



Building tomorrow's workforce, today:

Channel Islands Future of Work and Skills Survey 2022

Our world of work is changing faster than ever



How we work, what our employees need from us and what we expect from them in return are being transformed. Is your organisation keeping pace?

**Welcome to Building tomorrow's workforce, today:
Channel Islands future of work and skills survey 2022.**

From the acceleration in digital transformation, to mounting talent gaps and the increasing risk of employee burnout, it's hard to think of a time when the workforce challenges facing businesses in the Channel Islands have been more significant or more complex. Tactical talent strategies built around reactive hiring and salary hikes are no longer enough.

Employees want more

With skills shortages mounting across almost every industry, prized people know that they can have their pick of the best jobs and easily move if they don't get what they want. The COVID-19 pandemic has also spurred a widespread rethink of working lives and ambitions. The result is what has come to be known globally as the '[great resignation](#)', as overburdened or disillusioned employees go in search of a better work-life balance and/or more fulfilling opportunities elsewhere.¹ This puts the onus on your organisation to think long and hard about how to attract and retain talent and how to make sure your 'employer brand' is compelling enough for today's workforce. Higher salaries and bonuses, if you can afford them, might offer a short-term solution. But they're unlikely to provide an incentive for employees to commit to your organisation in the long-term.

Globally, [PwC research](#) reveals that more than 80% of employees now prefer to support or work for companies that care about the same issues as they do, such as diversity, sustainability and social inclusion.² This post-pandemic rethink is an opportunity for your organisation to review, reassert and where necessary update your purpose, values and vision.

Upskilling pays off

What's also clear is that recruitment alone can't bring your organisation into the digital age and make the most of the potential. Far from a few tech specialists, [digital transformation demands upskilling throughout the entire workforce](#).³ And even if the necessary talent were to be available for hire, upskilling is the more financially feasible option. If we look at financial services specifically, research carried out by PwC in partnership with the UK Financial Services Skills Commission has found that reskilling staff can [create cost savings of up to £49,100 per employee](#) compared to recruiting or making a role redundant.⁴

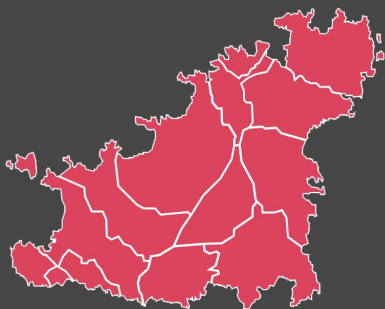
80% of employees now prefer to support or work for companies that care about the same issues as they do, such as diversity, sustainability and social inclusion.

¹ See Strategy & Business (2021) Is the "great resignation" coming for you?
<https://www.strategy-business.com/blog/is-the-great-resignation-coming-for-you>

² See PwC US (2021) Beyond compliance: Consumers and employees want business to do more on ESG
<https://www.pwc.com/us/en/services/consulting/library/consumer-intelligence-series/consumer-and-employee-esg-expectations.html>

³ See PwC CI - Upskilling the Channel Islands' workforce for a digital world
<https://www.pwc.com/ig/en/topics/digitally-upskilling-the-channel-islands.html>

⁴ See Financial Skills Services Commission (2022) - FSSC and PwC research shows re-skilling saves businesses up to £49,100 per employee
<https://financialserviceskills.org/news/new-partner-research-shows-re-skilling-saves-businesses-up-to-49100-per-employee/>



Channel Islands businesses are ahead of the curve in understanding the impact of technology on their workforce, the need to compete for global talent and the importance of reskilling, redeployment and resilience in responding.

Skills are the new global currency

The rapid developments in technology and associated skills are occurring against the backdrop of an ever more globalised market for talent. The Channel Islands' position as a leader in growth sectors such as [alternatives investment](#) depends on our ability to attract and retain the best people within this global talent pool – whether they choose to work remotely or here on our islands.¹

Are we keeping pace?

To find out whether Channel Islands businesses are developing the talent strategies needed to keep pace with these workforce shifts, we surveyed a cross-section of business leaders in Jersey and Guernsey. We also compared the Channel Islands findings with the results from almost 4,000 responses to PwC's global [Future of work and skills survey](#), along with a selection of markets we work closely with and compete against for business and talent – the UK, Ireland and Singapore.²

What comes through strongly from the survey findings is that Channel Islands businesses are ahead of the curve in understanding the impact of technology on their workforce, the need to compete for global talent and the importance of reskilling, redeployment and resilience in responding. But they're falling behind other markets in turning intentions into actions.

In a competitive market for talent and skills, it's important to quickly get to grips with the impact of the new world of work and make the most of your employees' potential.

The organisations that do so, will not only have an edge in the competition for talent, but will also be well placed to move swiftly and decisively to take advantage of new and emerging opportunities.

