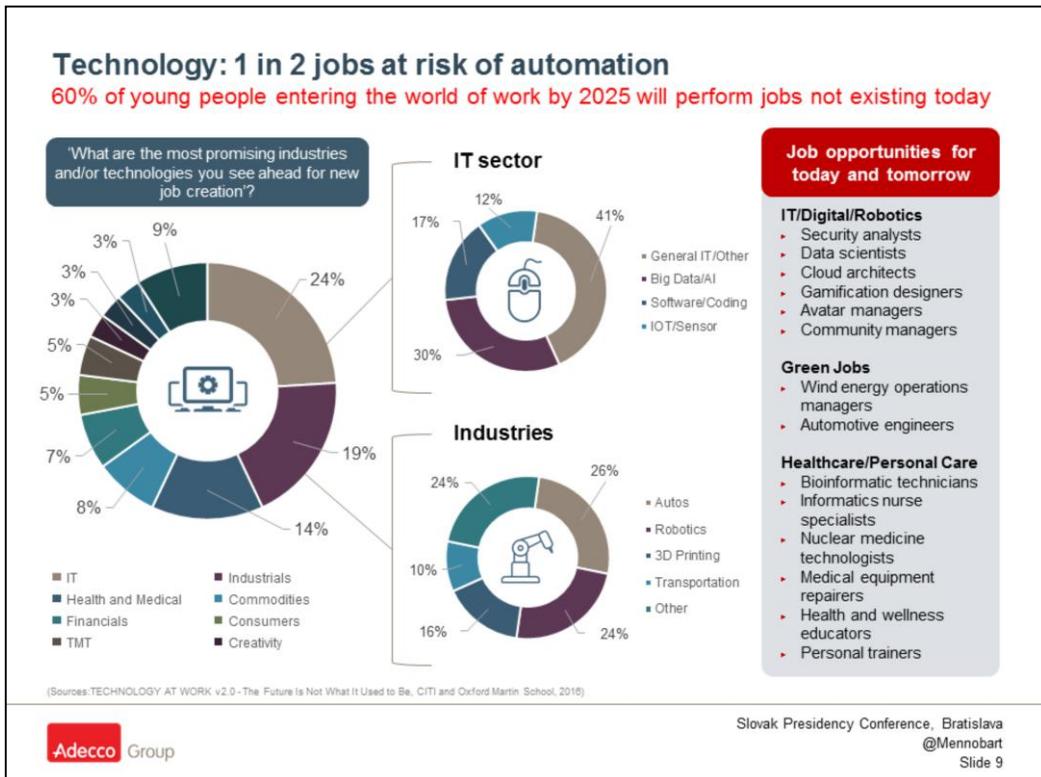
Economy: today's globalised economy faces continuous and unpredictable change

Flexibility is a must for companies to cope with volatility and stay competitive



(Source: SIA World Employment Conference, 2011; Adecco 2015) / (Source: BLS, Eurostat)

- Today's globalised economy is subject to continuous and unpredictable change
- In order to stay competitive, flexibility is a must
- Years ago, all employees tended to be permanent.
- Today the mix between permanent and temporary labour – used to tackle periods of higher demand – has changed radically: agency work and other forms of employment have a key role to play in addressing businesses' growing need for flexibility

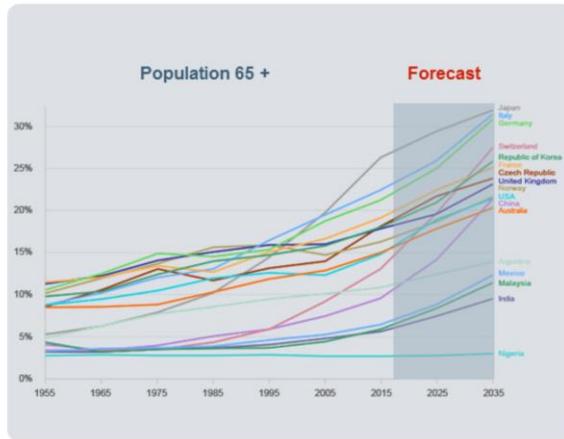


- 1 out of 2 current jobs is at risk from automation, but **technology might kill JOBS, but not WORK** - It is estimated that 6 out of 10 young people entering work by 2025 will do professions that do not exist today.
 - Jobs linked to robotisation: YES, robots might kill some jobs but the **International Federation of Robotics (IFR)** estimates that growth in robot use over the next five years will result in the creation of **1M high quality jobs**. For example robot engineers and robot technicians
 - **Green Jobs will grow**, as for example **wind energy operations managers**
 - **And for sure a host of new JOBS IN HEALTHCARE** are developing rapidly at the **intersection of health care and technology**. Jobs such as: Bioinformatic technicians, Nuclear medicine technologists...
- **In low-wage countries, automation might negatively impact their cost advantage, e.g. Eastern Europe.** Need for new growth models, investing in knowledge.
- **Cities and regions that have invested in skilled industries**, such as information, finance, education and creative industries, **remain relatively safe from automation.**
- **Also, it is estimated that 1 additional job in the technology sector generates about 5 new jobs in the same city.** For example jobs in catering services, beauty and wellness – hairstylists - transportation, leisure etc...

