

Building a Better Working Europe

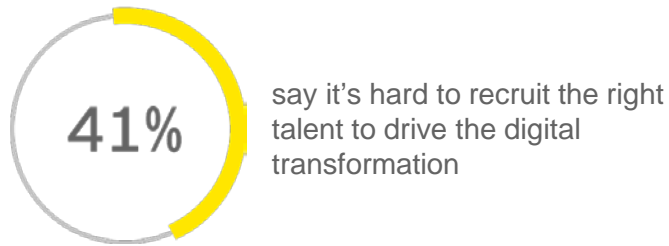
7th Cedefop Brussels Seminar
25 June 2019

EY's Attractiveness Survey
December 2018



Scarcity of digital skills is damaging the ability of Europe's businesses to grow

Labor market imbalances are widening, and recruitment to drive the digital transformation agenda is harder

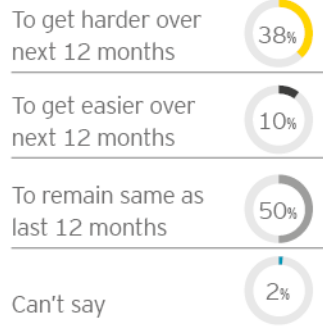


Degree of challenge to recruit digital skills

Current

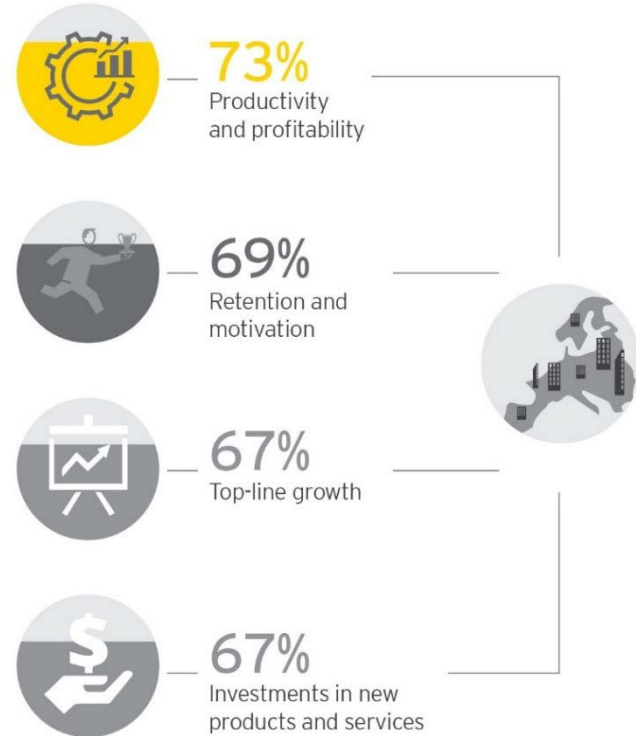


Future



Skills shortages are damaging the growth prospects of companies and Europe's economy

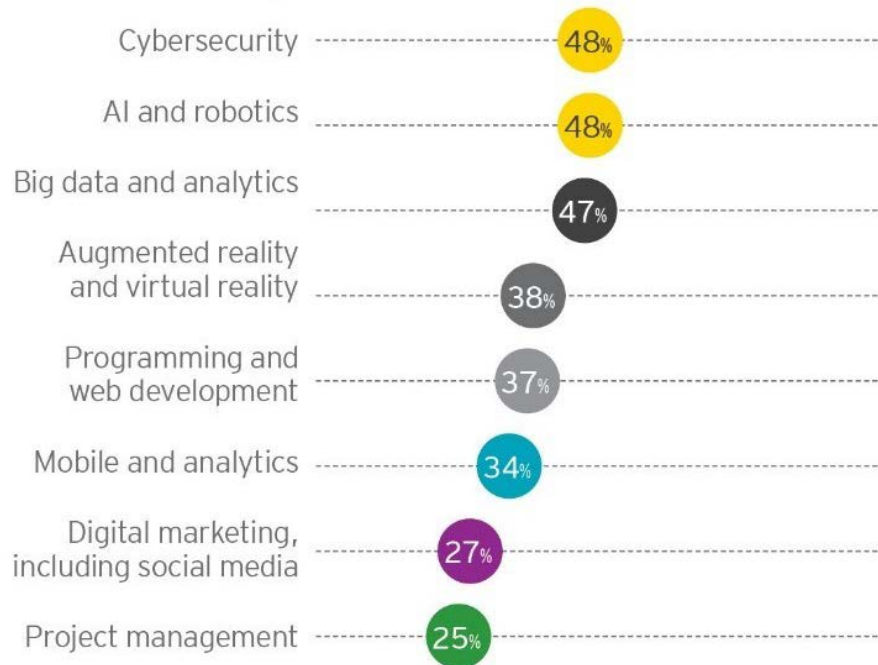
Skills shortages impact some of the key business metrics



