Perspectives & Challenges of the Woodworking Industries in Europe – Lisbon, Portugal.

Tom Austen, Director of Miller McKenzie
A recruitment and executive search consultancy specialising in the Timber and Forest Products Market.

Worked with companies at all points of the forest products supply chain

- Softwood, Hardwood & Panel Products
- Investment and Consultancy
- Timber Manufacturing
- Forestry, Harvesting and Processing
- Joinery, Doors, Windows & Flooring
- Biomass
- Supply Chain, Logistics, Import & Export
- Sustainability and Chain of Custody
- Capital Equipment/Machinery Sales
- Engineered Timber (CLT, Glulam, I-Beams & Timber Frame)
- Modified Wood & Treatment
Attracting and Nurturing Young Talent
How can we ensure the right people are in place to drive the industry forward
Where we are today.
What do young people want?
Technological advancement.
Possible solutions.
Q&A.
Where we are today.
Employment Figures ...

GLOBAL
International Labour Organization suggests the figure is around 13.7m workers.

EUROPE
Estimated number is between 2 and 2.5 million across woodworking industries (including furniture, sawmilling and panel manufacture.

500,000 employed by CEI BOIS members

Where we are today.
How much investment and time is devoted to ...

“What is the benefit of investment if the right people are not in place to deliver bottom line success?”
A recent global study held by ManpowerGroup, on over 38,000 employers around the world, found that a staggering 54% of companies are openly experiencing a talent shortage that has a medium or high impact on their ability to meet client needs.
38% of global companies say they have enough data about their workforce to understand strengths and potential vulnerabilities from a skills perspective. 

Realistically, what would the figure be in the Global Timber Industry? We think even lower...
40% OF EMPLOYEES surveyed said that they were concerned that their position would change or become obsolete.

Half OF THE PROFESSIONALS surveyed believe that the skills they possess will not be what they need in the next three years.
Bringing new talent into the industry

53% OVER 40 YEARS OLD. CURRENT UK TIMBER IND.

Indicating worse skills shortages in the future if the number of new entrants does not increase. Succession planning for an ageing workforce are issues which need to be addressed. Few young people around the world decide to choose timber as a career option.

63% OF GLOBAL POPULATION GEN Z OR MILLENNIAL BY 2019.
What do the young people want?
WHO ARE MILLENNIALS

- Born between 1980 and 2000
- Grew up alongside technology
- Confident
- High expectations
- Achievement oriented
- Aspire to make a difference with their work

% Global Pop. In coming years:

- 31.5% by 2019

Who are young people and what do they want?
WHO ARE GENERATION Z

Born between 2001 and Today

Advanced technology is all they know

Most populous generation so far

% Global Pop. 32% by 2019

In coming years

Seek security
Honest
Want to have a voice
Seek meaningful work

Who are young people and what do they want?
What do young people want?

Deloitte Survey 2018 (More than 12,000 Millennial and Generation Z respondents around the globe)

• The Survey showed us that both Millennials and Generation Z feel uneasy about the future.
• They want leaders whose decisions will benefit the world and their careers
Loyalty must be earned
Loyalty levels have fallen...

43% MILLENNIALS

61% GENERATION Z

expect to leave within 2 years
Business Motivations & Ethics

Both Millennials and Gen Z’s views of business motivations and ethics are declining. They are attuned to businesses wider role in society.

48% of respondents believe corporations behave ethically

47% say Business Leaders are committed to helping improve society.

Two-thirds say companies have no ambition beyond wanting to make money.

Business Priorities should be;
• Job creation, Innovation
• Enhancing employee’s careers
• Positive impact on society

Who are young people and what do they want?
Who are young people and what do they want?

- **Millennials**
  - Employers should “share the wealth”
  - Saving for children’s education
  - Purchasing a house

- **Generation Z**
  - Financial reward placed 2<sup>nd</sup> behind “positive workplace culture”
  - Growing up in the great recession has educated them about money and debt.
  - Crave security

Financial reward / benefits

63% and 51% say “very important” when choosing to work for organisations.
Flexibility remains important

They value the trust their employer demonstrate in granting flexible working arrangements.

**MILLENNIALS who expect to stay more than 5 years**

55%

Say there is more flexibility compared to 3 years ago

**MILLENNIALS who expect to leave within 2 years**

35%

Say there is more flexibility compared to 3 years ago
Opportunities for Continuous Learning

Confidence
Interpersonal Skills
Formal Training
Ethics and Integrity
Career Progression & Growth
Quick to look elsewhere if not…

Who are young people and what do they want?
Keep pace with current technologies

• These generations are extremely attentive to the newest technologies
• Show them your company embraces the latest technologies
• Adopting a tech-centered workplace will allow your Gen-Z employees to thrive
• A workplace that relies on old technology simply won’t cut it.