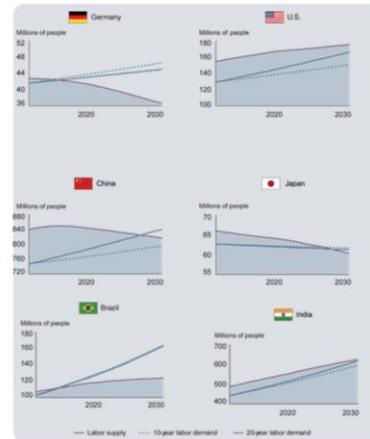
Demographics: the era of aging

Where will we source the young talent we need to develop our societies?

By 2035 younger generations predicted to halve



Differences in labour supply and demand across geographies



(Sources: Population Division of the Department of Economics and Social Affairs of the United Nations Secretariat, 2015 / Boston Consulting Group, The Global Workforce Crisis, \$10 Trillion at Risk, 2014)



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Demography is another key trend shaping our labour markets.

- We are all living longer and having fewer children
- By the year 2035, those aged over 65 will be the fastest growing slice of the population.
- Will early retirement in 2050 will be at 75?

Where will we source the young talents we need for the development of our companies and societies?

- A 2014 BCG study shows that, following the ageing trend, by **2020**, many countries will still be **experiencing a labour surplus**. By **2030**, however, this surplus will have turned into a **massive shortfall**.
Germany: shortfall 10 million by 2030
- Countries like India will still experience a significant labour surplus or balance
- **Countries' openness is a key solution.** Mobility, guided by appropriate immigration policies.

Sociology: three generations at work

Companies need to adapt by fostering mobility and diversity



- Based on this scenario, for the first time we – employers - will be dealing with three to four (Gen X/Y) generations at work – potentially spread around the world
- Companies need to adapt, new generations have different expectations of work:
 - Self fulfilment, less loyalty
 - Autonomy
 - Fun!
 - Mobile: In a PWC study 7 out of 10 millennials stated an international career was a priority for their professional development
- **Mobility and diversity become a must in terms of:**
 - Different contracts/forms of work
 - Geographical/cultural, gender, age

Regulation: legal constraints increase complexity

High bureaucracy, instability, undeclared work etc.



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Regulation is the final key driver

- **Let's look at best and worst practices and their impacts: Switzerland and France** are probably at two opposite ends when it comes to ease of doing business and labour market flexibility. In France the 3400 pages of the national Labour Code discourage even the most competitive player from investing in the country and creating new jobs
- **Bureaucracy, outdated systems and consequent high compliance risks, limit the fields of action in our recruitment and workforce management**
- There is no single labour market! It is highly challenging to navigate through such complexity, placing at high risk compliance and a company's reputation.
- To be clear: **efficient and lean regulation does not mean less protection for workers!**
- **Worker protection and benefit schemes need to become much more agile, and apply to all sorts of workers.**
- This will also **ensure a level-playing field for all forms of employment**

