

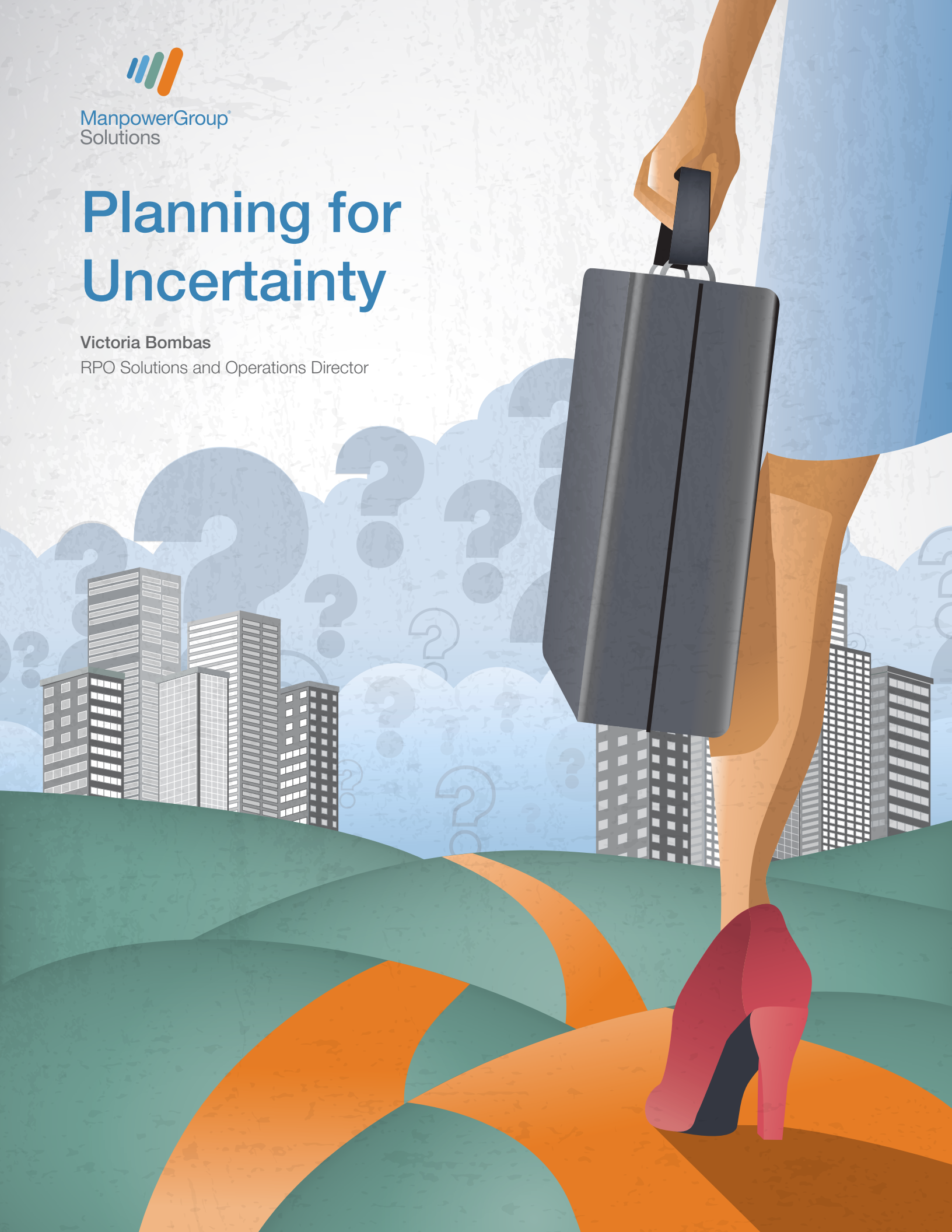


ManpowerGroup®  
Solutions

# Planning for Uncertainty

**Victoria Bombas**

RPO Solutions and Operations Director



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*Companies will need to adapt so they can keep the business running smoothly with one hand while preparing for a different and uncertain future with the other.*

”

Jonas Prising,  
Chairman & CEO  
ManpowerGroup



## Introduction

From the rise of robots, globalization and mass migration to the surprising Brexit vote, U.S. election and wider geopolitical uncertainty, the Human Age has arrived. The macroeconomic forces ManpowerGroup identified a decade ago — shifting demographics, greater individual choice, client sophistication, technological revolution — and their structural impacts are evident as we predicted. **As these forces continue to take hold and technological disruption and political changes continue, we can be certain that uncertainty lies ahead.**

**For any organization, talent is your greatest asset, but also your biggest variable risk.** Understanding the landscape of talent availability, planning for variation in demand and developing a framework that accounts for large-scale change and the impact of unexpected circumstances is key to remaining resilient and ensuring competitiveness and growth in a slow growth environment.