How can you bring your workforce strategy up to speed? Drawing on the survey results and our work with businesses across the Channel Islands, this report outlines the drivers for workforce transformation and how your business can get on the front foot in response.

I would like to thank all the executives who contributed to the survey for their time and insight. If there are any issues in this report you would like to discuss or you would like to know more about how your organisation can build the workforce of the future, please get in touch.

Nick Vermeulen
Senior Partner - PwC Channel Islands

¹ See PwC CI - Asset & Wealth Management Revolution: Putting the Channel Islands centre stage <https://www.pwc.com/ig/en/publications/asset-and-wealth-management-revolution-putting-the-channel-islands-centre-stage.html>

² See PwC - Building tomorrow's workforce: Six no-regrets plays to make today | Future of Work and Skills Survey <https://www.pwc.com/gx/en/issues/workforce/future-of-work-and-skills.html>

Executive summary

Four biggest workforce challenges

Our survey found that Channel Islands business leaders are keenly aware of the changing world of work and the implications for their industry, their organisation and their workforce. In keeping pace, these leaders identified four equally pressing challenges they need to address:

1

*The need to compete
in a global market for
talent*

2

*Easy access to
contingent workers*

3

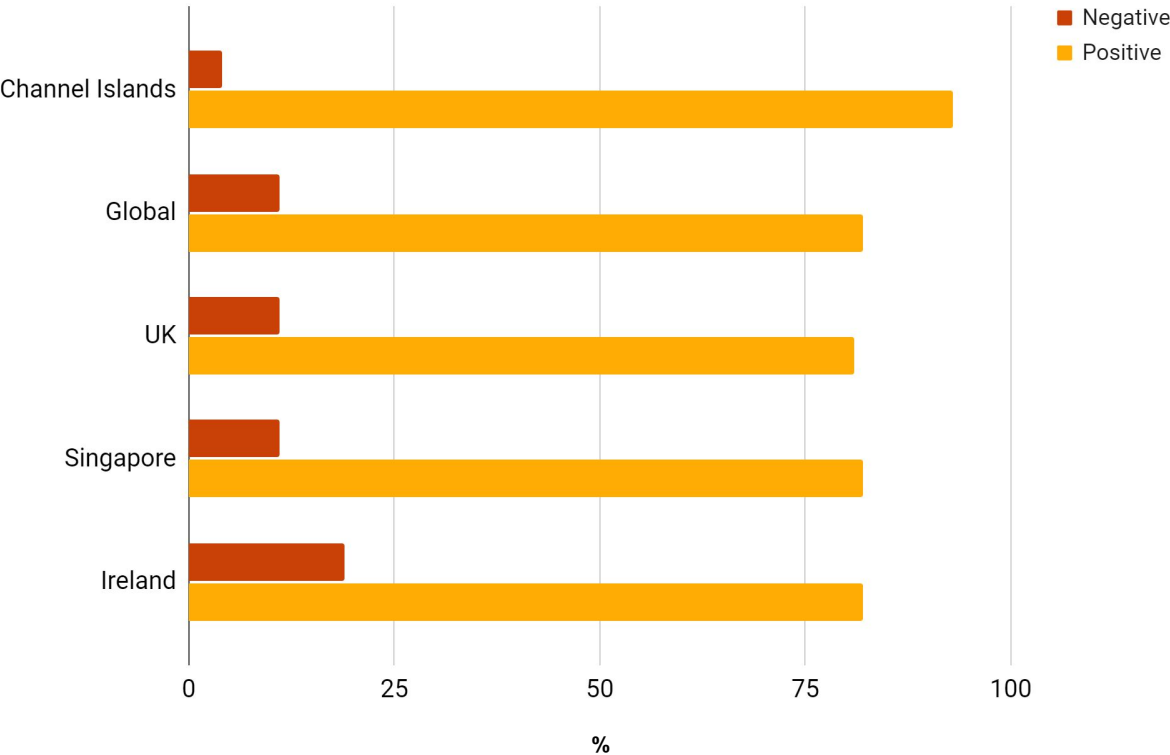
*Ability to rapidly
reskill*

4

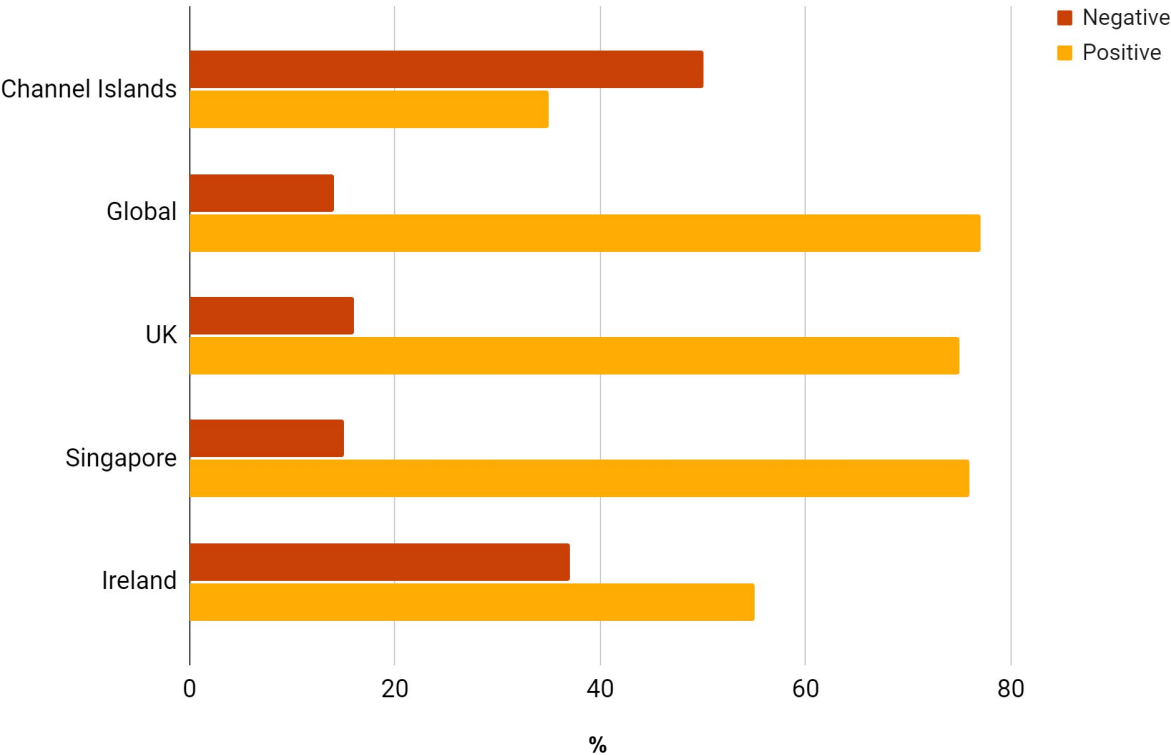
*Having the right data
and systems to
inform workforce
decisions*

Upskilling lags behind

Importance of ability to rapidly adjust the workforce in response to changes in the market.



We are able to rapidly reskill and redeploy workers if the need arises.



*Neutral responses are not included in this chart for clarity. They make up the difference between total response shown and 100%.

Where are we now?

The survey revealed some key insights into why these four areas have become such a challenge:

Upskilling

