May 31, 2023





Bulding the future of work together

Equipping the Workforce with Skills for the Digital Age

by Denis Pennel

Tag: #workforce #skills #digitalage

Today's digital age is taking us into a territory where new skills are becoming crucial. Not only are new jobs being created but existing ones are being 'digitalised' and thus require that the skills needed to perform them also evolve. At the same time, digitalisation offers potential to facilitate skilling with tools such as gamification and virtual reality, or simply by collecting data that will help organisations to better evaluate their workforce needs.

The HR services industry is already harnessing technologies like artificial intelligence, virtual and augmented reality and the metaverse in its daily work. Through digitisation it supports skills training and creates a virtual world where people can meet, learn and engage. Digital tools facilitate interview processes and even skills accreditation.

To truly reap the benefits of digitalisation, we must ensure that it offers opportunities for everyone and that nobody is left behind. Addressing the World Employment Conference in March 2023, the Director General of the International Labour Organisation (ILO), Gilbert F Houngbo, issued a rallying call for the HR services sector to support the digital transition of the workforce. We listened and have responded with recommendations on five main ways in which our industry can support positive change in the months and years to come.

First up is to recognise the sheer size of the skills challenge. Research reveals that the vast majority of employers are concerned that they won't meet hiring needs for technical skills. Finding the trainers available to teach people new skills is an equal problem. We need to scope the challenge and work together to find creative solutions. Recent research such as the OECD's Skills for the Digital Transition, supported by WEC member Randstad, explored 417 million online job postings over a period of 10 years in 10 countries to discover the most recent labour market trends in demand for digital professionals and skills.

Next, the HR services sector needs to be a voice on skills policy, working with education experts and policymakers to inform the skills agenda at national and regional level. Bringing parties together is crucial in meeting the challenge. Our sector connects with thousands of workers, academics, innovators and business leaders every day, so is uniquely placed to understand the challenges and opportunities that digitalisation offers and to play a convening role in ensuring that everyone can work together to deliver solutions. This labour market knowledge is crucial in designing targeted retraining and upskilling policies.

In addition to this expertise, we can also rely on a long-standing tradition of upskilling and reskilling, especially in the agency work sector. Through social dialogue, several countries around the world have builtinnovative models for training agency workers, ensuring sustainable careers for them. As the European Union launched its European Year of Skills in May 2023, I am very proud of the renewed commitment and the joint recommendations that our European regional federation, WEC-Europe, adopted with its sectoral social partner counterpart, UNI-Europa. As skills and training are becoming increasingly important in the context of the digital transition, WEC-Europe and UNI-Europa pledged to work jointly with their members and affiliates in improving access to the skills required for these transitions.

Creating short-term skills solutions for employers is important too. While better skills and education policy to deliver long-term solutions to skills matches remains the priority, employers still need solutions now. Our sector can be a very useful partner in providing immediate solutions such as temporary placements, reskilling and career management that will allow the organisation to keep the doors open and meet immediate staffing needs.

The HR services sector also needs to gain a better understanding of the skills that leaders need. Business leaders will only remain relevant in today's digital environment if they can oversee a culture of change and innovation. I believe that there is an interesting business opportunity for our sector in working with business leaders to manage change and attract the type of staff needed to deliver ongoing workplace evolution.

Our last recommendation concerns the skills set of the HR services industry personnel themselves. There is a vast opportunity for the sector to offer a far more strategic service. Indeed, 87% of recruitment professionals say that this is already happening, and they are increasingly required to provide clients with broader, more nuanced advice on mapping staffing needs.

There is a whole new seam of opportunity opening up for the HR services sector. By ramping up its strategic impact, the sector has the chance to offer real added value to companies, workers and labour markets and enable the digital transition.

Denis Pennel Managing Director, World Employment Confederation @PennelDenis