Source: EY, Building a better working Europe, December 2018 (total respondents: 200).

The most alarming shortages are in digital skills

Most scarce digital skills



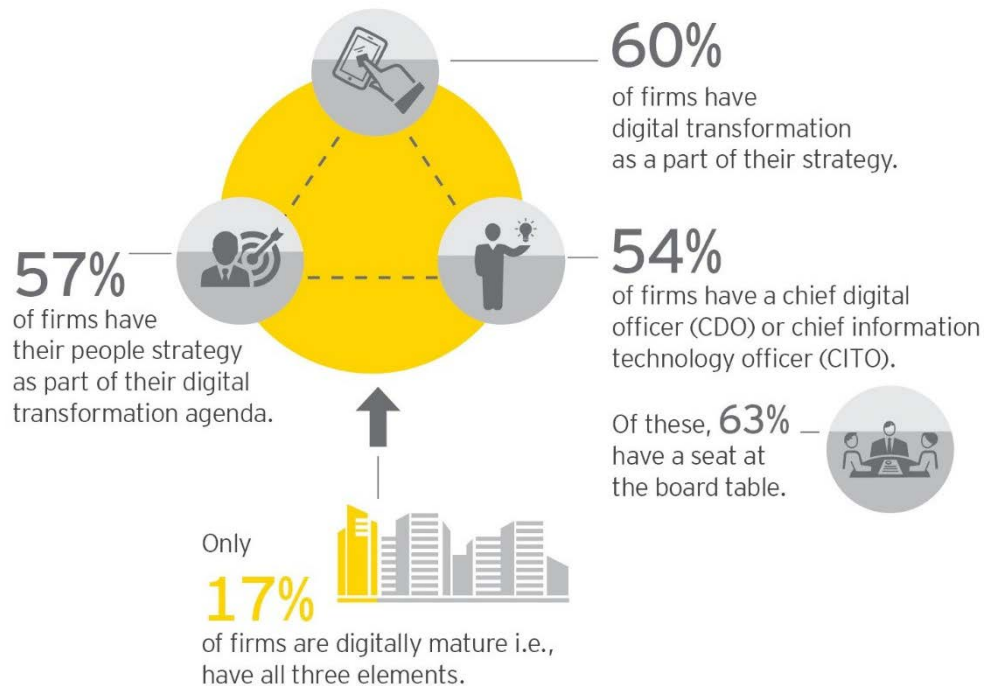
Innovation and technology change is happening faster than companies can hire skills to adopt it

Many of the shortages are in the roles key to company's digital transformation – cybersecurity, AI and robotics and big data and analytics

Source: EY, Building a better working Europe, December 2018 (total respondents: 200).

Businesses' people and digital strategies have not evolved to drive through the change

Achieving a technology-led transformation is often a business survival issue, yet only 17% firms are digitally mature



Many companies are too focused on near-term challenges to develop a long-term people strategy

Only 43% firms have an HR strategy that looks more than three years ahead

In order to drive through the change, people strategy needs to become an integral part of organisational strategy and a topic of boardroom conversation

Source: EY, Building a better working Europe, December 2018 (total respondents: 200).

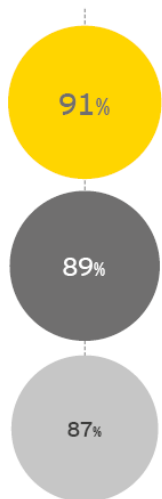
*Digitally mature companies are those that have digital transformation as part of their strategy, have people strategy as part of their digital transformation agenda and have a chief digital officer or chief information technology officer.

Companies recognise that training and upskilling will be more effective than seeking perfect candidates ...

