

Frame the Future Talent



The Talent Economy

No one can overestimate the importance of developing future-ready talent. As nations worldwide transition to knowledge-based economies, talent has become one of the world's most valuable resources and a hallmark of competitive countries and organizations. Multiple studies show that economies grow when there is an enabling environment for people to develop and deploy their full productive potential.¹ Recently, talent development has occupied a central stage due to an accelerated transformation in the job market that can decisively alter the nature of work. The advancement of digitalization, automation, and Artificial Intelligence (A.I.) has already impacted nations and businesses worldwide and will have lasting effects on the ways people work, teach, and learn.

Estimates show that by 2030, as many as 375 million workers, roughly 14 percent of the global workforce, may need to switch occupations.² Just in China, up to 54 million people will need to transition roles by 2030.³ A.I. will disrupt millions of jobs and create new ones, often in better-paid positions. But workforce readiness remains a significant obstacle. Globally, six in every ten adults lack basic Information Communication Technology (ICT) skills or have no computer experience,⁴ which excludes them from emerging job opportunities. The COVID-19 pandemic accelerated existing trends in the workplace, boosting digitalization across the board. The transition to remote work, the boom in e-commerce, and the widespread adoption of cloud-based offices illustrate the rapid transformation in only a year. These fast-paced changes pushed companies to experiment with new behaviors and operational models, anticipating the workforce transition.

Societies still do not have a clear picture of what the work of the future will look like in the following decades. This situation might seem odd, but it is somewhat normal for a transitional moment in history. Likewise, most of today's jobs did not exist before 1940. The unique challenge of the current situation is the speed of technology growth, reducing the lifespan of corporations, and the shelf-life of skills. Changes are much faster today than they were in past transitions.

Across the globe, policymakers, governments, business leaders, academics, and experts have started to map out competencies and abilities in short supply in today's economies, which will likely be in high demand by 2030. The upcoming GFCC *Future Skills* report⁵ provides an extensive list of relevant skills and training for the future, focused on digital skills, STEM (Science, Technology, Engineering, and Math), and soft skills development. The report benchmarks 32 innovative initiatives from 15 countries that aim to address skills gaps and prepare the next generations.

But growing awareness of the relevance of prioritizing talent development strategies has yet to be translated into action. In most countries, progress has lagged, leaving millions of people behind, unable to enjoy economic growth or pay raises. Skills shortages and mismatches have led to significant financial losses for businesses and nations. In the United Kingdom (U.K.), skills shortages cost around \$3 billion a year and significantly hamper productivity.⁶ The U.K. workforce could be 5 percent more efficient deploying the right skills match.⁷ The United States (U.S.) still has 200 million Americans outside the

1 https://www.brookings.edu/wp-content/uploads/2019/10/2019.10.15_Brookings-Metro_Talent-driven-economic-development_Parilla-Liu.pdf; <https://workofthefuture.mit.edu/wp-content/uploads/2021/01/2020-Final-Report4.pdf>.

2 <https://www.mckinsey.com/-/media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/What%20the%20future%20of%20work%20will%20mean%20for%20jobs%20skills%20and%20wages/MGI-Jobs-Lost-Jobs-Gained-Executive-summary-December-6-2017.pdf>.

3 Ibid.

4 Source: OECD Employment Outlook 2019: The Future of Work.

5 The GFCC Future Skills: lessons and insights from a review of innovative skills development initiatives will be launched on July 14 during the Frame the Future -Talent conversation.

6 <https://www.nesta.org.uk/data-visualisation-and-interactive/making-sense-skills/>.

7 Ibid.



national innovation engine due to the lack of the right skills and incentives, among other structural and social problems.⁸ As technology threatens to disrupt the workplace, there is a challenge and an opportunity to build the future of talent and work.

Framing the Future of Talent

Making a Case for Reskilling and Upskilling at Scale and Speed

The talent transition will demand a fundamental mindset shift and massive investments towards reskilling and upskilling at scale and speed. Future-proofing the current workforce and equipping the next generations for the future need to be a multistakeholder commitment and a top priority for countries and businesses. There is increased concern that without accessible and inclusive training that promotes core skills, particularly digital skills and STEM, societies will experience growing polarization and inequality. The future of work will most likely be filled with offers for better-paid jobs for people with specialized training, while automation will inevitably replace low-wage workers in multiple industries. Coupled with core skills, the GFCC *Future Skills* report makes a strong case for developing soft skills, such as adaptability, problem-solving, leadership, communication, risk management, and teamwork. These future-readiness attributes can help to improve performance in a constantly changing work landscape and enable workers to find innovative solutions to complex global

challenges. Breaking down education silos will be crucial to drive the creation of new industries, business models and jobs, and prepare the future workforce.

