

# The Changing World of Work and Its Impact on Jobs in the Future

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**U**nemployment is persistently high, yet 1 in 3 employers worldwide are unable to find the talent they need to fill vacancies. Talent has become the key competitive advantage. Business strategy is immaterial without the people to carry it out. Many of the jobs most difficult to fill in 2011 were middle-skill occupations including technicians, sales representatives, skilled trades workers, engineers, laborers, management/executives, accounting and finance staff, IT staff, production operators, and secretaries/administrative assistants/office support staff. The talents in shortest supply include experience, technical skills, soft skills, and the skills critical to productivity and innovation—collaboration, critical thinking, and agility. In response to this talent mismatch, employers are hiring fewer employees, and employees are experiencing increasing workloads. A long-term workforce strategy is needed because talent cannot be manufactured in the short term.

Many labor markets around the globe have yet to gain real traction since the global recession. Unemployment is persistently high in developed and many developing countries. Yet 1 in 3 employers worldwide report that they cannot find the talent they need to fill key vacancies in their organization.<sup>1</sup> Employers are faced with the most acute talent shortage since 2007. The U.S. is no exception. Despite an August unemployment rate of 9.1%, 3 million jobs remain unfilled.<sup>2,3</sup> The conundrum we face is this: an oversupply of available workers and an undersupply of qualified talent in the right places at the right time.

Talent has become the key competitive advantage in a new economic era. Business leaders worldwide are grappling with demands for productivity and innovation that can be filled only by human talent.

This employability crisis is the focus of my chapter. First, I describe which jobs are the hardest to fill and what talents are in the shortest supply. Then I turn to how employers and employees have responded to this talent mismatch. I conclude with a call for a long-term workforce strategy and next steps for three key stakeholders—employees, employers, and policymakers.

## What Jobs are the Hardest to Fill?

The same jobs often appear on the Top 10 “hard-to-fill” list year after year.<sup>4</sup> As shown in Table 1, nine of the jobs on the 2011 list also appeared on the 2010 list. What’s more, nine of the jobs also appeared on the list in 2006, the first time the survey was conducted.<sup>5</sup> The most difficult job to fill in 2011 was technicians followed by sales representatives, skilled trades workers, engineers, laborers, management/executives, accounting and finance staff, IT staff, production

**The conundrum is an oversupply of available workers and an undersupply of qualified talent in the right places at the right time.**

operators, secretaries and personal assistants, and administrative assistants/office support staff. In many cases, these are skills that increasingly are classified as “Middle Skills” or “Career Skills”—the kind of skills that need post-secondary education or certification, but may not require a 4-year college degree.

**Table 1.** Top 10 Hardest to Fill Jobs Globally—2006, 2010–2011 Comparison

Position	2006	2010	2011
Technicians	3	3	1
Sales Representatives	1	2	2
Skilled Trades Workers	5	1	3
Engineers	2	4	4
Laborers	*	10	5
Management/Executives	10	8	6
Accounting & Finance Staff	9	5	7
IT Staff	6	*	8
Production Operators	4	6	9
Secretaries, Personal Assistants, Administrative Assistants, & Office Support Staff	7	7	10

\*Did not appear in the top 10 jobs cited by employers.

Adapted from “*Manufacturing*” *Talent for the Human Age* (p. 3), by ManPowerGroup, 2011, Milwaukee, WI: ManPowerGroup. Copyright 2011 by ManPowerGroup. Adapted with permission.

Between 2020 and 2030, 12 major industry sectors are projected to face high skills gaps, according to a World Economic Forum projection.<sup>6</sup> The occupations with the highest qualifications show the greatest increase in demand. For example, in the engineering and construction sector, serious skills gaps are forecast for the U.S., Russia, Korea, and Japan. In the healthcare sector, a dire shortage of talent is predicted in Japan, Korea, Turkey, Russia, Germany, and the U.S. Even low-growth sectors like the U.S. utilities industry already face shortages in key technical and engineering roles, which may intensify as the Baby Boom generation exits the workforce.<sup>7</sup>

***Lack of talent in skilled manual trades jobs has stalled the formation of small business, one of the engines of job creation.***

Skilled manual trades jobs such as electricians, plumbers, and cabinetmakers have been among the most difficult jobs to fill for years. In fact, lack of talent in these skilled trades has stalled the formation of small business, one of the engines of job creation.