91%
GENERATION Z

A company’s technological sophistication would impact their decision to work there.
Technology advancement.
Technological Advances ...
Survey - Benefits of Digital Technology

- 88% INCREASED PRODUCTIVITY
- 86% COST EFFICIENCY
- FOLLOWED BY AGILITY, INNOVATION & QUALITY OF WORK
Survey – How will it increase competitive advantage

3 OF THE TOP 4 RESPONSES RELATED TO INCREASED CUSTOMER-CENTRICITY

- Better customer engagement
- Increased speed and agility in responding to customers and markets
- Deeper insights into customer wants and needs
- Low cost structure was also among the top 4 responses
Forest products companies’ preparedness for digital technology

<table>
<thead>
<tr>
<th>Area</th>
<th>Global Benchmark</th>
<th>Forest Products Engineers</th>
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<tbody>
<tr>
<td>Organization of work</td>
<td>7%</td>
<td>41%</td>
</tr>
<tr>
<td>Changing the skill and job mix of the workforce</td>
<td>5%</td>
<td>34%</td>
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<tr>
<td>Recruitment of digital skills and capabilities</td>
<td>11%</td>
<td>34%</td>
</tr>
<tr>
<td>New work practices and processes</td>
<td>11%</td>
<td>34%</td>
</tr>
<tr>
<td>Providing customized, seamless and consumerized employee experiences</td>
<td>2%</td>
<td>33%</td>
</tr>
<tr>
<td>HR and talent practices</td>
<td>8%</td>
<td>33%</td>
</tr>
<tr>
<td>Tapping into non-traditional sources of talent</td>
<td>4%</td>
<td>31%</td>
</tr>
<tr>
<td>Changes in leadership and management practices</td>
<td>5%</td>
<td>30%</td>
</tr>
</tbody>
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2. Accenture survey of members of Forest Products Engineers.
Digital technology will enable, and often demand new business models.

18% of forest products companies have strategies for evolving their models over the next three years.

44% is the cross-industry benchmark. Digital technology can enable greater collaboration.
Employee Enablement

2% Say they are prepared to use digital to transform the employee experience.

33% Compared to 33% of Companies in other industries.
Necessary skills for managers in 5 years

- **People development and coaching**: 74%
- **Creative thinking and experimentation**: 64%
- **Strategy development**: 50%
- **Collaboration**: 44%
- **Data analysis and interpretation**: 43%

Source. Accenture survey of members of Forest Products Engineers.
90% of employees think that it is critical to take action now to bring digital technology into the business.

73% of employees think positively about digital technologies and believe they will enhance the work experience.
37% of employees said there is a lack of vision and leadership behind digital initiatives at their companies.

43% of employees pointed to the lack of necessary digital skills and capabilities in the organization.
Digital change should be driven from the top. Leadership needs to broaden its thinking about the role of digital technology - which may require bringing executives on board who are prepared for a digital world.
Retention

Support employees in their professional development

Continuous learning opportunities

Improve soft skills

Invest time/money in training & development
Company Level

66% of Businesses have failed to Plan towards building a workforce that will meet future business objectives.

Start by asking yourself if you know where your business will be in 5/10 years’ time, and then ask yourself what talent you need to nurture, attract, replace and retain in order to get there.
Company Level

Ideas of how to attract -

• Engage at schools / colleges / universities
• Open Days
• Work experience and internships (paid)
• Social Media / online
• Mentor programs

BE CREATIVE!!
Industry Level

• How does the Industry as a whole attract, train and retain talent and are there areas that we can improve it collectively?

• Could we benefit from a more joined up commitment? Are there things that can be done at EU level or is this best left to individual countries to execute?

• What are other industries doing at federation / trade body level and what could we learn from them?
Industry Level

America – Wood Industry Resource Collaborative to Spark Workforce.
• Attract Employees, Retain Employees and Improve the perception of the Industry.

Automotive Campaign in America, called “Creators Wanted”.
• In 10 months, “Creators Wanted” reached more than 2 million individuals.

International event for the forest industry (Pulpaper 2018).
• “Wood you make it happen” innovation contest for Students.

Make it Wood programme in the UK.
• The CTI and respective Trade Bodies are working with Universities around the UK.
Thank you
- Q&A

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