


# CEOs, officials & legislators: skills opportunities and challenges (2016)

12/2016  Non-marketed services, Public sector & defence, Managers, CEOs, officials & legislators, EU, Skills opportunities and challenges in occupations

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## Summary

There are roughly 1.75 million CEOs and senior officials currently working in the EU.

## Key Facts:

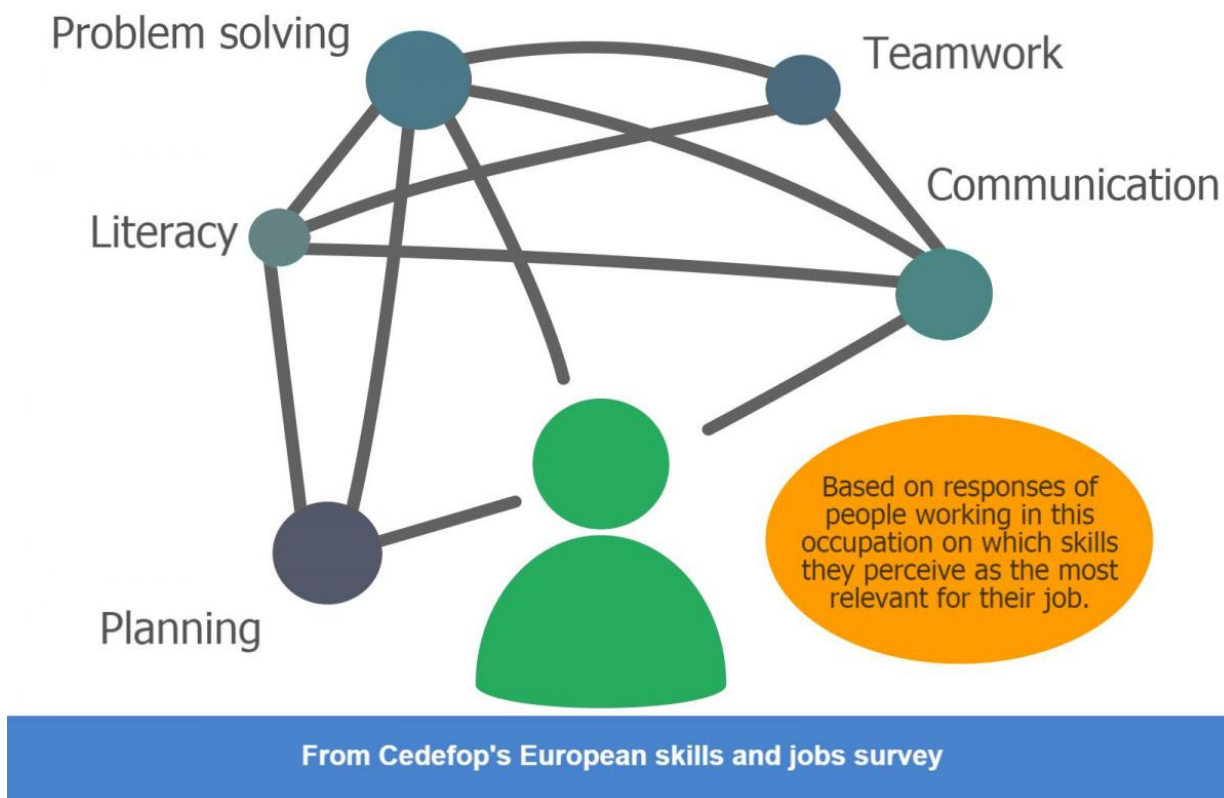
- There are roughly 1.75 million CEOs and senior officials currently working in the EU.
- This occupation is expected to rise (to about 2 million by 2025) in most sectors of the economy.

Increased demand will create new job positions for this occupational group.

- For senior officials, the fastest growing sector will be education (around 15%).
- The five key skills for this occupation are problem solving, planning, communication, teamwork and literacy.
- They are a **shortage** occupation in eight EU Member States, while only one EU country reports them as a **surplus** occupation.
- Persons employed in this occupational group face challenges and opportunities driven by a variety of external factors.

According to [Cedefop's European skills and jobs survey \(ESJS\)](#) the key 5 skills for this occupation are **problem solving, planning, communication, teamwork and literacy**. These skills could support employees in this occupation to also tackle anticipated future skill challenges (see drivers of change below).

