



Whitepaper

How do we re-skill  
**employees for the  
new digital era?**

# How do we re-skill employees for the challenges of a new digital era?

The right actions now will benefit future profitability.

**Businesses have to rethink the way they manage and train their staff as digital technologies increasingly augment our working lives and employees demand ever-greater flexibility over work and control over their own personal development. The future profitability of companies will depend on what action they take now to adapt to a fast-changing employment landscape.**

Irene Mark-Eisenring, Head of Corporate Personnel Development at Bühler

The workplace is changing. Advanced deep learning algorithms, automation, interconnectivity, the cloud, the Internet of Things, blockchain, are all changing the way we work and it is pervasive.

A survey carried out four years ago of senior executives in major global companies across nine different industries revealed that 87% of those interviewed claimed their companies had made “significant inroads” into leveraging digital technologies over the past year.<sup>1</sup> When asked “which was the most critical technology”, a third cited analytics. The same survey carried out today would reveal even higher engagement.

So, how is this change impacting the workplace? In its 2018 report on the future of jobs the World Economic Forum (WEF) found that the augmentation of existing jobs through these new technologies will create both new roles and some job losses.<sup>2</sup> While new roles are expected to offset the losses, it will require the necessary pro-active investment from businesses to develop “a new surge of agile learners and skilled talent globally”. The WEF warns that if technological changes arise at the same time as there are talent shortages the outcome could be rising unemployment and greater inequality.

## The skills paradox

The challenge is to anticipate the skills and the training needed in a time of rapid and profound change driven by fast evolving technological development. Change is happening now. The WEF found that the proportion of core skills required to perform a job will have changed on average by 42% over the 2018 to 2022 period.<sup>3</sup> Understanding and so preparing for such a significant shift

in core skills looking ahead 10, 20 or even 30 years is a challenge known as the skills paradox. The management consultancy McKinsey and Co has explored the impact of automation across 46 countries<sup>4</sup> estimating that by 2030 between zero and one third of work activities could be displaced, with a mid-point of 15%. The variation depends on how developed the economy is with advanced economies automating the fastest due to higher wage costs. There is also the economic cost of inaction. A study looking at 14 of the G20 countries found that by failing to re-skill their workforces they could miss out on USD 11.5 trillion dollars of cumulative growth promised by intelligent technologies. That is equivalent to 1% of annual average GDP growth per year.<sup>5</sup>

## The collaboration paradox

This is happening as employees demand more control over their professional lives. The majority of people (92%) born between 1980 and 2000 consider flexibility to be a top priority when selecting a job.<sup>6</sup> The nine-to-five employment model is being replaced by time-limited project work as employees demand to work part time or in home offices, while temporary workers or project specialists become more common.

This poses a second challenge. In an ever-more connected world there is a risk that we are in reality becoming increasingly atomized as people no longer have to work in the same physical spaces or even at the same time. This can lead to a work environment absent of colleagues, risking the loss of empathy, spontaneity and creativity that comes with physical meetings as well as potentially impacting morale and motivation. This can be described

as the collaboration paradox. Our world is already highly digitalized, which gives us a useful insight into the likely characteristics of future business environments. Firstly, we can expect this new way of working to involve a high degree of change as competitors constantly adapt and evolve their corporate strategies. It will also be a technologically intense environment as new innovations drive market opportunities. To survive, companies will need to be able to transform themselves by significantly changing the way they capture value. Finally, companies will have to be able to create their own innovations, so they have the ability to improve a process or product in a way that changes competitive positioning.<sup>7</sup>

## The rise of soft skills

So, what skills will employees have to acquire to work successfully in such a dynamic work environment? The speed of change will require staff to have adaptability and the ability to undertake continuous learning while thinking creatively, critically and strategically as technology drives both commercial opportunities and threats.

Digitalization will bring increased interconnectivity within value chains, sectors and even between competitors. It will require employees to be able to collaborate better with others, build relationships and influence outcomes. The exponential growth of data will require staff who can apply expertise and technology to create insights through critical thinking. To be able to keep improving processes will require result-orientated staff with good decision making and planning skills.<sup>7</sup> In short, companies need to develop a wide range of soft skills amongst their existing employees, allied with continuous learning.

“I summarize this shift as describing the soft stuff having become the hard stuff”, explains Udo Ender, the founder of xcg Executive Consulting Group based in Switzerland. “I see competencies beyond technical expertise as becoming more important, with managers requiring relationship management skills and social competencies like empathy and team working. Organizations find themselves in a learn or die environment and so need to encourage employees to stretch themselves, to try new things, to be out of their comfort zones and to embrace new learning.”

## Equal potential

One myth that needs to be dispelled is that there is any demographic group that might be better suited to this transition from technical knowledge to the development of soft skills. Mike Malmgren is an Associate Professor in Strategic Management at Ashridge Executive Education in the UK and has been studying employment trends both as an academic and as a CEO. “My experience is that if people are given the opportunity to de-

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velop resilience by helping them understand themselves better, they can cope when change comes. It is down to each individual if they change and has nothing to do with whether they have been in the same job all their life or their age or their nationality,” Malmgren explains.

