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THE FUTURE OF JOBS REPORT 2023 INSIGHTS

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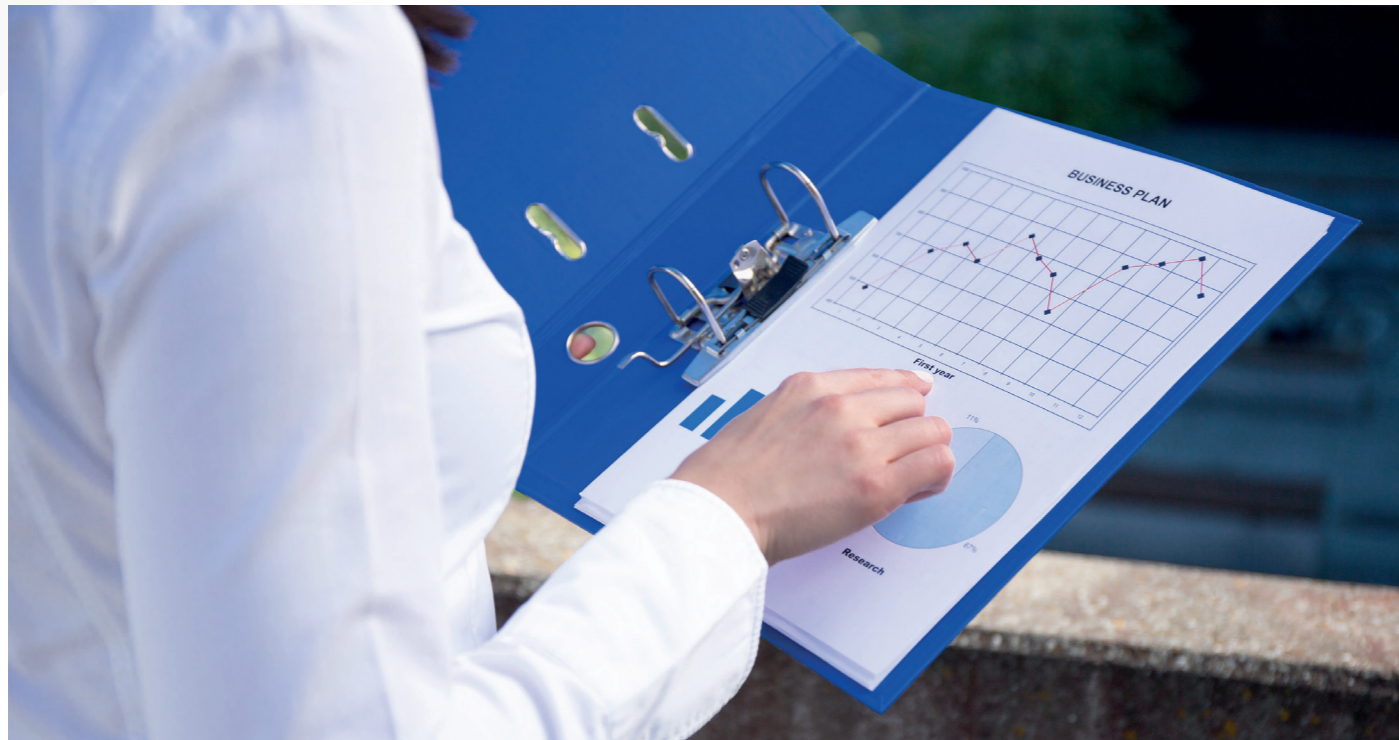
INSIGHTS

The World Economic Forum published in 2023 its fourth “Future of Jobs Report” since 2016, where it presents the expected growth and labour market disruption scales, key competences and strategies for job transitions from declining to emerging roles, between then and 2027.

The 2023 edition of the Survey has the widest coverage thus far by topic, geography and sector.

The 2023 edition takes in account the perspectives of 803 companies, employing over 11 million workers from 27 clusters and 45 economies from around the world.