Workers become contractors, talent is the new currency

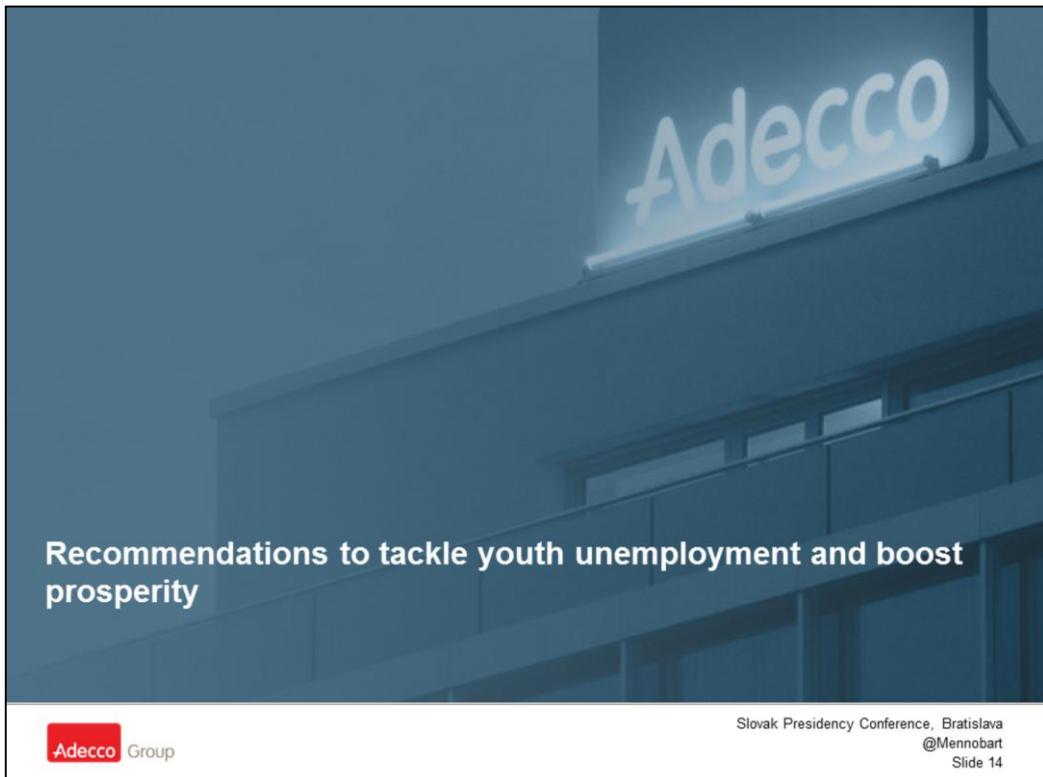
Increased role for intermediaries to simplify complexity for workers and companies



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- To conclude: The 5 economic, technological, demographical, sociological and regulatory drivers lead to a changing labour market. A labour market where **workers become contractors and the job for life no longer exists**
- New generations are more mobile and flexible in their approach to work, and value **Career security over job security**. The multi career becomes the aspiration and the value of permanent jobs is replaced by the key importance of continuous learning to boost workers' employability and future-proof their careers
- **Companies need to adopt the right** schemes to capitalize on the experience and know how of mature workers, while adapting to different work styles for younger generations
- McKinsey Global Institute: by 2025, digital work platforms could add \$2.7 trillion or 2% to global GDP, increasing employment by 72 million FTE. In total around 200 million people could benefit, specifically by allowing unemployed to find work, or by allowing involuntary part-time workers to work additional hours.
- The labour market is becoming much more complex, but not all young people and all companies will be able to deal with this equally well. Therefore, there is a need for reliable partners, who can support workers to invest in their skills, and who can simplify the complexity.



Recommendations to tackle youth unemployment and boost prosperity

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So, we had a look at the global scenario and at the opportunities offered by today's global economy.

What can we do in practice?



The GTCI is an annual benchmarking study that ranks over 100 countries based on their ability to grow, attract and retain talent.

The GTCI 2015-16 shows that those countries that score best – those which excel in talent competitiveness - have some things in common:

- **Simple and flexible labour market and ease of doing business**, which help to boost job creation and competitiveness. It is enough to compare the Swiss and French labour code: 30 pages in Switzerland and 3400 in France – 3.6% youth unemployment rate in Switzerland and 25.9% in France. Switzerland ranks 1st and France 22nd in the GTCI
- **Regarding education**: the most successful systems integrate excellent formal education with vocational education.
- **Successful countries have a strong tradition of immigration (openness) - let's look at international mobility**: it is demonstrated that this is crucial to build creative and innovative mind-sets, global networks and entrepreneurship, which are needed to cope with the challenges of the global economy.
- In **Switzerland, for example, 45%** of skilled workers in chemicals, pharmaceutical and biotechnology industries are immigrants.