Barely a third of Channel Islands organisations believe they're in a position to rapidly reskill and redeploy their workforce right now, compared to more than three-quarters of organisations globally, indicating a potential lack of in-house expertise or impetus to do so.

Systems and data

Many Channel Islands organisations lack the necessary systems and data to make informed decisions about their workforce. This is highlighted by the fact that less than a third are using analytics to monitor skills gaps, compared to nearly three-quarters of organisations globally.

Automation risks

Less than 40% of Channel Islands organisations have identified the potential risks caused by decisions to replace human work with technology, compared to nearly two-thirds of organisations globally. Failure to identify the risks could impede change and undermine performance as well as morale.

Flexibility is here to stay

Channel Islands organisations have embraced flexibility and virtual working. Nearly 90% want to make this possible for staff where they can. Three-quarters say they attract talented people by providing good work-life balance and flexibility over hours and working locations.

Falling short of expectations

But flexibility isn't enough to secure loyalty on its own. Channel Islands organisations have fallen behind on critical workforce expectations like closing the gender pay gap. Less than 30% are setting diversity and inclusion targets, compared to around three-quarters of organisations globally.

Barriers to change

When asked what's holding up progress, Channel Islands business leaders consistently cite culture as the main barrier. We'd expect competing priorities or budgetary constraints to feature strongly as obstacles. But culture came up time and again. For example, in forging resilience and the ability to adapt and respond to change, around two-thirds said culture is the biggest barrier.

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The Channel Islands have always been resilient and agile, so I'm optimistic about our ability to solve the current workforce challenges. But we need to think differently and commit to real change if we want to future-proof our workforce with relevant skills. That change starts with the leadership.