**Figure 1: Most important skills required for CEOs, legislators and senior officials**



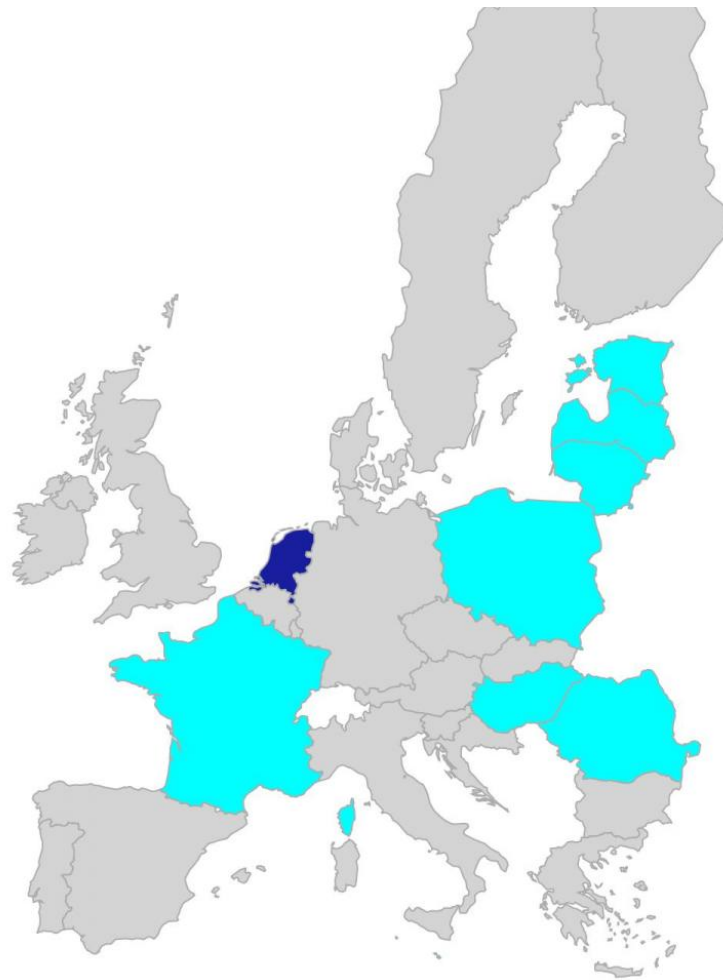
### Where are they mostly in demand?

The labour market dynamics for this occupation differ across EU Member States:

**Figure 2: Shortages and surpluses for CEOs, legislators and senior officials across the EU**

- Shortage
- Surplus





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According to Cedefop, CEOs, legislators and senior officials are highly demanded (i.e. they are in shortage) in Estonia, France, Latvia, Lithuania, Hungary, Malta (Malta island), Poland and Romania. In the Netherlands, on the other hand, there are more CEOs and senior officials than demanded (i.e. there is a surplus of this occupation).

**Who are they?**

This occupational group mainly regards chief executive officers (CEOs)<sup>[1]</sup>, responsible for the management of private firms, and legislators and senior officials responsible for coordinating and implementing public policy or working for special interest organisations, such as trade unions, employers’ organisations, humanitarian or charity organizations, or sports associations.

The skills required by both CEOs and senior officials depend predominantly on the sector in which they are employed or policy area/industry that their work focuses on. However crossover across and complementarities between markets, sectors and policy agendas may also call for a broader set of skills.

**What are the trends for the future? <sup>[2]</sup>**

There are roughly 1.75 million CEOs and senior officials currently working in the EU. This figure is expected to rise (to about 2 million by 2025) in most sectors of the economy. Increased demand will create new job positions for this occupational group. However, by 2025, nine in ten of the total job openings will have been created to respond to 'replacement demand' <sup>[3]</sup>.

For senior officials, the fastest growing sector will be education (around 15%). For CEOs, the fastest growth is expected in several business services sectors, such as *legal, accounting and consulting* (36%), *architecture and engineering* (32%), and *financial and insurance* sectors (28%), which correspond with sector growth forecasts <sup>[4] [5]</sup> and also in *research and development* (24%).

Persons employed in this occupational group face challenges and opportunities driven by a variety of external factors. Organisations will continue to look for leaders with the most appropriate skills to develop an effective strategy to navigate an increasingly volatile global market coupled with significant social changes. As expected, the majority of CEOs and public officials hold high qualifications, augmenting to about 70% by 2025.

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## Which drivers of change will affect their skills?

A range of trends are having effects on leaders' skills in the **private sector**, although many of these also apply to the public sector and special interest organisations:

- **New technology** is radically changing the way companies can organise themselves<sup>[6]</sup>. Digital networks are facilitating the growth of organisations with remote working practices being combined with new ways of work <sup>[7]</sup>. Many companies are developing flexible networks of skilled workers, which encompass teleworking and online communities <sup>[8]</sup> to tap into talent wherever it may be<sup>[9]</sup>. Such developments require new leadership and management skills: emphasising less on 'command and control' and more on motivation, encouragement and empowering teams to establish their own targets and make independent decisions <sup>[10]</sup>. Business leaders also require the skills to develop **digitally oriented strategies**, which make full use of available technology<sup>[11]</sup>. **Cyber security** issues also need to be addressed, which requires specialist expertise from those in this occupational group <sup>[12]</sup>. Skills in risk management are needed along with collaborative skills to work with both internal and increasingly outsourced partners <sup>[13] [14]</sup>.
- **Greater consumer power**, linked to social democratisation and the explosion in social media usage, means CEOs need to pay increasing attention to their organisations' corporate citizenship and its impact on local, national or even global society. It is vital that CEOs possess strong awareness of any negative externalities that may be associated with their business operations, to remedy any potential failings. Thus businesses are looking to better understand customers and their dynamic needs, going beyond simply providing goods or services at a low price <sup>[15]</sup>. Active listening and communication skills are especially important when negotiating with a diverse array of stakeholders who have differing ideas, values and agendas<sup>[16]</sup>.