### **What Talents are in the Shortest Supply?**

In ManpowerGroup’s survey of nearly 40,000 employers across 39 countries and territories, the overwhelming majority of companies (89%) cited a talent shortage. Specific talents that bar employment include a lack of experience, deficiencies in technical skills, and poor soft skills. Employers also cited the need for skills critical to productivity and innovation—collaboration, critical thinking, and agility.<sup>8</sup>

The skill distribution of available workers doesn't match global demand. Employers are unable to find enough sufficiently skilled people in the right places at the right time.<sup>9</sup>

The talent mismatch is complicated because jobs have structurally changed and so have the skills needed to do them. Table 2 shows how one of the most difficult jobs to fill—administrative assistant—used to require basic typing and computer skills and now requires extensive IT skills including publishing platforms and PowerPoint.

**Table 2. Skills Needed *Then* & *Now***

Job Title	Skills Needed <i>Then</i>	Skills Needed <i>Now</i>
Administrative Assistant	<ul style="list-style-type: none"> <li>• Typing</li> <li>• Diary management</li> <li>• Meeting preparation</li> <li>• Basic computing skills</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive IT skills, including publishing platforms and power point</li> <li>• Coordinating senior leadership figures in multiple locations</li> <li>• Arranging online webinars and conference calls with multiple nationalities and regions</li> <li>• Problem-solving abilities</li> <li>• Critical thinking</li> </ul>

Adapted from “*Manufacturing*” *Talent for the Human Age* (p. 3), by ManPowerGroup, 2011, Milwaukee, WI: ManPowerGroup. Adapted with permission.

## How Have Employers and Employees Responded to the Talent Mismatch?

Manpower Chairman and CEO, Jeffrey Joerres, recently testified before Congress that the recovery from this recession may well be “jobless.”<sup>10</sup> During the recession, employers drastically reduced their workforces. When forced to do more with less, employers discovered that they could generate more productivity and innovation if they had the right person in the right job. Many employers have no intention of returning to pre-recession workforce levels. With no imminent pressure to hire, employers are being more selective and holding out for the person that has the interpersonal and cultural fit their company needs. This trend of “less jobs” recovery is not only evident in the current recovery period but a distinctive feature of job growth between 2001 and 2007, when growth was significantly lower than in previous economic cycles.

Meanwhile, the current workforce is woefully overstretched. In Manpower’s second quarter 2011 employment outlook, overtime has continued to rise.<sup>11</sup> It is not unusual for one person to be doing three jobs. Increasing workloads have resulted in a discontented and disgruntled workforce.

In a 2010 Manpower study, 84% of employers were actively seeking a new position.<sup>12</sup> Many workers (75%) say they are willing to relocate for a better job opportunity. One third said they would be willing to consider relocating anywhere in the world and 40% said they would consider moving permanently.<sup>13</sup>

***Overtime has continued to rise, and it is not unusual for one person to be doing three jobs.***

This situation is not sustainable. As reliance on overtime increases, employees and employers may be reaching a “tipping point” where companies will be forced to hire more workers.<sup>14</sup>

### How Can the Talent Mismatch be Eased?

**Talent simply cannot be “manufactured” in the short-term, so a long-term workforce strategy is needed.**

Talent simply cannot be “manufactured” in the short-term. A long-term workforce strategy needs to be put in place by many stakeholders, only three that are mentioned here—employees, employers, and policymakers.

First, individual employees bear some responsibility for resolving the employability crisis. As the needs of businesses evolve, skills are quickly antiquated so individuals must embrace lifelong learning. To remain competitive, individuals need to consider employers’ needs and fill gaps in their skills or experience to meet those needs. To remain attractive to employers, individuals need to continually grow their spectrum of talents to fulfill the demands of a changing labor market.