This report happens in a context where accumulated COVID19 Pandemic effects, climate transition, Technological transformations, high inflation and changes in consumer and worker expectations drive demand for new jobs globally.



THE REPORT'S KEY FINDINGS POINT TO A LANDSCAPE WHERE:

Economic, health and geopolitical trends are creating divergent outcomes for labour markets globally in 2023;

Technology adoption remain a key driver of business transformation with Big data, cloud computing

and AI feature highly on likelihood of adoption, however businesses are introducing automation at a slower pace than previously anticipated. Impact of most technologies on jobs expected to be net positive.

Employers anticipate labour a market churn of 23% of jobs and a net negative 2% balance, led by macro trends combination and technology adoption:

Large-scale job growth are expected in education, agriculture, digital commerce and trade and large-scale losses in administrative roles, traditional security, factory and commerce roles.

Analytical thinking and creative thinking remain the most important skills for workers in 2023.

Employers estimate that 44% of workers' skills will be disrupted with up to six in 10 workers requiring training before 2027, but only half of workers are seen to have access to adequate training opportunities today and skills report to be increasing in importance the fastest are not always reflected in corporate upskilling strategies.

Most workforce strategies to be adopted based in learning and on-the-job training and automating processes, confidence in existing workforce development is high, in contrast with less optimism regarding talent availability. A majority of companies is expected to prioritize women (79%), youth under 25 (68%) and those with disabilities (51%).



LABOUR MARKET TRANSFORMATION MACROTRENDS

The report lists 26 key competences, divided in 8 categories:

Cognitive Skills	Analytical thinking Creative thinking Systems thinking Reading, writing and mathematics Multilingualism
Engagement Skills	Service orientation and customer service Marketing and media
Ethics	Environmental stewardship Global citizenship
Management Skills	Quality control Talent management Resource management and operations

Physical Abilities	Manual dexterity, endurance and precision Sensory-processing abilities
Self-efficacy	Resilience, flexibility and agility Motivation and self-awareness Curiosity and lifelong learning Dependability and attention to detail
Technological Skills	Technological literacy AI and big data Design and user experience Networks and Security
Working with Others	Empathy and active listening Leadership and social influence Teaching and mentoring

FROM THESE THE TOP 10 CORE SKILLS IN 2003 ARE:

- Analytical thinking
- Creative thinking
- Resilience, flexibility and agility
- Motivation and self-awareness
- Curiosity and lifelong learning

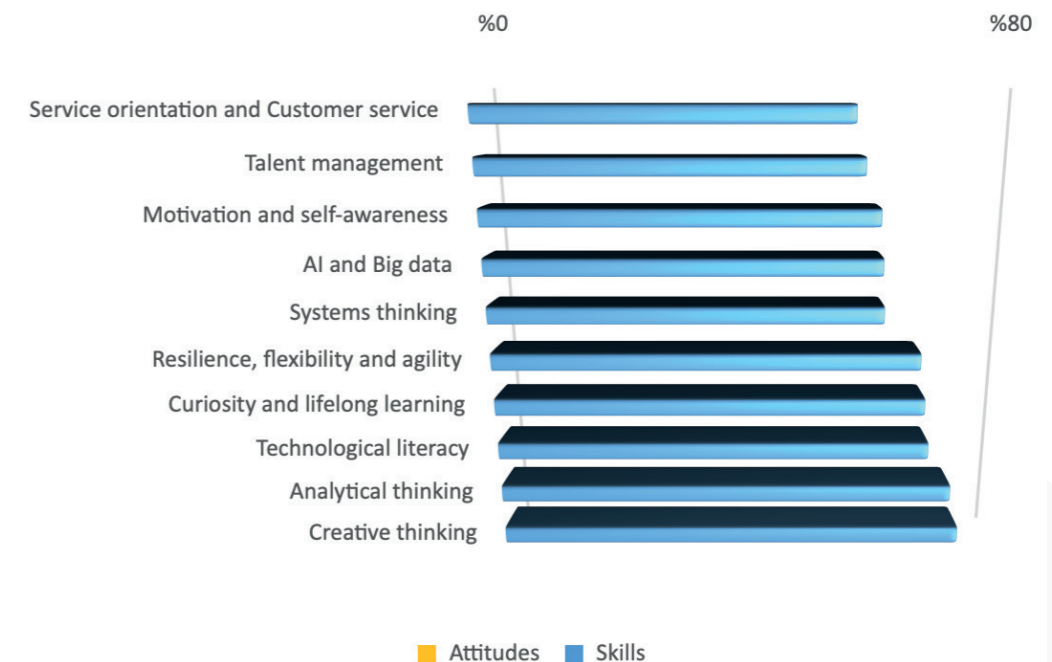
- Technological literacy
- Dependability and attention to detail
- Empathy and active listening
- Leadership and social influence
- Quality control