# Future Proofing Business

While the economic outlook ahead may seem more positive, the geopolitical one is less certain. Elections this year, particularly in Europe, may bring more uncertainty. While each geopolitical event from the UK Brexit vote to the U.S. election is an exceptional circumstance, the challenges presented to employers are not unique. Workforce planning tends to focus on known, rather than unknown, circumstances. This may work well for a period of time, but what happens when political upheaval affects resources? Or demographic shifts impact talent pools? If one variable changes, workforce plans can be fundamentally altered overnight. By anticipating potential change and planning for uncertainty, employers can develop a flexible, yet resilient, workforce strategy to future-proof their businesses.

## Preparing for Uncertainty, Anticipating Potential Change:

### **Faster and Different: Skills Disruption Like Never Before**

Rarely a day goes by without news of digitization, artificial intelligence and virtual reality impacting the workplace. Business leaders, politicians and economists want to quantify technology's impact on employment — but no one knows for sure what the outcome will be. Plenty has been written predicting the future, but there is little telling people that they will need to learn new skills in order to remain employable. Many of these skills will be for jobs that have yet to be created. It is certain that there will be skills instability and it will be seen across different skill sets, in different sectors and at different times in different countries.







### Older, Younger, More Mobile

Changing demographics are dramatically impacting workforces in the Human Age. People are living longer and working older, and many employers now have five generations to motivate and manage. The movement of people is also impacting talent pools. Europe is seeing its biggest population influx since World War II and many bring valuable skills to a region challenged by an aging population and talent shortages. Anticipating demographic shifts and helping individuals utilize or develop new skills and find meaningful work enables individuals to achieve their potential and organizations develop a right-skilled, diverse and inclusive workforce.



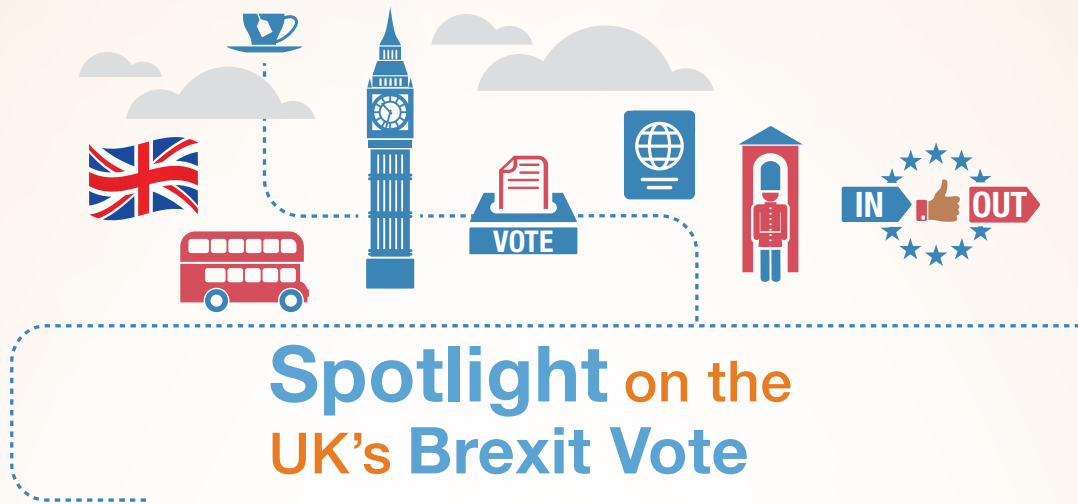
### Change at the Top: Playing by the Rules

New governments bring uncertainty, and the upcoming elections in Europe may bring more. Policy can change quickly, resulting in significant opportunities and challenges for employers. It is important for companies to anticipate and plan for change while staying true to their values and business purpose.



### Money, Money, Money

Economic prosperity or decline can have significant impact on availability of talent. During times of prosperity, demand for talent can outpace supply. This means employers have to be more creative to attract and retain those people with the skills they need to succeed. These scenarios raise important questions for employers: What other options are available if skilled workers are not? How does the business adjust to account for a sudden surplus of talent?