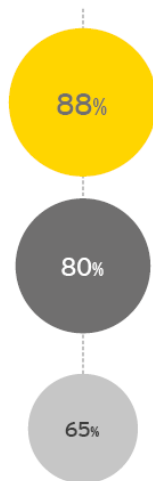
Companies are already embracing active learning strategies and taking steps to ensure their staff are equipped for their digital transformation

Measures taken by companies to mitigate the challenges related to digital skills

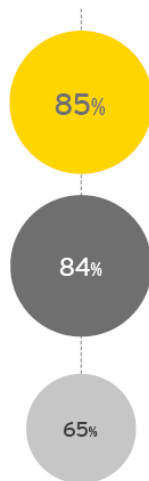
Invest in upskilling new and existing employees/learning and development program for digital skills



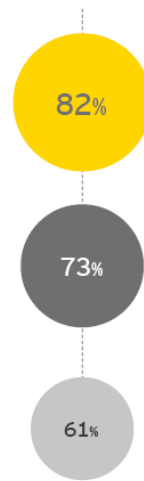
Upgrading the employee value proposition including exploring virtual work options and offer flexible work arrangements



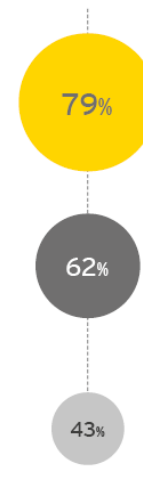
Re-evaluating career development opportunities



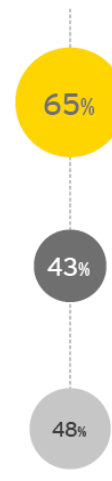
Redefine qualifying criteria to include individuals who lack skills or formal qualifications but have the potential to acquire them



Designing a specific recruitment strategy for digital skills



Partnering with businesses to help identify, develop and deliver digital skills

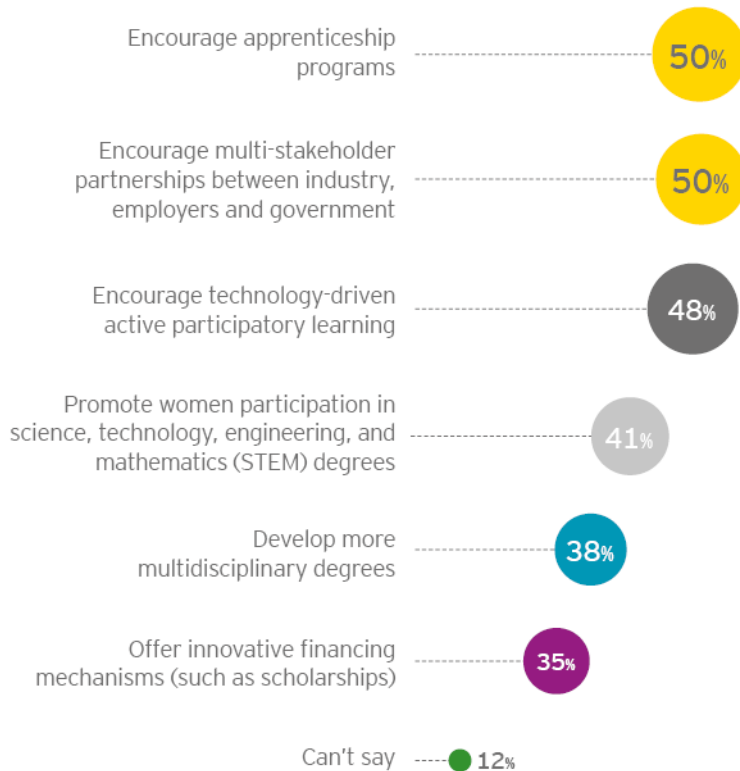


Digitally mature Chasers Laggards

Source: EY, Building a better working Europe, December 2018 (total respondents: 200).

... and they need to work with government and education institutions to close the skill gap

Policy initiatives likely to have biggest impact on labor market



Businesses need to work with others to effect change - collaboration between businesses, government and education institutions is a key to solving skills shortages

Companies are expecting government policy initiatives to support changes in the labor market, including developing more apprenticeship programs and technology-driven learning opportunities

Meeting the demands of digitized economy also means increasing labor mobility to ensure more people are available to fill the relevant jobs

Source: EY, Building a better working Europe, December 2018 (total respondents: 200).