



SHORT TAKE

Voice of the workforce in Europe

Understanding the expectations of the labour force to keep abreast of demographic and technological change

THE DELOITTE EUROPEAN WORKFORCE SURVEY

LIVING A LONG life can bring great rewards, but our stretching lifespans also bring new concerns: Careers are getting longer but the shelf life of acquired skills is getting shorter. Employers who fail to welcome and engage a broad spectrum of workers, encourage their training, and manage alternative working arrangements risk being left behind in the market. These are some of the emerging issues highlighted in the Deloitte European Workforce Survey, as described in the report *Voice of the workforce in Europe*. The survey's aim was to broadcast Europe's 'voice of the workforce', examining workers' attitudes and views to see how closely they match the real picture.

Trends shaping the new normal

Two megatrends are changing the landscape of work, and either could spell an imminent labour shortage without an immediate solution (figure 1). First, young people are starting work later and a sig-

nificant part of the extant workforce is approaching retirement age. This could lead to a gap of more than three million workers in the EU15 countries over the next five years.

Second, new digital technologies are leading to new business competitors, but also to changes in what roles will remain and who is skilled and available to fill them. Companies that do not rethink their structure and management skills risk being left behind in the market.

The survey responses described in the full report point to five steps leaders and policymakers can follow to recruit and maintain a stable workforce:

01. Take advantage of longer careers. As the composition of the workforce tilts toward a more senior demographic, it's vital to see older workers as a useful pool of talent.

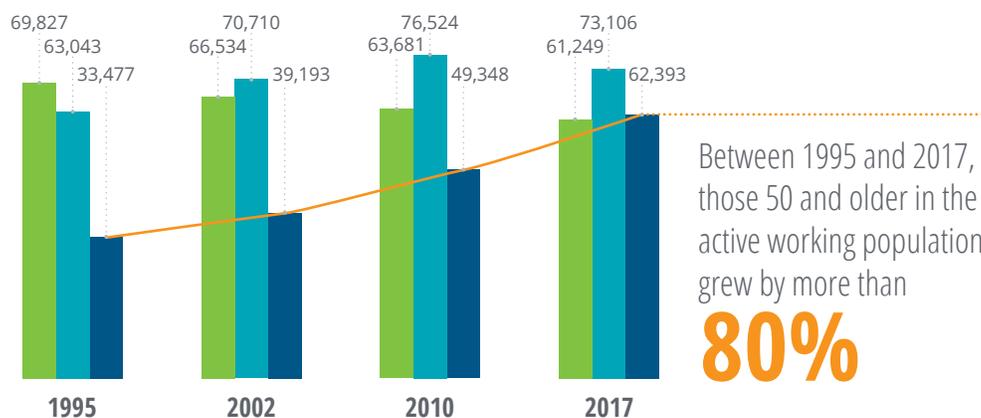
02. Engage and motivate a broader workforce. To improve performance, cater to the discrete priorities of an ever-more diverse labour pool.

FIGURE 1

As of 2017, there are fewer workers under the age of 35 than over 50 in the working population

Number of people active in the EU15 labour force, by age group in thousands

■ 15 to 34 ■ 35 to 49 ■ 50 to 74



Source: Eurostat data, database lfsa_agan.

- 03. Shape strategies for alternative career models.** To remain competitive, companies are striving for agile structures and a broader network of workers outside the company boundaries. Find out which types are willing to adapt and fill the gaps.
- 04. Promote lifelong learning.** With careers spanning several decades, workers need guidance to retrain and learn new skills relevant for the future.
- 05. Send a wake-up call about technological change.** Workers need a reality check about the advent of technological change, and support as their jobs evolve accordingly.

CAREER LONGEVITY AND FLEXIBILITY

Despite the increase in retirement-age workers who choose to keep working, companies have not widely acknowledged this as an asset—one that can help counteract skill shortages. Companies hungry for skills and flexibility should take advantage of the ageing workers, who are spending more years in good health, remain motivated and satisfied, and are more open to accepting work that is not full-time/permanent.

There is a moderate interest in less-traditional working arrangements, and not just from ageing workers. Seven percent of survey respondents consider a portfolio career—a mix of part-time, contract work and self-employment—an ideal arrangement.

MOTIVATION AND REWARDS

Keeping any type of worker motivated can make a tremendous impact on the financial success of companies. However, what workers value and require changes over time and among employee groups. Business leaders must become familiar with these shifting preferences and needs among workers of all ages, in the interest of attracting and retaining talent.

Perhaps not so surprisingly, given the economic and political uncertainty felt in many countries,

workers across Europe rated ‘job security and stability’ and ‘remuneration’ as priorities for feeling motivated. But other priorities may not be so obvious; more than 80 percent of respondents value being trusted by colleagues (especially among older respondents), clear definition of responsibilities, and competent leadership.

SKILLS FOR THE FUTURE

In addition, the under-35s are more likely to value the possibility to broaden their skills, which is critical: To be able to align with evolving job requirements over longer careers, they need to keep learning through their entire life—acquiring and updating not just technical skills but soft skills such as communication, teamwork and problem-solving (figure 2). Companies should offer clear encouragement to update and reskill, and public institutions need to adapt education infrastructure to accommodate technological change.

