



New Economic Reality: Changing Labour Markets

July 2024

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Key findings

INTRODUCTION

Labour market evolution challenges business costs, operations and productivity

Key drivers shaping the future labour markets

A NEW DEMOGRAPHIC MAP

Population ageing exacerbates existing labour and skills shortages, driving up labour costs

Diverging trends in India's and China's working-age population to alter their labour dynamics

Africa's burgeoning workforce holds promise, but local talent and skill support is key

Migration shapes labour dynamics, with lower-tier Asian cities rising as potential hubs

Growing Gen Z workforce drives focus on flexibility, wellbeing and continuous learning

Case study: Seino Transportation expands modal shifts to mitigate labour shortages in Japan

Case study: Yettel Hungary introduces grandparental leave to support ageing employees

Case study: IBM India expands to smaller cities for lower labour costs and large talent pools

TECH-DRIVEN TRANSFORMATION

AI and automation reshape the future of work, freeing up workforce for more critical tasks...

...while shifting skills demand and exacerbating skills mismatch

Tech adaptation to determine future productivity gains and competitiveness

Supported by digital solutions, hybrid work and gig economy drive globalisation of talent

Case study: In an AI pivot, IKEA is upskilling call centre staff for interior design roles

Case study: Ericsson uses Degreed to boost critical skill development and streamline training

TACKLING LABOUR MARKET CHALLENGES

Businesses face mounting pressures, as labour costs continue to climb globally

AI-driven solutions help to streamline administrative and repetitive tasks in services

Manufacturing firms turn to automation to enhance efficiency and reduce labour tasks

Case study: Knuspr invests in automation to reduce manual labour and boost productivity

Case study: Foxconn expands in Mexico looking for lower costs and easier access to the US

CONCLUSION

Navigating labour market shifts

Strategies to win in changing global labour markets

Evolution of changing labour markets

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