Nick Vermeulen

Senior Partner, PwC Channel Islands



1

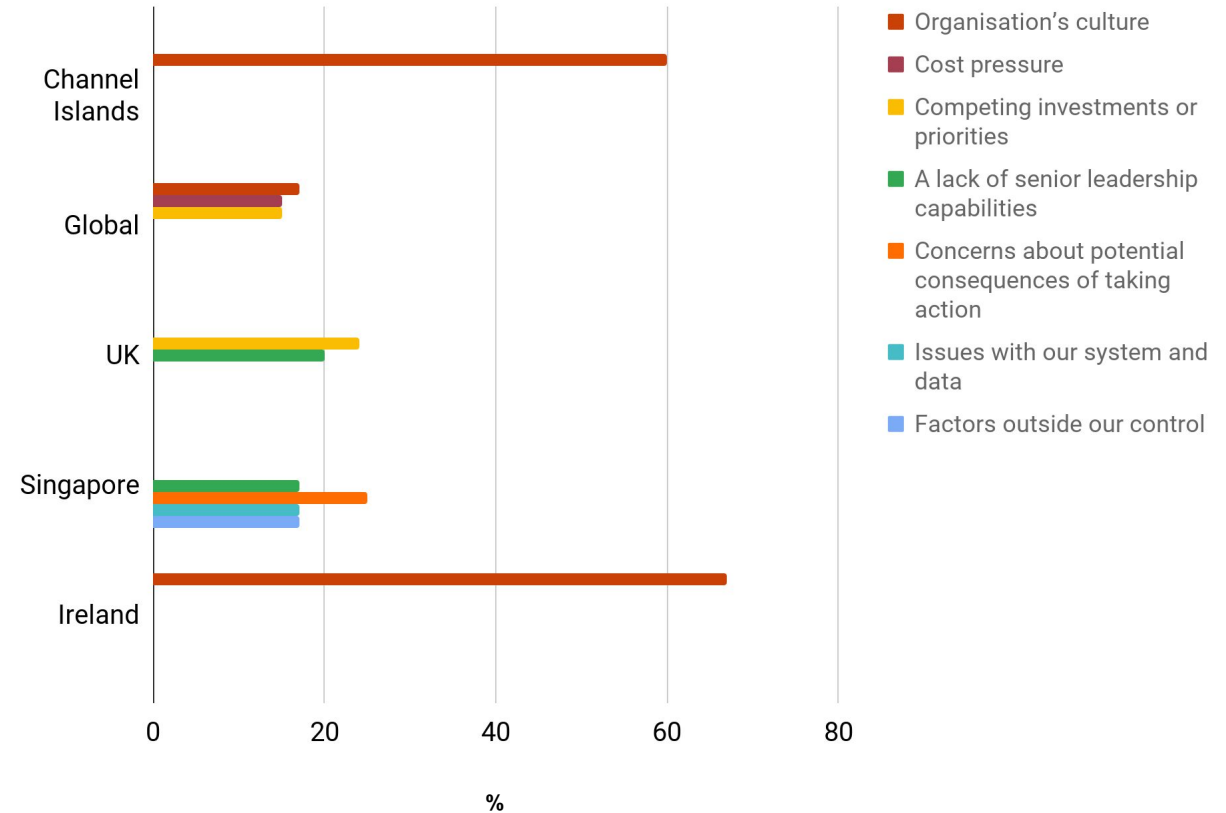
Upskill, reskill and redeploy

More than 90% of Channel Islands business leaders recognise the importance of both agility and upskilling in keeping pace with change. But many acknowledge that they've been slow to develop the necessary capabilities.

When we asked leaders what's impeding their ability to reskill and redeploy quickly, most (60%) cite their culture as the biggest barrier. They also recognise that failing to adjust their workforce to changing market needs is a key risk for their business.

This suggests that lack of leadership buy-in and the tone from the top required to drive change might be holding back progress. If leaders show little conviction for change, it's unlikely the workforce will embrace new skills and new ways of working either.

Blockers to encourage re-skilling and continuous learning to help workers remain employable.



Takeaways

Target change

A clear strategy for upskilling, reskilling and redeployment is needed to overcome skills shortages. While Channel Islands business leaders recognise the value of upskilling, progress is still slow. Boosting upskilling and targeting investment where it can have the most impact demand effective workforce analysis. This includes determining future skills' needs and comparing this against current capabilities within the business.

Set the tone from the top

Business leaders must lead by example and be seen to embrace change by learning new skills and adopting new ways of working.

Enhance human capabilities

Building digital capabilities is vital in creating a workforce fit for the future. But it's also important to cultivate innate human skills such as entrepreneurial mindsets, creative thinking and problem solving. As more operations are automated, these human skills will be an even bigger differentiator.

Move to continuous learning

Change is now continuous and learning needs to reflect that. Focus on building career pathways with learning journeys embedded into everyday work. Before seeking external talent, consider if you could reskill or redeploy existing workers.

Develop personas to help understand individual needs and concerns

Some employees may be wary of or resistant to change. Defining 'personas' – specific employee segments – and using data to profile their characteristics, attitudes and ambitions can help to create a deeper understanding of employees' different appetites for change. It can also help to determine the messaging, training and support that would encourage them to come on board.