Women in the Future of Work

The advancement of technology and automation will bring new challenges for women in the workplace in addition to structural ones. Historically, women have faced systemic constraints, such as bias in hiring and promotion rates and gaps in access to financial and digital resources. The transition to a digital economy carries an opportunity to advance gender equality, with women taking better-paid positions and leadership roles. But it can also lead to exclusion, enlarging social disparities, and wage gaps that could eventually push women out of the labor market. Across economies, women occupy more lower-paid positions than men.⁹ With the growing demand for high-paid roles in emerging industries, particularly in tech and STEM careers, women need social incentives and accessible training to compete for these high-paid jobs. Globally, between 40 to 160 million women may need to switch occupations by 2030.¹⁰ Reskilling and upskilling programs led by businesses and governments must account for gender diversity to transform the workplace and drive more competitive economies. The tech sector remains excessively masculine worldwide, with women occupying a very small percentage of decision-making roles. In the United States, women hold only 26 percent of computing jobs.¹¹ This number steadily declines at mid and senior career levels. Likewise, in Europe, women are underrepresented in tech-related professions and studies. They occupy

8 https://www.compete.org/storage/documents/documents/CoC_Commission_NextEcon_121620_FINAL.pdf.

9 <https://www.mckinsey.com/featured-insights/gender-equality/the-future-of-women-at-work-transitions-in-the-age-of-automation>.

10 <https://www.mckinsey.com/featured-insights/gender-equality/the-future-of-women-at-work-transitions-in-the-age-of-automationbcs>.

11 <https://www.dreamhost.com/blog/state-of-women-in-tech/>.



one in every six positions for information and communications technology (ICT) specialists and account for only one-third of all STEM graduates. But even when women reach these high-paid roles, they still encounter numerous gender barriers to career development. During the COVID-19 pandemic, women working in tech were nearly twice as likely as men to have lost their jobs or been furloughed.¹² Women in tech have also taken more household work and childcare burden than men during lockdowns, more often feeling burned out. Many of them reported the feeling that they must work harder than male colleagues to prove their worth. Policies and strategies must facilitate access to technology and skills, and incite women's participation in the creation and design of new systems.

Country Snapshots

- **Australia:** Australia aims to transition to a fully digital economy and society by 2030. The government invested \$2 billion over the past two budgets on building multiple capabilities for emerging technologies in different economic sectors. Developing digital skills for the future workforce is among the plan's top five priorities. Since 2020, Australia has committed to invest more than \$1 million in scholarships, training opportunities, and work-based learning for in-demand digital jobs. Australia's strategy emphasizes the value of lifelong learning, affordable access to digital technologies, and innovative digital methodologies from the school system to post-graduate degrees. The plan reinforces the importance of partnerships among government, business, and education and training institutions for the strategy's success.
- **Canada:** Canada has a deficit in digital skills development, with an expected 218,000 ICT job openings but only 29,000 graduates with an ICT specialty.¹³ Civil society and government launched a collaborative effort called Innovation and Skills Plan to address the issue. The plan aims to enhance skills and digital tools, and improve digital safety, security, and transparency of data. In addition, the government of Canada invested \$400 million in a strategic plan to provide broadband internet access to everyone across the country. The Connecting Canada initiative aims to cover 100 percent of all Canadians with internet access speeds of 50/10 Mbps by 2030, improving internet access in rural and remote communities.
- **European Union (EU):** Four out of ten adults and one out of three people working in the EU lack basic digital skills. This year, the European Commission launched the Digital Education and Action Plan, advancing a previous framework issued in 2018, to provide accessible digital education to member states. The plan aims to foster the development of a "high-performing digital education ecosystem,"¹⁴ consolidating investments in digital transformation plans at all levels of education and training.
- **Japan:** In Japan, the number of doctoral degree holders per capita is lower than in other developed countries. The country is the only developed country where doctoral students peaked in 2006 and have been on a downward trend since then. There is a negative spiral in which talented people avoid entering doctoral courses, and as a result, industries avoid recruitment of people who have completed doctoral courses. To overcome this negative spiral, the Study Group for Fostering Industry-Academia Circulation of Innovative Talents of the Ministry of Economy, Trade, and Industry (METI) has proposed the visualization of the activities of doctoral personnel and supporting the utilization of doctoral personnel in areas where doctoral personnel are demanded, such as the information technology field and research-based start-ups.
- **United Kingdom:** The United Kingdom, like many other nations, faces a shortage of digital skills in the workforce. The city of London has created a £7 million Digital Talent initiative that offers free digital training programs for students between 18 and 24, and training courses for teachers and professors.¹⁵ The plan aims to enhance digital capabilities and resources and to create network connections between students and professionals.
- **United States:** The United States is a global leader in technology and innovation. But 16 percent of Americans, around 30 million, are not computer literate. This is a challenge for an economy that expects to see an increase of 12 percent

¹² <https://www.trustradius.com/buyer-blog/women-in-tech-report>.

¹³ <https://technationcanada.ca/wp-content/uploads/2020/10/DigitalSkills-AlternativePathways-PPF-JAN2020-EN-1.pdf>.