“CEOs are now placing more emphasis on what their customers are trying to achieve than on what their companies are trying to sell. As a result, the importance of being innovative and agile, CEOs believe, cannot be overstated. The Conference Board Council on Innovation suggests we are moving into an ‘experience economy’, where customers value the experience of using a product or service, not just the product itself. CEOs recognise that the basic value proposition of providing a good product at the most competitive price is not, in itself, enough to win new customers or to retain current ones”.

Source: [The Conference Board](#)

- **Globalisation and continuous developments in emerging markets** demand business leaders to be fast in setting direction and fully capitalising on new opportunities; establish management and operations staff who understand, or can adapt to, local regulation, risks and market conditions and optimise the potential in these new areas <sup>[17]</sup>.
- Creating more flexible and adaptive workforces, with a large pool of talented staff and future leaders <sup>[18]</sup> supports business success from local to global markets CEOs need to support staff members, demonstrate a results-driven mentality, understand and consider different perspectives, and solve problems effectively <sup>[19]</sup>. In close collaboration with human resources staff CEOs can also establish leadership development programmes that promote distinctive workplace cultures and values, which benefit businesses as a whole and make organisations more attractive to prospective employees.

Leaders and senior officials in the **public sector, as well those as in trade unions and employer organisations** are also affected by more specific developments:

- Across the EU, the public sector continues to be challenged by **budget constraints** and **increasing public expectations in relation to quality and service**. Emphasis on efficiency and effectiveness in public management is stimulating an increasing use of **targets and performance indicators** <sup>[20]</sup>. These developments require enhanced skills on monitoring the quality and cost effectiveness of services.
- Senior officials also need strong competences in relation to communicating effectively with citizens in an age of **social media**, where the ability to communicate accurate and factual messages has become much more challenging than hitherto. Technological advancements paired with e-tools of communication have become especially prominent in recent years in the [health sector](#), which has been affected by the additional factor of rapid medical and technological advances.
- In the wake of the financial crisis in 2008, EU economies and societies have also been challenged with a range of adverse effects that have called for **legislative reforms**, along with a reshuffling of political and strategic priorities. Complex problem solving in the public sector is important, while in-depth expertise of present economic, social and political affairs demands continual professional development that is in line with new legislation.
- **EU and national-level regulations** play a significant role in promoting environmental sustainability, promoting good employment practices and adapting to the externalities that come from technological development. Senior officials should understand businesses’ activities, and the environment in which they operate, to minimise the impact of constantly changing regulations on economic growth and direct policies and services towards fulfilling skills gaps and employment opportunities <sup>[21]</sup>.
- **The shifting trend towards more flexible forms of work** will have a significant impact upon public and

The emerging trend towards more flexible forms of work will have a significant impact upon public and trade union officials in respect of understanding the rights of workers in a more fragmented labour market [22]. Extensive knowledge of labour market regulations and these expanding forms of employment, which include telecommuting, freelancing and crowd working, will prove essential for trade union and government officials as they seek to introduce measures which protect workers from the negative externalities associated with changing labour market relations. Innovative measures include modernised employer organisations, such as digital freelancer unions, and adapted labour market regulations [23].

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## Response to skill challenges

Personalised training programmes are available by private organisations and skills councils to prepare prospective and current CEOs, as well as others in high-level positions, for current and future challenges [24].

The European Commission has taken positive steps in promoting opportunities for small and medium-sized enterprises to provide professional development opportunities, which may have only previously been available to larger and better resourced companies, by encouraging the formation of clusters [25]. Continuing these efforts could pay dividends in promoting private sector-led professional development in the future and help address skill needs in business leadership.

Civil services in Slovakia, the United Kingdom, Ireland and a number of other EU Member States have established competence frameworks, with which staff must align their activities throughout each stage of their civil service careers [26]. An awareness of these frameworks, and how best to work within them, can do more than simply help current senior officials in workforce planning and recruitment; they also present a means with which to identify individuals who are best equipped to progress towards higher-level positions. It is important that public officials understand these competences to fulfil many of the required outcomes of public services and institutions, which have been outlined above [27]. Competence areas can include decision-making, providing value-for-money services, working as part of team (either through leadership or as a key stakeholder), delivering results and meeting shifting standards [28].

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