Second, employers need to recalibrate from hiring “on-demand” talent to developing a holistic, long-term workforce strategy that moves beyond filling talent gaps one person and one position at a time. Instead, employers need a broad view of the talent that is available and the talent that will be needed, factoring in demographic shifts, the rise in emerging markets, and rapidly evolving technology.<sup>15</sup> A workforce strategy helps employers be proactive in developing plans for upskilling and reskilling employees, and for partnering with other workforce stakeholders such as government, the academy, educational institutions, and so forth.

It would be unthinkable for a company not to consider the quality and availability of raw materials when developing a long-term business strategy. For example, a beverage manufacturer would not plot its future growth strategy without identifying a sustainable supply of aluminum to manufacture cans.

Yet Manpower research shows that only 13% of human resources leaders say they have a documented workforce strategy beyond their business plan.<sup>16</sup> Wisconsin’s Oshkosh Corporation aligned their business strategy with their workforce strategy by looking long-term to meet the internal demand for workers with the external supply.

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#### Oshkosh Corporation “Manufacturing” Talent Long Term

*A shortage of welders in the U.S. posed a serious problem for Oshkosh Corporation and Marinette Marine Corporation after they saw an uptick in multi-year defense industry work. Knowing the challenges the company will face in the future to provide the talent it needs, Oshkosh is working with a local technical college to develop a proposal to carry out accelerated learning courses for those referred to them by the company for specific training. Another college, following conversations with companies about talent shortages in the industry, is offering short-term training using a “boot-camp” model for entry-level skills.*

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Third, employees and employers should not be the only ones to bear the burden of compensating for inefficiencies in the labor market and shortfalls in the educational system. Local and national governments, the academy, educational institutions, labor unions, and other regional employers all have vested interest in keeping people employable and employed. Partnerships among these important stakeholders bring added value in terms of funding, expertise, and other necessary resources.

Policymakers should consider investments that drive job creation. For example, offering companies direct incentives subsidizes their growth, but does not create jobs. Instead, supporting entrepreneurs can help establish new businesses, one of the engines of job creation. Encouraging the establishment of industry “clusters,” where companies, talent, and research congregate to form a distinctive, long-term platform for economic growth and where policymakers provide strategic incentives to support this evolution.

Education needs a strategy of comprehensive reform as organizations will choose to locate where talent is available, in particular for the skills-based continuing education. Over time, money should be redirected to retraining and development efforts. In particular, workforce development programs should focus on the jobs that are the hardest to fill and the talents in shortest supply. In addition, providing the unemployed with experiential learning opportunities can increase their competitiveness. Also, training should focus on soft skills that can make workers more adaptable and better equipped to learn.

## Summary

As the global economy continues to improve, today’s talent mismatch will become more pronounced. The global demand for highly skilled labor continues to grow, and the skills distribution of available workers cannot easily match that demand. This competition for qualified workers is occurring against a backdrop of high turnover as less-than-satisfied employees are looking to jump ship. Savvy employers understand that talent is the key competitive advantage that drives companies and communities forward. Business strategy is immaterial without the people to execute it.<sup>17</sup>

Therefore, a robust talent strategy is more important now than ever. An approach that is more expansive, systemic, and sustainable will take a partnership among all stakeholders including employees, employers, the academy, educational institutions, and policymakers.<sup>18</sup> Policy decisions are one important component of positioning Wisconsin for the work and the workers of the future.

*Jonas Prising was named president of the North American operation for Manpower in 2008, which includes all aspects of Manpower’s \$3.8 billion business in North, Central, and South America. He oversees nearly 1,000 field offices that employ more than a half million permanent, temporary, and contract employees. Prising joined Manpower in 1999 having served as Director of Manpower Global Accounts in Europe, the Middle East, and Africa, and also as Managing Director of Manpower*

**Offering companies direct incentives subsidizes their growth, but does not create jobs.**

*Italy, where he increased revenue by more than 50%. Before joining Manpower, Prising worked 10 years for Electrolux, a Swedish multinational. Prising is a recognized expert in labor market trends, diversity, and workforce development. He is a frequent speaker at conferences and summits, and regularly appears in national and international media. Prising holds an MBA from the Stockholm School of Economics and has participated in executive programs at Stanford, INSEAD, and Yale. He speaks five languages: English, French, German, Swedish, and Italian. He presently serves on the board of directors for Junior Achievement of Wisconsin, Inc.*