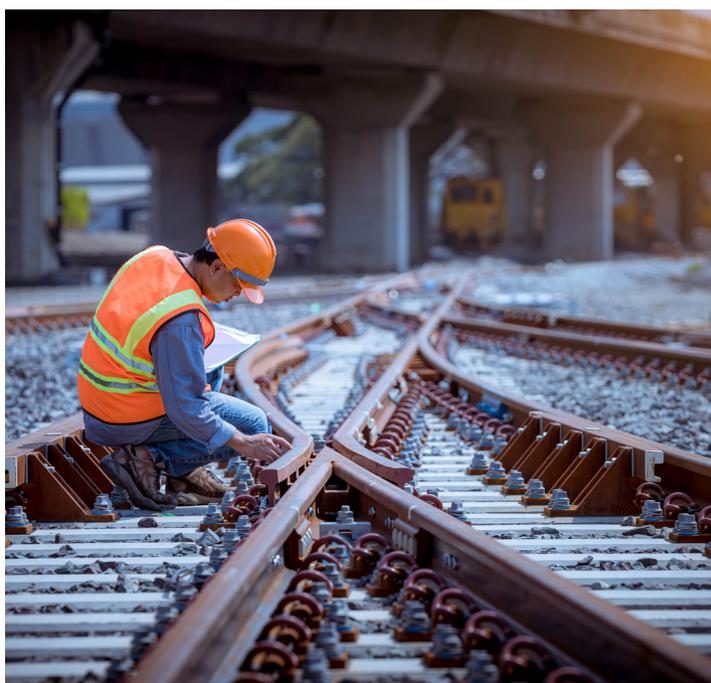
¹⁴ https://ec.europa.eu/education/education-in-the-eu/digital-education-action-plan_en.

¹⁵ <https://www.london.gov.uk/what-we-do/skills-and-employment/skills-londoners/digital-talent-programme/about-digital-talent-programme>.

in the number of jobs requiring digital skills by 2024.¹⁶ Digital skills training in the country has been led mainly by private sector initiatives. Grow with Google has provided free training, tools, and expertise since 2017, helping more than five million Americans acquire digital skills and strengthen their businesses and careers.¹⁷

Frame the Future Lenses

- **Inclusiveness:** Including more people and embracing diversity will drive new opportunities and boost value creation. With the move to a digital and carbon-neutral economy in the next years, new jobs will replace old ones. This transition will demand proactive measures that support all demographics and people from all walks of life, offering accessible and affordable learning opportunities.
- **Partnership:** Training the current workforce and the next generations at scale and speed will depend on public-private partnerships, coupled with productive dialogues and commitments from both sides. Improving the lives of people and growing more competitive economies is possible only with collaboration across sectors.
- **Resilience:** Today's accelerated pace of change will require that countries and businesses invest in building a resilient workforce able to navigate uncertainty and bounce back from shocks, and capable of deploying available resources to different challenges.
- **Innovation:** The world is facing growing interconnected challenges, ranging from climate change and the depletion of natural assets to increased poverty, inequality, and cyber warfare. Innovation will play a crucial role in helping to tackle these problems, with the creation of new business models, products, and services boosted by tech-transfer across industries and a diverse and inclusive workforce.
- **Sustainability:** A new economic cycle is starting to take place and will continue to develop in the next years and decades. Building a sustainable economic cycle will depend on successfully transitioning the workforce, creating new jobs for people displaced due to technology disruption and declining industries, and designing greener models that mitigate climate change effects.



¹⁶ https://www.urban.org/sites/default/files/publication/100843/foundational_digital_skills_for_career_progress_2.pdf.

¹⁷ <https://grow.google/about/>.

Trends

- Lifelong learning and non-traditional career pathways will replace traditional linear education and qualifications. People will increasingly navigate across disciplines and industries, leaning on micro-credentials, online courses, boot camps, vocational training, and other alternatives, to acquire the skills in-demand in emerging industries as technology continuously changes and creates new job opportunities.
- Remote recruitment and new work geography have the potential to reshape the global workforce distribution. Qualified candidates from different cities, regions, and countries will be able to compete for job placements without worrying about moving out from their places. People may also have the choice to keep their current job and work from virtually anywhere. These changes can impact local economies and urbanization plans. This trend will require updates on job regulations and employment rules at both national and international levels.
- Green jobs that benefit and protect the environment will grow across sectors in the next decade. With the effects of climate change and biodiversity degradation threatening economies and societies, there is growing awareness of the importance of designing profitable systems that mitigate and reduce human impact on nature. Investing in sustainable industries will drive the work opportunities people need while helping to preserve the environment.
- Hard and soft skills development will be increasingly recognized as essential to go hand-in-hand from K-12 education to post-graduate studies and vocational training. The most competitive economies will attract and develop talents with technical abilities coupled with a strong sense of ethics, teamwork, leadership, adaptability, problem-solving, and flexibility. As automation changes the nature of work and replaces repetitive human behaviors, the need for creativity and human ingenuity becomes even more relevant to the professional class. These attributes will help navigate a changing societal scenario and drive innovative solutions to today's global challenges.
- Boosting scientific and digital literacy across all work levels and for all demographics can improve decision-making and drive a positive impact on people's quality of life and the economy. The ones capable of navigating today's digital tools, with critical thinking and social engagement, hold massive opportunities at their fingerprints. Digital literacy can also democratize access to information and stimulate lifelong learning.

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