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**Headline: A race against time in narrowing the skills gap**

## **A race against time in narrowing the skills gap**

The Fourth Industrial Revolution is bearing witness to unprecedented socio-economic changes happening around us. Our world has reached a digital inflection point that makes business transformation an imperative, regardless of what industry you are in or what markets you serve.

We are now looking at the world through a new lens, reframing problems to find new and innovative solutions to solve them, and new and improved ways to deliver more value to customers, faster and more efficiently.

Business leaders have two roads in which they can choose – to either be disrupted by new solutions such as Airbnb and Uber which are changing business models, or to become the disruptive force that redefines markets. This means possibly completely transforming your business model to make sure your company thrives and grows into the future.

Nike is no longer a 'shoe' and 'apparel' company or a 'sports' brand, but a digitally-enabled, data-centric media giant. For example, they partner with device makers to incorporate fitness watches, and they have legions of developers working on apps that keep people connected to their products.

Similarly, Tesco transitioned from a grocery store to a global retailer which reshaped the shopping experience by integrating data collection and developing customer applications to build affinities.

Remarkable transformations, if you think about it.

What we can see here is that in this digital world, customers are more likely to experience a brand through an app rather than a person. What makes this experience memorable is software, which is the core of the application economy. Delight customers with new apps means transforming the engagement experience and you will win. Disappoint them and you lose.

### **Bolstering skills to enable transformation**

When I meet business leaders across the Asia Pacific region, I emphasise the fact that transforming digitally does not depend on technology alone. It is also about people with the right skills sets. Behind game-changing apps are sound business ideas created by inspired employees.

While companies are investing more into information and communications technology (ICT), a pressing issue is whether they are matching the skills needed to cope with the demand for new and emerging technologies. According to a survey by PwC, Asia Pacific companies expect to allocate six percent of their revenues for digitalisation in the next five years. The study also found that they are experiencing a shortage of skills to match these offerings, which was identified as an obstacle to digitalisation success.

The Asia Pacific Labour Market 2017 anticipates a growing demand for new talent in digital, STEM (Science, Technology, Engineering and Math) and analytical skills in 2017 and beyond.

In a relatively small market like Singapore, the ICT industry requires an additional 15,000 talents, particularly in cybersecurity, data analytics and network infrastructure (and that number doubling by 2020), according to a joint study by Singapore Management University and J.P. Morgan.

Do you have the right people to digitally transform your business? This is a pertinent question which business leaders in Asia Pacific need to reflect on. They need to start focusing on some key priorities in order to thrive in an age of digital disruption. I would like to share some thoughts here:

1. Investing in a data and digitally-driven work environment

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Insights from a recent global research, which surveyed 18,000 students and professionals worldwide, found that only 44% of millennials and 40% of Generation X felt that the companies they worked for were digitally well-equipped. It's a worrying statistic, indeed.

To ensure that you have a digitally savvy and plugged-in workforce, companies need to invest in the right technologies and systems and integrate them across all business functions – be it accessing data from the cloud, using enterprise-grade apps or collaboration tools.

Secondly, it is about committing to upskilling programmes for employees to be more data and digitally savvy, and aligned with their organisations' digital transformation plans. These changes not only will benefit an existing workforce, but also new hires who would be encouraged about being part of a digitally-enabled company, and know that there are opportunities for them to develop new skills.

## 2.Hiring millennials who can better serve the digital world

More than any other region, millennials in Asia Pacific are a driving force in workplace changes and have a tendency to push the boundaries with technology. Millennials are part of a generation that is energetic, social and technologically savvy, and are quicker to adopt new digital innovations. Through their own personal experiences and knowledge in the digital realm, they also understand the impact of technology at work.

Hiring more millennials into the workforce can reshape the work environment by making them agents of change in this age of digital transformation.

## 3.Hiring specialists

IDC's research on Asia Pacific (Excluding Japan) Big Data and Business Analytics Services Market Opportunities 2016 showed that organisations in this region were still in its infancy stages of adopting Big Data and analytics due to the lack of trained professionals and data science skills.

With software driving businesses in this modern era and the massive amounts of data needed for business insights and analysis, companies need specialist skill sets to keep up with rapid technological changes, as well as access to and analysis of all this data. This means putting more focus on the likes of software developers, data scientists, DevOps experts and Chief Digital Officers in their hiring processes, which will boost digital capabilities.

Digital transformation is no longer an option today. To thrive, organisations have to start challenging convention by sensing, innovating and adapting quickly to changing market environments. People are going to be a critical part of the equation, if you want to win in today's business environment and to truly succeed in this industrial revolution.