

JOBS AND WAGES IN THE DIGITAL AGE

Josep Salvatella

We live in a digital, global and connected world characterised by continuous, fast, social and technological change, the constant arrival of new players, and ubiquitous mobility and connectivity. The process of digitalization we are undergoing is creating an economic situation that offers new opportunities. The digital economy is silent. It takes place in a non-physical, vast and invisible domain and is governed by numerous automatic systems that give it two key features: speed and unpredictability. The digital economy is acting as a source of growth and creation of business and work opportunities. We are in the middle of a real new industrial revolution that is changing our society in a way we have never seen. For first time, a combination of technologies are disrupting the way we generate value (as industrial revolutions did) and the way we generate and distribute knowledge (as Gutemberg's printing press did), all at once.

It is estimated that within 4 years, the digital economy's share of the global economy will be twice as large as it is now. In other words, growth opportunities in advanced economies lie in the digital economy.

The economic situation calls for company managers to integrate digital into their everyday work, exploit new business opportunities and adapt their companies' organisational abilities to take the greatest advantage of the growth opportunities offered by digital.

The challenge for organisations and professionals is to be able to see digital change not as a threat but as a great opportunity to adapt, learn, relearn, evolve and progress. The key is to see digital transformation as the great opportunity it is.

Only by being highly-skilled digital professionals can we confidently face the future of work and only with highly-skilled digital professionals can organisations confidently tackle the current processes of digital transformation. Organisations can only be considered digitally competent when they have digitally competent professionals working for them.

Having skilled professionals is the surest guarantee of being competitive and building responsive teams and organisations that enable you to successfully tackle the changes rapidly taking place in the business environment. These high-performance teams must be results-oriented, based on distributed leadership, make intensive use of technologies and information, have great capacity for communication and learning and be used to networking and collaboration.

More and more highly-skilled digital people, companies and countries will take advantage of the new social and economic opportunities and the differences with those who can't follow the speed of changes will grow exponentially. This phenomenon, is described as The Great Decoupling and is the principal threat

of digitalization. This consists of the increasing separation between economic growth and the generation of employment which may generate huge economic differences between digital and conventional talent. Additionally, as is currently the case, digital talent is scarce and this can slow down the growth of the digital economy. The challenge is how to manage this situation; a digital economy demanding digital talent and not finding it and a conventional talent demanding employment and not obtaining it. This situation is, and will be, generated by the speed of disruptions we are facing and the incapability of people to adapt to these disruptions.

The recipe to bridge this gap is in the constant development and a smart management of our talent, as individuals, as businessmen or as politicians. A smart use of the digital environment, rich in information and knowledge, in order to develop and digitalize the talent and promote attitudes of self-development. We need to generate new learning ecosystems useful for people and which promote positive and entrepreneurship attitudes

This approach can make people better professionals. Collectively they enable companies and societies to successfully face the digital challenge; take advantage of opportunities; focus investment; develop a digital culture; persist with change and be consistent. Digital transformation is not a technological matter but rather a question of vision, strategy, and organisational culture.

It means being able to successfully overcome the challenge of managing talent in the network era. Hence the importance of professionals and their professional development and the leading role that management teams must play in the initial push and subsequent support and maintenance of that transformation. That is also the reason for the importance of having suitable talent and having digitally skilled professionals. It is a shared responsibility but it is, above all, management teams who are responsible for being firmly committed to driving forward the internal development of these digital skills.

"This paper has been prepared at the request of the Centesimus Annus pro Pontifice Foundation for a consultation organized jointly with Universidad Pontificia Comillas ICAI-ICADE and the BBVA Group in Madrid, January 26-27, 2017. The papers are circulated under the author's responsibility to elicit comments and to encourage debate; the views therein expressed are those of the authors and do not necessarily represent the views of the CAPP Foundation".