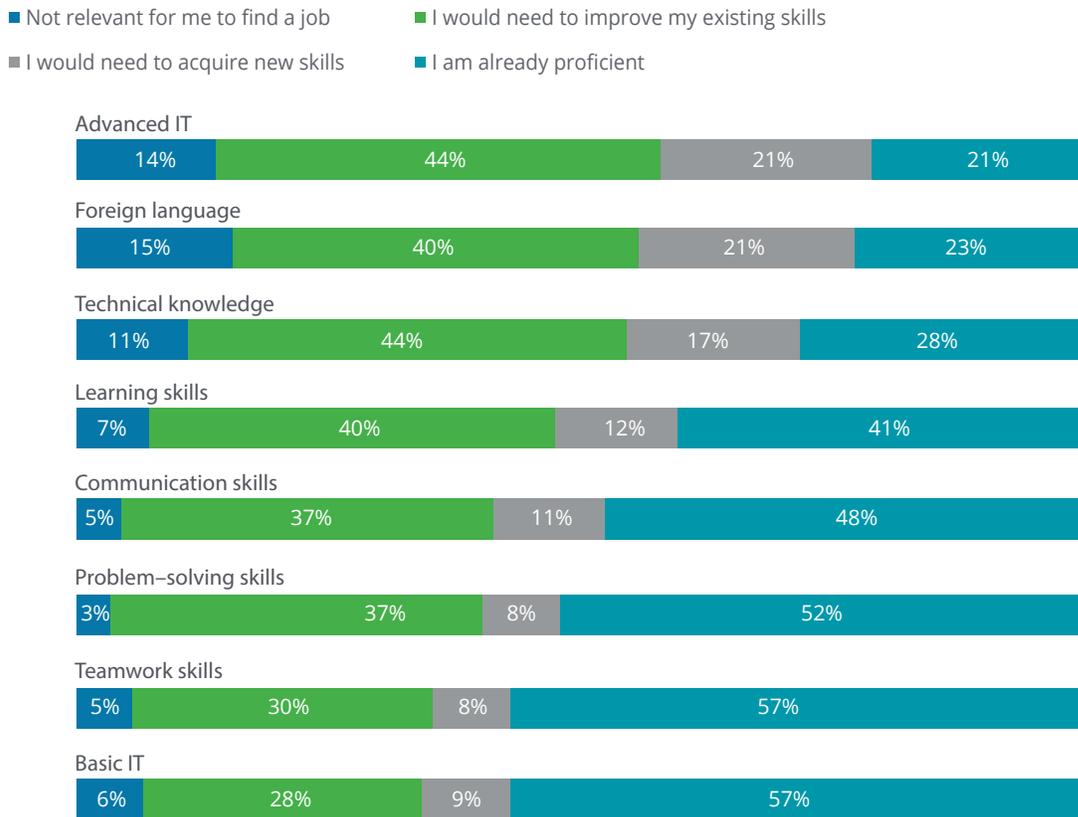
Much of the workforce seems aware that soft skills are necessary to remain employable; what they are failing to recognise is their own need to acquire/improve these skills. About one-third of the survey respondents said they have not taken any action to broaden or improve their abilities, and almost 60 percent of that third reported having no need for training or upskilling.

Reskilling and retraining should be driven largely by companies’ ever-growing plans to implement automation, robotics, and artificial intelligence (AI). However, according to the results of the European Workforce Survey, about three-quarters of respondents said they expect only slow, small or no change to their jobs over the next 10 years. The reason may be that the most impressive capabilities of AI and machine learning are not widely diffused yet. In the past five years, only 38 percent of workers have seen automation and robots take over some of their tasks, and only 30 percent have seen them take over entire business processes.

However, the reality is that more than 40 percent of CFOs in Europe reported that they are increasing automation in response to the current

FIGURE 2

Relevance of certain skills to develop for future employability, as ranked by all respondents



Source: The Deloitte European Workforce Survey.

skills shortage, according to the Autumn 2018 edition of Deloitte’s European CFO Survey. By anticipating the consequential dissolution of roles and offering reskilling to workers who will be affected, organisations may mitigate workers’ loss of engagement and improve performance. This might also bring a competitive advantage—not only by building up the pool of skills needed tomorrow, but by attracting and motivating talent today.

The workforce’s desires and needs, seen in the light of evolving demography and technology, should closely inform the strategies of companies

and public institutions. The next chapter of our working lives need not end in a labour shortage and a discontent workforce.

To learn about these and more responses from the European workforce, download Deloitte’s full report, *The voice of the workforce in Europe: Understanding the expectations of the labour force to keep abreast of demographic and technological change.*

Deloitte.

Insights

Sign up for Deloitte Insights updates at www.deloitte.com/insights.



Follow @DeloitteInsight

Deloitte Insights contributors

Editorial: Preetha Devan, Blythe Hurley, Abrar Khan, and Rupesh Bhat

Promotion: Nabela Ahmed

Creative: Tushar Barman, Molly Woodworth, Mark Milward, and Kevin Weier

Cover artwork: Emily Moreano

About Deloitte Insights

Deloitte Insights publishes original articles, reports and periodicals that provide insights for businesses, the public sector and NGOs. Our goal is to draw upon research and experience from throughout our professional services organization, and that of coauthors in academia and business, to advance the conversation on a broad spectrum of topics of interest to executives and government leaders.

Deloitte Insights is an imprint of Deloitte Development LLC.

About this publication

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. This publication and the information contained herein is provided "as is," and Deloitte University EMEA CVBA makes no express or implied representations or warranties in this respect and does not warrant that the publication or information will be error-free or will meet any particular criteria of performance or quality. Deloitte University EMEA CVBA accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2018 Deloitte University EMEA CVBA.

Responsible publisher: Deloitte University EMEA CVBA, with registered office at B-1831 Diegem, Berkenlaan 8b.