This chapter was adapted from the following publications:

ManPowerGroup. (2011). “*Manufacturing*” talent for the human age. Retrieved from [http://files.shareholder.com/downloads/MAN/1372831187x0x469530/98abe58c-60f1-4d58-8514-b6222422b010/ManufacturingTalent\\_lo.pdf](http://files.shareholder.com/downloads/MAN/1372831187x0x469530/98abe58c-60f1-4d58-8514-b6222422b010/ManufacturingTalent_lo.pdf)

ManPowerGroup. (2010). *Teachable fit: A new approach for easing the talent mismatch*. Retrieved from <http://us.manpower.com/us/en/multimedia/fresh-perspective-hardest-jobs-to-fill.pdf>

## Endnotes

<sup>1,11,12,14,15,17</sup>ManPowerGroup. (2011a). “*Manufacturing*” talent for the human age. Retrieved from [http://files.shareholder.com/downloads/MAN/1372831187x0x469530/98abe58c-60f1-4d58-8514-b6222422b010/ManufacturingTalent\\_lo.pdf](http://files.shareholder.com/downloads/MAN/1372831187x0x469530/98abe58c-60f1-4d58-8514-b6222422b010/ManufacturingTalent_lo.pdf)

<sup>2</sup>U.S. Bureau of Labor Statistics. (2011). *Labor force statistics from the current population survey*. Retrieved August 29, 2011 from <http://www.bls.gov/cps/>

<sup>3,7,9,10,13,18</sup>ManPowerGroup. (2010a). *Teachable fit: A new approach for easing the talent mismatch*. Retrieved from <http://us.manpower.com/us/en/multimedia/fresh-perspective-hardest-jobs-to-fill.pdf>

<sup>4,6,8</sup>ManPowerGroup. (2011b). *2011 Talent shortage survey*. Retrieved from <http://www.experis.us/Client-File-Pile/Site-Documents/2011-Talent-Shortage-Survey.pdf>

<sup>5</sup>ManPowerGroup. (2006). *Talent shortage survey: 2006 global results*. Retrieved from [http://files.shareholder.com/downloads/MAN/0x0x209413/ef64161b-598d-4ac2-99f5-a756458e176d/Talent%20Shortage%20Survey%20Results\\_2006\\_FINAL.pdf](http://files.shareholder.com/downloads/MAN/0x0x209413/ef64161b-598d-4ac2-99f5-a756458e176d/Talent%20Shortage%20Survey%20Results_2006_FINAL.pdf)

<sup>16</sup>ManPowerGroup. (2010b). *Workforce strategy alignment survey*. Milwaukee, WI: ManpowerGroup.

## Glossary

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### Industry Clusters

“‘Clusters’ refers to the notion that local areas may specialize in a particular industry or related industries, and the business suppliers to these industries. The distinguishing feature of a cluster is that there are extensive flows of workers, and information about technology and other business issues across the firms in a cluster. This both provides an incentive for these firms to cluster, as well as some common interests of these firms in the quality of specific types of local labor and specific sources of local information.”<sup>1</sup>

### **Middle Skills/Career Skills**

Skills that require postsecondary education or training but less than a 4-year college degree.<sup>2</sup>

### **Soft Skills**

“Nontechnical skills, abilities, and traits required to function in a specific employment environment: delivering information or services to customers and co-workers; working effectively as a member of a team; learning or acquiring the skills necessary to perform a task; inspiring the confidence of supervisors and management; and understanding and adapting to the cultural norms of the workplace.”<sup>3</sup>

### **Glossary Endnotes**

<sup>1</sup>Bartik, T. J. (2003). *Local economic development policies* (Working Paper No. 03-91). Kalamazoo, MI: Upjohn Institute for Employment Research.

<sup>2</sup>Holzer, H. (2010). *Workforce training: What works? Who benefits?* Retrieved from [http://www.familyimpactseminars.org/s\\_wifis28c02.pdf](http://www.familyimpactseminars.org/s_wifis28c02.pdf)

<sup>3</sup>Eberts, R., O’Leary, C., & Wandner, S. (Eds.). (2002). *Targeting employment services*. Kalamazoo, MI: Upjohn Institute for Employment Research.