2

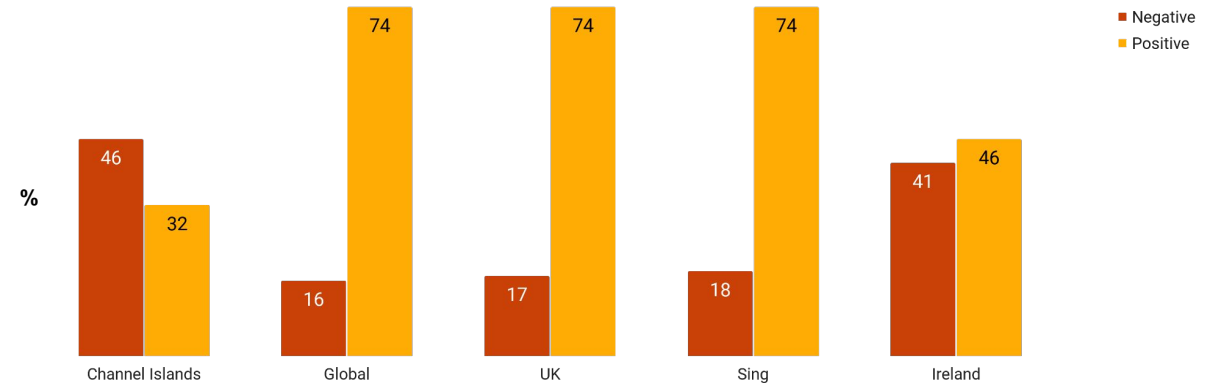
Become data smart

Good data is critical in anticipating change, tracking trends and creating an effective response.

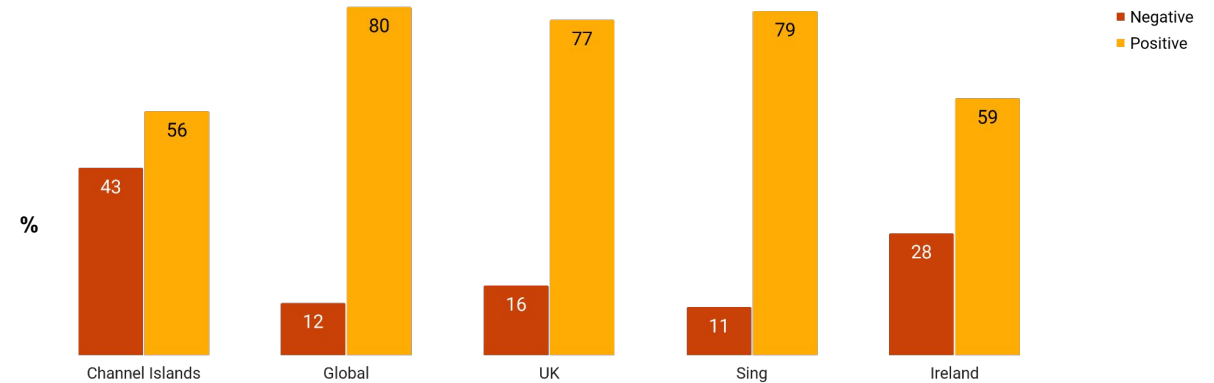
Change management can be difficult, but understanding what the different sections of your workforce are really thinking can help to secure buy-in and identify the potential hurdles to overcome. What works for one team may not work for another, so having data to identify, develop an approach and implement tangible change is critical. Neither 'walking the floor' nor talking to a small section of your workforce is enough to determine your employees' readiness to change and any barriers that could impede it.

The percentage of Channel Islands organisations using data and analytics to assess skills gaps and inform workforce decision making is noticeably lower than other parts of the world. Half the Channel Islands leaders cite issues with their systems and data. A significant proportion recognise that the inability to anticipate and track trends is a risk that could hold their businesses back.

We use insights from big data and advanced analytics in our workforce decision-making.



We use workforce analytics to predict and monitor skill gaps.



*Neutral responses are not included in this chart for clarity. They make up the difference between total response shown and 100%.

2

Become data smart

So why is workforce data not being deployed as effectively as it could be? The first consideration is whether the technology you're using is good enough. Is it up to date? Is it suitable for your business and geared to where it's headed? Can the technology provide data and analysis that delivers real insight to leaders? If the answer to any of these questions is no, then a review of current systems is overdue as the technology to meet these demands is now readily available.

If you do have the right systems, but still aren't generating the information you need, it's important to ask whether the employees working with them have the necessary skills to analyse and interpret data in a meaningful way. Do they know what to look for? Is leadership receiving timely and relevant insights to inform business decisions? If not, you should be challenging and upskilling your functional teams to deliver.

Takeaways

Base decisions on good data

When considering any change in your business, make sure you have the data to back it up. Until you've heard all the different views within your organisation, you won't know whether your workforce is ready for change and how they'll respond.

Delve deeper

Harnessing data from sources such as pulse surveys or cultural analysis offers key insights that can be used to make better decisions. You can also create personas to help identify where different workers may be on the change journey.

Review and upgrade your capabilities

If data and analytics are falling short, consider a systems audit. Priorities include taking stock of what you have access to and determining its suitability, why it's being used and how it can be leveraged in the most effective way. You could also consider a data cleansing exercise to make sure the necessary breadth and quality of data is being sourced, analysed and actioned in the right way.