## Experiential learning

Having identified the skills likely to be needed in the future, companies need to understand the most effective way to develop them among their employees. Advances in neuro-science show that the development of the sort of soft skills likely to be in most demand in the future, complex reasoning, critical thinking, creativity and socio-emotional intelligence, are all best absorbed through hands-on experience rather than being learned by reading or listening.<sup>5</sup>

Experiential learning has the merit of being both immersive and hands-on and so resulting in deeper and faster learning. According to Malmgren the learning comes from being allowed to experience and then having the opportunity to reflect.

This could involve using tools like heart monitors to show where stress arises and how individuals respond when under stress. “Individuals will take things away and learn about themselves how they respond and deal with difficult situations,” explains Malmgren.

Each workplace needs a variety of skills to draw on and traditionally companies have taken the needs of the organization as a starting point and then developed the required skills.

Companies need to move away from this one-size-fits-all principle and strengthen the desired soft skills within each individual. Corporate learning programs will need to adapt to accommodate a much broader range

## Conclusion

- Executives need to consider what their workforces will look like in 10 or even 20 years.
- Employers must take responsibility for developing the skills that are going to be required for increased business resilience, many of which will be soft skills.
- Today's senior managers must demonstrate cooperative and transparent leadership by presenting themselves as role models and coaches.
- Everyone has the potential to adapt to new circumstances regardless of age or status.

of skills. Lifelong learning must also be available for all workers throughout an organization regardless of job status or age. Older workers can suffer corporate bias when companies invest more heavily in youth development. In reality, all workers are equally capable of development and so learning programs need to be flexible and modular to accommodate busy adults with a range of responsibilities at work and beyond.

Each year around 600 Bühler staff attend apprenticeships around the world providing routes into poly mechanics, cast iron technologists, sheet metal workers, drafts people, automation technicians and IT specialists. Candidates get paid during their apprenticeships which gives a high priority to soft skills. Formal structures to inculcate creativity and decision thinking through management structures also need to be in place.

Bühler runs its international Master of Bühler Management program each year. It is designed to develop the skills of 30 middle-managers each year. It has been recently updated to cement skills around collaborative leadership communication and innovation. Bühler also runs its Excelerator program that tailors career development to the specific needs of an individual.

### Opportunities for all

In addition to structured training every worker in a company should be provided access to flexible self-advancement tools. Bühler has created its new B-Learning platform providing access to a globally accessible virtual library designed to meet individual training needs through whatever medium is most convenient for the employee, including videos, e-learning, classroom training and webinars. Parts of the B-Learning platform are available to clients with plans in place to further expand access.

For maximum impact, training needs to be designed so it is easily accessible in real-time over mobile de-

vices. Classroom training should focus on the experiential, which has been shown to be far more effective when teaching and further developing soft skills. According to Ender profound shifts are also needed at the top of organizations as well. Bosses need to show leadership through much more cooperative, transparent and value orientated leadership styles by presenting themselves as role models and coaches rather than trying to generate a "great man myth".

Personal development is ranked far higher than period progression among the younger generation and so they expect more room to shape their own levels of competence, more decision power and corrective goals to help them perform better," he explains. "The millennial generation expect instant feedback from their line managers along with regular peer comparisons and so management needs to have the skills and tools in place to provide it."

### Building bridges

Working patterns will change in the future. In all cases, communication has to figure strongly throughout a business, and opportunities should be provided for staff to meet, discuss, and collaborate.

Bühler had created its CUBIC Innovation Campus in Uzwil with open plan architecture designed to encourage contact and communication with a coffee area being your first contact with the building. Bridges are also being built between different work groups and partners through the creation of experience-sharing sessions, networking lunches and a buddy system where employees can mentor colleagues.

The employment landscape is changing fast. Only by having people with the right skills in place can companies prepare for the forthcoming challenges the new digital era will bring.

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## Udo Ender

Co-Founder, partner, and CEO of xcg executive consulting group



Udo Ender is a co-founder, partner, and CEO of the xcg executive consulting group set up in 2001 to offer specialized services to help clients optimize their critical personnel decisions as well as managing the risks of strategic staff appointments. He has a master's degree in business administrations from Vienna University of Economics and Business Administration. He also has long-standing professional experience in human resources and management consulting. He is Project Manager for executive evaluation and executive development with a personal focus on executive assessment and management audit.

## Mike Malmgren

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Mike Malmgren is Associate Professor at Ashridge Executive Education, UK and Associate Professor at Linköping University, Sweden. He is the Chair of the Academic Board at Mgruppen in Sweden. He splits his time between research, teaching on the MBA and Executive Education where his work includes international clients such as Bühler, Alfa Laval, Volvo, Electrolux, Volkswagen, Ericsson and Tetra Pak. Prior to joining the academic community, Malmgren spent 11 years as Managing Director of several technology companies. He left Sweden 1984 and has lived and worked in Sweden, US, Australia, and the UK.

## Irene Mark-Eisenring

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Irene Mark-Eisenring is responsible for all aspects of HR Development globally within Bühler Group since 2016. She sets and implements the strategies in HR Development, HR Marketing/Employer Branding, Talent & Performance Management, Strategic Recruiting, and Diversity & Inclusion. She is responsible for the corporate learning strategy and all leadership courses. Previously, she worked in the financial industry for over 20 years in various HR functions. She holds a degree from the University of Applied Sciences in St. Gall. She serves also on the Board of the Business Professional Women in Switzerland.

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