In conclusion, the bottom line is that education **system reform must be a priority for regulators. Countries must also foster openness and mobility and implement structural reforms to boost competitiveness.**

Recommendations for regulators & education

Education system reform, simple labour markets with a level playing field for all forms of work, and private-public cooperation



Education reform

- ▶ Develop employable skills and match business needs: apprenticeship model
- ▶ Focus on development of 'human skills'
- ▶ Promotion of STEM careers and disciplines
- ▶ Cooperation with private parties

Economic growth and job creation

- ▶ Boost openness and foster international mobility & multilingualism
- ▶ Simplify labour regulation & create a level playing field for forms of work
- ▶ Reduce taxes on labour
- ▶ Develop knowledge hubs

There is clear evidence of how governments can capitalize on the opportunities created by the 4th industrial revolution, instead of being their victim:

- **Education must be governments' top priority**
- This implies investing in research, promoting the new sectors and STEM career and investing in knowledge HUBS
- **They have to foster public-private partnership: they can play a key role in easing the development of work-based training opportunities, such as apprenticeships and internships**
- **They have to boost openness in order to attract the best talent and favor a culture of diversity**
- **Simplify labour regulation and Reduce taxes on labour in order to boost private investment and job creation**

Recommendations for workers and students

Lifelong learning, soft-skills and mobility



Capitalize on the opportunities of the global economy:

- ▶ Capitalize on opportunities offered by new economy and global labour market
- ▶ Search for work experience to develop soft skills: stay flexible
- ▶ Skill up for the digital age
- ▶ Focus on STEM, healthcare, and creative disciplines

- **Students must focus on the emerging sectors.** We must guide them to the developing sectors, through examples and testimonials.
- A youngster might not have any idea of the fun jobs he/she can gain through a degree in engineering, or electronics, or in IT – such as the gamification designer or all the amazing professions for environmental protection we saw earlier.
- **Students must integrate formal education with practice by looking for work experience as soon as possible: they have a host of opportunities, starting from internships, apprenticeships and temporary work.**
- **My own wife got into university only because her parents thought academic education is the highest achievable. Today she is a goldsmith, and she would have been so much happier if she would have taken vocational education to set her on the right path from the beginning.**
- Work-based learning will also help them to develop soft skills. **Soft skills will be the key against the competing robots:** creativity and out of the box approach, ability to socialize, team spirit, leadership, just to mention some
- **And workers must embrace mobility:** search for international experience, develop international networks, develop multilingual skills

Recommendations for companies

Invest in skills, inclusive and diverse flexibility



Last but not least, companies also need to act quickly:

- To capitalize on the opportunities offered by the global economy we need to embrace a 'flexibility and mobility mindset' allowing companies to keep an agile structure and picking the best resources from the global talent pool
- We must accelerate technological updates. In a recent survey, 60% of business leaders said they believe adapting to hyper connectivity was a matter of survival **BUT 52% of us have NOT invested in concrete programs yet**
- **Also for us training is a MUST. We must invest in lifelong learning and capitalize on diversity and international mobility ...**
- **And we must offer work based training opportunities to young people. This will have multiple benefits, such as:**
 - help youngsters developing their career
 - develop the company's talent pipeline to build up the leadership of tomorrow
 - gain precious insights from Millennials

We can only do it by joining forces and we are at the forefront of efforts to deepen such cooperation for the benefit of us all. CEO Briefing 2015 - From Productivity to Outcomes Using the Internet of Things to drive future business strategies, EIU and Accenture, 2015

What is the Adecco Group doing to boost employability?

Engaging With Colleagues & Candidates

WAY TO WORK
by Adecco Group

Adecco Streetday 2016: Colleagues in 53 countries helped a **million jobseekers** with career advice 

Over **3,000 internship opportunities** in 2015 

Over **53,400 youngsters** in 50 countries applied for the Adecco CEO for One Month program in 2016 

Engaging With Institutions

all4YOUth
Alliance for Youth 

European Alliance for Apprenticeships 

Pledge: Provide **5,000 young people** with a work based training experience 

GAN Skills for Business Jobs for Youth 

Alain Dehaze
Chair of the Global Apprenticeship network 

Engaging With Clients

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Adecco Group business solutions: **2,400 apprentices** to date 

La Grande École de l'Alternance
by Adecco Group 

Target: 10,000 apprenticeships in a **3-year period** 



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In conclusion, allow me to summarize **the three key points** we anticipated:

- **High quality education is a key priority to boost employable skills**
- We need to work together: **public-private partnerships are key to reform education systems able to produce the skills markets require.**
- **And students must focus on the emerging sectors, develop soft-skills and embrace mobility.**

At Adecco, we are committed to help young people enter the labour market. Our activities fall into three categories:

- Engaging colleagues and our candidates, via **Way to Work**
- Engaging our clients, by **offering HR solutions** such as apprenticeships and internships
- Engaging with institutions: **GAN, EAfA**, and signing the European Quality Charter on Internships & Apprenticeships

The future of young people is our future. By helping them develop their skills we will improve the prospects of our countries and organizations.

Thank you!

For any question, resource, idea or thought [@mennobart](https://twitter.com/mennobart)
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