3

Leave the past behind

The world is changing and you need to change with it. This is especially so now that demand for talent outstrips supply. This means that employees and potential recruits are able to be more discerning about who they work for.

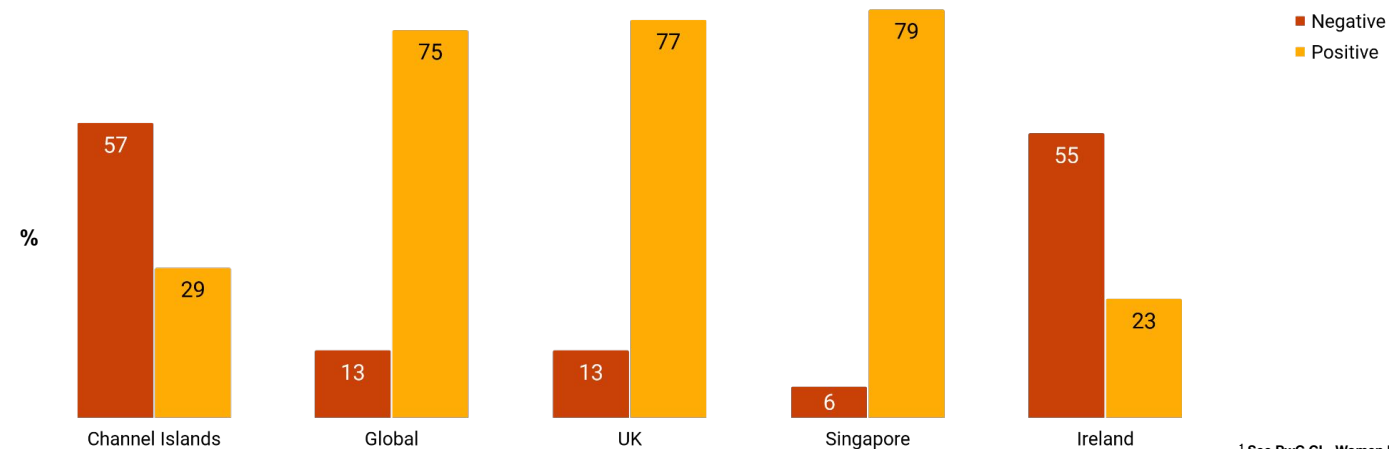
Offering flexible work arrangements, committing to an inclusive culture and having a strong purpose can make the difference between talent wanting to work for you or not. They can also help to strengthen creativity, productivity and loyalty within your workforce. On the flipside, dismissive attitudes like 'this is the way we've always done this' won't win any favours with the people you need to attract, drive change now and lead your business in the future.

Channel Islands organisations are ahead of their counterparts in other markets in supporting remote working. This is positive news as we know that employees are demanding more flexibility from their employers. Experience during the pandemic has also demonstrated that many businesses can successfully operate with a more flexible approach.

But Channel Islands business leaders acknowledge that they're behind the curve in meeting workforce expectations in key areas such as managing workloads and **closing diversity pay gaps**.¹ Again culture is cited as one of the biggest barriers to progress. But so is competing priorities, suggesting that management may not believe that these issues are as critical as their employees do.

We publicly set targets to close gaps in our workforce diversity and in diversity pay.

*Neutral responses are not included in this chart for clarity. They make up the difference between total response shown and 100%.



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Leaders need to engage with and listen to their people when responding to employee burnout and the desire of people to work for organisations that live up to their purpose, values and culture.

Peter Brown

Joint Global Leader, People & Organisation, PwC



Takeaways

Embrace real change

Change starts with openness and commitment. Pay gaps are a clear case in point. Our survey highlights the need to address both the gaps and the lack of gender or ethnic diversity in senior positions that causes them. But only a handful of Channel Islands' organisations have voluntarily disclosed their gender pay gaps. This compares unfavourably with other markets like the UK, where doing so is mandatory. We all need to be setting targets, working towards them and reporting on progress.

Involve everyone in designing change

Management can't make all the plans in isolation. It's important to bring in your newer and younger team members to co-create the strategy, refreshing upskilling plans and understanding what is important to the future of your business. This co-creation approach will represent a more holistic view of the business for the long term.

Learn from tech about competing for prized talent

The tech industry has been competing for prized talent for many years. As your business looks to attract recruits with high value skills in areas such as data analytics and systems development, you can learn from tech about how to stand out among people who are used to being chased. Are you open to innovation? Do your ways of working reflect changing attitudes? Why would people want to work for your organisation and is this reflected and projected in your employer brand?



4 Bolster your resilience

The regulatory upheaval that followed the financial crisis and then the impact of COVID-19 have underlined the vital importance of organisational resilience. The Channel Islands have stood up to these tests. The motivation, agility and adaptability of the workforce were central to this.