OVERVIEW

Although core skills across sectors are mostly uniform, some specificities can be identified like “Quality Control” which very relevant for a limited group of businesses. Skills ranked 7th and 8th are values at half the global score by Media Entertainment and Sports Industry and valued significantly over by Non-governmental and Membership Organizations.

Agriculture, Forestry and Fishing, value Ethical, Management and Physical abilities due to the strong environmental focus associated with these sectors. Electronics and Education industries both emphasize “systems thinking” as workplaces become increasingly automated.

The report also indicates trends in skills relevance growth and those on the rise are:



Cognitive skills are growing in importance and even though Analytical thinking is still in higher demand, Creative thinking is on the rise and closed the gap by 9% since 2020. Self-efficacy competences were valued over working with others.

A relevant aspect of the report's analysis is that company's upskilling strategies priorities aren't always in sync with the reported increase in skill relevance. AI and Big data along with Leadership and Social influence are much more prioritized than expect. AI is estimated to absorb 9% of resources aimed at reskilling effort, significantly higher than the much highly valued Creative thinking skill.

Other skills over emphasized in strategies, considering the reported skill trends are Design and User Experience, Environmental Stewardship, Marketing and Media and Networks and Cybersecurity.

TECHNOLOGY ADOPTION EFFECT

The effort to meet Paris Agreement goals are expected to have strong positive impacts on job Creation, especially in Energy, Materials and Infrastructure sectors. Demand for green jobs is growing quickly across sectors and industries. The International Energy Agency (IEA) recently reported an estimated 3.5% additional GDP growth globally as well as a net employment impact of 9 million new jobs created each year to occur as a result of a green-recovery scenario.

Technology adoption pace has shifted the frontier between humans and machines across sectors and geographies. Technology is altering the way we work, but also changing job content, skills in need, and which jobs are being displaced.

Platforms and apps are likely to be adopted by 86% of commerce and trade companies and e-commerce or digital trade by 75% of businesses.

Education and workforce technologies come in second with 81% of companies looking to these technologies by 2027.

Organizations estimate that 34% of all business-related tasks are presently performed by machines. This represents a 1% increase on the level of automation estimated in 2020. This pace contradicts 2020 expectations that almost half of business tasks would be automated, possibly reflecting a view that machines and algorithms have augmented human performance rather than replacing them. Has a result revised predictions for future automation, up to 2027, are down by 5% from 2020.

Automation and augmentation potential scope will expand, with AI techniques maturing and finding mainstream application across sectors. It remains to be seen how technologies, such as gen-

erative AI may change the make-up of automatable tasks over the 2023-2027 period, with some recent studies finding that Large Language Models can already automate 15% of tasks and when combined with other applications able to compensate for its weaknesses, this share may increase to 50%.

CONCLUSION

Job market transformation is a multifactor, interdependent and dynamic process driven by businesses, governments and workers worldwide. Understanding the way these processes interact is crucial for determining whether workers will be able to transition from declining occupations to the jobs of tomorrow, identify talent, promote growth and make informed decisions in context of significant disruptions to jobs and skills for employers and workers alike.





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