The UK's Brexit vote last summer was not the result many global companies had hoped for. When the status quo unexpectedly alters, it is time to move to Plan B. This environment of certain uncertainty is nothing new; we are used to a post-recession landscape that is less stable and harder to predict.

**In today's world of work, companies must plan for unpredictability and need to be built for change.** The concrete implications of the vote and the road ahead may be unclear, but business leaders need not be.

With the eyes of the world on the UK and Europe, employers must play a role in protecting the attractiveness/desirability of "Brand UK" or the UK as a labour destination. The free flow of labour is one of the fundamental tenets of the European Union and employers relying on talent as a key economic differentiator must ensure this is maintained for those in the UK today and for those wishing to be there in the future.

Many say the Brexit vote was won on emotions not facts. Now is the time to overcome the great divide. If we learn one thing only from Brexit, it is that beyond our organizations, in the communities in which we operate, people feel disenfranchised and disconnected.

The much-talked about polarization of the population is playing out in front of our eyes.

Most developed economies have seen stagnant wages for more than a decade, but averages can be misleading. The "haves," with in-demand skills in IT or engineering for example, have continued to see wages increase even during the recession. The "have nots," with low or outdated skills, have seen wages stand still or decline. Since 2008, UK wage growth has crept at half the usual rate and productivity almost stalled. Too many people look ahead and cannot see how their circumstances will improve.

This is not unique to the UK and is a warning for countries and leaders elsewhere. It is the result of post-recession structural change, where forces such as technological change, globalization, demographic changes and supply chain sophistication start to impact labor markets globally, with unsettling consequences for many.

As businesses, we have a responsibility to ensure we are a positive contributor to societal change. Employers need to ask — what can we do to build employability in the community in which we operate? How can we invest in local talent pools and provide learning opportunities that build talent pipelines? Investing in people and upskilling programs aligned to business needs will drive sustainability and employability for the long term. It is also an opportunity to take social responsibility and be part of the solution.

# How To Plan for an Uncertain Tomorrow

## Remember Skills and Learnability are the New Currency

One change we can be certain of is the rate of technological advance. We cannot slow this pace, but we can invest in employees' skills to increase the resilience of our people and organizations. Now is the time to hire for and nurture learnability: their desire and ability to learn new skills to stay relevant and remain employable. Fast tracking the upskilling and reskilling of existing employees to ensure we have a workforce with the skills required for the future. We also need to draw in those that are not fully participating in the workforce. Workforce planning means being ready for new jobs and new skills.

Talent for  
peak periods



Talent for non-  
peak periods

## Be Nimble, Be Quick

In a world of certain uncertainty, organizations need to be agile, nimble and quick to adapt. Identify a range of realistic variables and develop a workforce plan that accounts for fluctuation in demand, productivity, talent availability and an ever-evolving geo-political environment. Businesses should ask themselves: how are we ensuring our workforce is agile enough so we can continue to compete?

## Keep Calm and Hold Steady

The knee-jerk reaction to uncertainty is often adopting a wait-and-see posture or worse, panic. In this increasingly choppy environment, with the dichotomy of achieving today's targets while preparing for tomorrow, staying true to the heritage, values and culture of your business has never been more important. Responsive and responsible leadership will be required to drive future competitiveness, growth and inclusiveness. Workforce strategy should reflect business strategy and corporate DNA. Employees want to know what an organization stands for – this holds true in times of uncertainty more than ever. An organization is united by its purpose and values.