Workforce resilience is now being put to the test once again as the fourth industrial revolution gathers pace. Your business can grab the opportunities that technology can bring, or risk becoming obsolete. As part of this, it's important to recognise that the workforce dynamics are shifting as people and technology come together to drive innovation and new ways of working.

39%

versus

65%

Only 39% of Channel Islands' organisations have identified the potential risks caused by decisions to replace human work with technology versus a global average of 65%.

4

Bolster your resilience

Channel Islands leaders are fully aware of the importance of workforce resilience, but less sure about how to achieve this within today's evolving environment. Adapting to change is a clear case in point. While some human work will inevitably be replaced by technology, it's still important to acknowledge and address employees' concerns. This underlines the need for clear and segmented workforce data to help identify people who are at risk, their attitudes to change and the opportunities for reskilling and redeployment. The risks and uncertainties also call for clear communication and assurance. If employees are left in the dark or feel insufficiently supported, the resulting anxiety and poor experience can undermine morale, productivity and the ability to learn new skills.

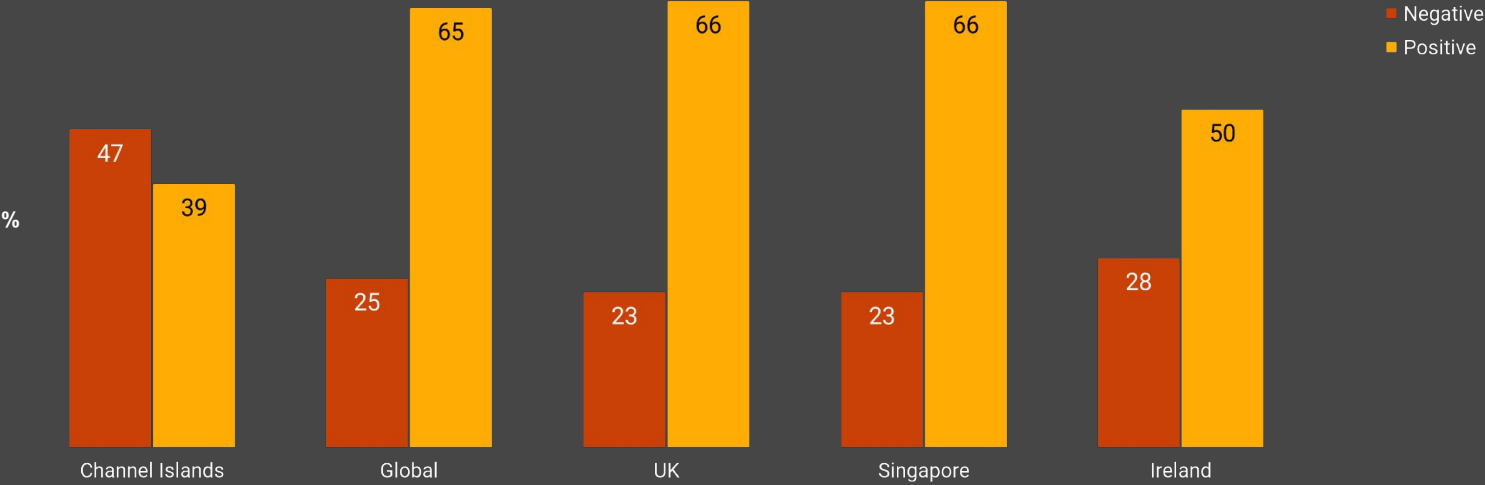
Further drivers of resilience include ready access to contingent workers and the ability to compete for global talent. In both cases, Channel Islands leaders recognise these as priorities, but are less able to execute as a result of regulatory barriers.



Identifying the potential risks of automation

We have identified the potential risks caused by decisions to replace human work with technology.

*Neutral responses are not included in this chart for clarity. They make up the difference between total response shown and 100%.



Takeaways

Turn change into a positive

In winning buy-in for technological change, it's important to articulate and harness the potential benefits. These include liberating employees from boring, repetitive tasks and freeing up time for more interesting and value creating activities.

The survey findings from the Channel Islands highlight the need to create a 'change ready' culture. Winning hearts and minds and demonstrating the benefits technology can bring to jobs are part of this. But leaders also need to be role models, demonstrating desired behaviours and willingness to change their set ways of working. This is where Channel Islands organisations seem to struggle. They may therefore need support from outside the business to execute a programme of change management that will create the right culture.

Make more of contingent talent

There simply isn't enough available talent to recruit everyone you need on a permanent basis even if you wanted to, so contingent workers and third-party support are essential. This can be challenging in the Channel Islands as available resources are finite. However, both Jersey and Guernsey do have a wealth of experts in digital transformation that can be brought in on a short-term basis to support through periods of change and to help upskill your existing staff.