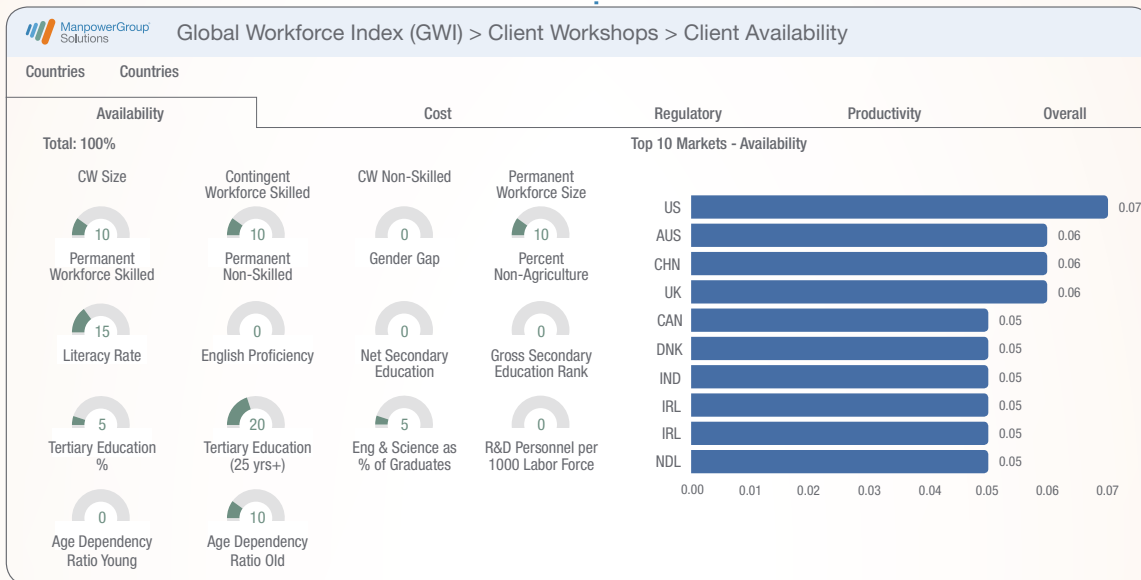
## Data Talks

Digitization and demand for workforce data will play a more critical role, enabling better and faster decision-making and greater market transparency. Leaders will need to rethink the structure of work and be clear which roles could be done where, by whom or by what. HR must shift from an art to a science and will require a more coordinated, precise talent strategy that aligns to real-time business needs. Forty-four percent of leaders say they are already using workforce data to predict business performance — up from 29 percent in 2015<sup>1</sup>. Companies are beginning to use sensors to capture happiness metrics from Big Data or sensors to understand how group dynamics impact performance. Company expectations will continue to shift to demand more data-based people decisions; the playbook is changing and basic concepts of scale, value and competition are being redefined.

1 <https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2016/human-capital-trends-introduction.html>



# Less uncertainty with the Power of Data



Workforce data is typically retrospective — it tells us what happened, not what will happen. Yet, what if we could plot out the future based on known facts and plan for workforce shifts that could have a significant impact on business?

Developing workforce scenario models may sound futuristic, but the tools to create detailed projects are already in place. ManpowerGroup Solutions' Global Workforce Index (GWI) provides comprehensive insight into both full-time and contingent workforces by compiling 50+ key data points around the availability, cost efficiency, regulation and productivity of contingent and permanent workforces in 75 countries.

Using a proprietary formula, a numerical value is assigned to each country that provides a comparison of the relative opportunities entering

one labor market over another. This allows an organization to weight factors based on their strategic priorities — so if productivity is considered more important than cost, weighting can be adjusted accordingly.

Strategically, these insights serve as the foundation for business cases and feasibility studies related to market investments and workforce planning. When HR leaders make data-driven recommendations that impact the core business objectives, it makes the case for investment and gives HR a seat at the table. These market-driven insights can include data on hubs for in-demand skills, changing demographics, regulatory issues that could affect talent availability and the true cost of talent once taxes, benefits, overtime and operating costs are factored in.



## Conclusion

Employers have historically struggled to plan for recruitment and retention during periods of uncertainty. Businesses want to understand the landscape of talent availability and plan for variations in production cycles, demand and seasonal needs. Developing a framework that accounts for large-scale change and the impact of unexpected circumstances is nontraditional – which may require significant effort to get the necessary buy-in and resources – but the returns are likely to justify the effort.

# About ManpowerGroup Solutions

**ManpowerGroup Solutions** provides clients with outsourcing services related to human resources functions, primarily in the areas of large-scale recruiting and workforce-intensive initiatives that are outcome-based, thereby sharing in the risk and reward with our clients. Our solutions offerings include TAPFIN-Managed Service Provider, Strategic Workforce Consulting, Borderless Talent Solutions, Talent Based Outsourcing and Recruitment Process Outsourcing, where we are one of the largest providers of permanent recruitment and contingent management in the world. ManpowerGroup Solutions is part of the ManpowerGroup family of companies, which also includes Manpower, Experis, and Right Management.

More information at [manpowergroupsolutions.com](http://manpowergroupsolutions.com)



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