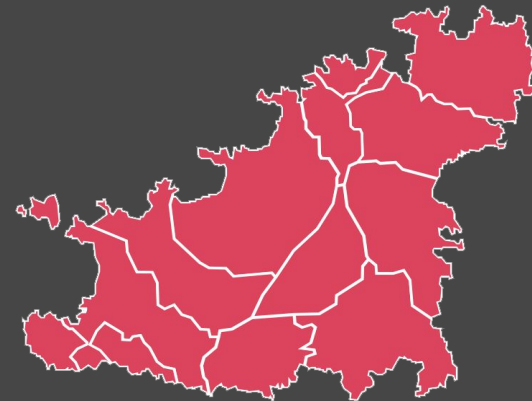
5

Create an attractive environment for employees to work

The focus on purpose, need to broaden your talent pool and your employees' desire for a more sustainable work-life balance are coming together to create a new employee value proposition.

Channel Islands leaders are in step with global counterparts in recognising the importance of flexibility and workforce empowerment. They're also reaching out to local communities to help develop skills, improve opportunities and strengthen sources of recruitment. But few set targets for how their employer brand is perceived, which makes it hard to turn this progress into improved recruitment, retention and brand advocacy.

Key priorities include turning intentions on diversity and inclusion into real progress. But less than 30% of Channel Islands organisations hold their leaders accountable for the results, compared to more than three-quarters globally. Once again, culture and competing priorities are cited as the main barriers.



75%

75% of Channel Islands organisations believe they attract talented people by providing good work-life balance and flexibility over hours and working locations.

Takeaways

Broaden your talent horizons

Inward migration remains critical in sustaining the success of our economy. But our islands don't have the scope to attract and retain talent from outside to the same extent as other jurisdictions. It's therefore important to look closer to home and be more open-minded about different types of potential recruits, rather than just seeking out a carbon copy of previous or existing employees. Possibilities range from older workers to people with transferable skills.

Reassert your purpose

Define and promote your purpose as a way of enhancing your employer brand and attracting and retaining people who share your values. It's also important to drive the purpose forward and constantly link it to organisational activities. Purpose should be more than a mission statement on a website.

Hold management to account

If diversity and inclusion really matter, then leaders should be accountable. Priorities include welcoming differing points of view, embedding the desired culture and using performance measures to track and incentivise progress.

Partner with Government to boost access to contingent talent

As reliance on contingent workers continues to increase, it's important to work with Government to make recruitment easier, encourage training opportunities and provide more accessible housing and infrastructure.

What actions can the Channel Islands take to remain competitive in the global race for talent and skills?



Workforce strategy

If you don't have a clear understanding of your workforce needs for the next 5 years and beyond, then start now. Your workforce strategy should be aligned to the business vision and clearly link to purpose and values. If you already have a clear workforce strategy in place, have you reflected and updated it since the pandemic?



Leadership and culture

Assess whether your leadership team has the diverse range of competencies and skills you need to execute the strategy. Do leadership behaviours set the tone for driving the change you need across the business? Conduct a culture review to determine whether the desired behaviours exist across the workforce. Test whether you have an inclusive environment where everyone feels they can be successful.



Data and analytics

If you have multiple data sources across the business, this could be making it difficult to gain insights around people and performance. Explore what data and analytics systems or tools could provide you with meaningful insights to aid business decisions and workforce planning.



Upskilling

There are few jobs that will not be impacted by technology - have you assessed the impact of technology on your workforce? You need to have a clear view on what jobs are at risk and what new roles will be created. Have a long term upskilling programme to train existing staff with new skills - this will be a lot cheaper than trying to hire new recruits.



Employee value proposition

Clearly define your employee value proposition for existing staff and potential recruits. Workers are now looking for much more than good pay from their employers. If you don't have a compelling value proposition, then you will lose key talent. Ensure the proposition is aligned to purpose and values and reflects what today's workers are really looking for.

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A post pandemic reboot on workforce strategy is now overdue for Channel Island businesses. They understand the need to change and the consequences of doing nothing, but the time for action is now.

Leyla Yildirim

Chief Strategy Officer, PwC Channel Islands

The world of work is changing - fast

The pressure to **optimise costs** and **maximise productivity** is always there. Today, it's made more complicated by disruptive technology, the increasing complexity of geopolitics and global trade, evolving **risk and regulation** and the ongoing race to find and keep the right talent with the **right skills**. These **forces** are reshaping the **workplace** and introducing new challenges that impact your whole organisation.

Making sure your **workforce** is ready is essential to building trust in the marketplace. PwC's community of solvers combines the breadth of strategic knowledge and hands-on implementation experience to help your business—and your people—adjust to change and thrive in an unpredictable world. Our organisational strategists, human resource (HR) practitioners, and regulatory, tax, technology and employment specialists work together to help unleash the potential of your people, build trust in your market and deliver sustained outcomes for your business.

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