



Global Insights

The Greening World of Work

#1
GREEN BUSINESS TRANSFORMATION
WILL BE TOP JOB CREATOR
IN NEXT FIVE YEARS

GLOBALY, **70%** OF
EMPLOYERS ARE CURRENTLY OR
ACTIVELY PLANNING TO RECRUIT
FOR GREEN JOBS & SKILLS

94%
OF EMPLOYERS SAY THEY DON'T
HAVE THE TALENT THEY NEED TO
ACHIEVE THEIR ESG GOALS

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The global transition to a more sustainable economy is accelerating despite years of recent disruption and uncertainty. Sustainability and corporate social responsibility are increasingly important to consumers around the world, particularly Gen Z. In just a few years, adoption of Environmental, Social & Governance (ESG) goals has evolved from a differentiator for a small group of large companies to a more widely expected standard of global business best practices.

The foundation of this global green business transformation is a skilled and innovative workforce. **This ManpowerGroup Global Insights report examines the top trends business leaders should consider as they consider the future of work and the green economy.**

- What are the key drivers of the global green business transformation?
- What can business leaders do to accelerate their ESG performance and competitive advantage in the market?
- How can businesses future-proof their operations by embracing the transition to a green economy?
- How will these trends impact workforce planning and workers?

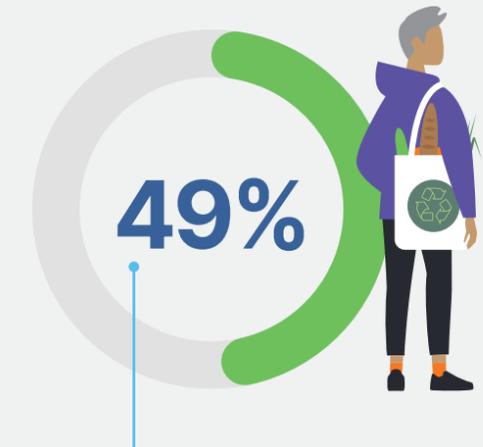


Talking About My Green Generation

The green transition is gaining momentum with consumers, and global business leaders are paying attention. Contrary to popular opinion, this green preference is not just limited to younger consumers. Across all generations, there is a growing preference and expectation for more sustainable products. In addition, recent data shows that a majority of consumers are willing to pay a premium for sustainability. Sustainable brand leadership is also shown to have a positive impact on employee recruiting and retention efforts, creating further opportunities for competitive differentiation.

- **More Important to Consumers Across Generations:** More than half of global consumers (51%) across age groups say sustainability is more important to them than it was 12 months ago. In addition, nearly (49%) said they paid a premium for a more sustainable product in the last 12 months.¹
- **Gen Z Leading the Way:** Although there is a preference for more sustainable products among all consumers, it is stronger for Gen Z. In a recent survey of U.S. consumers, 75% of Gen Z respondents said sustainability was more important than brand when making a purchasing decision.²
- **The Numbers Don't Lie:** During a five-year period, average sales of products marketed with sustainability claims grew by 28%. In the same period, sales of comparable products with no sustainability claims grew by only 20%.³
- **A Talent Advantage Across Age Groups:** A global majority of candidates of all ages are more willing to apply for (67%) and accept (68%) jobs with organizations they perceive as environmentally sustainable.¹

1. [IBM Institute for Business Value](#) 2. [Baker Retailing Center, Wharton - University of Pennsylvania](#) 3. [McKinsey](#)



NEARLY HALF OF GLOBAL CONSUMERS HAVE PAID MORE FOR A SUSTAINABLE PRODUCT IN THE PAST YEAR¹

Workforce Implications:

- **Underscores importance of roles across functions related to green products and solutions.**
- **Sustainability leadership can be a differentiator in recruitment marketing.**
- **Internal communication of sustainability leadership is a retention booster across generations and particularly with Gen Z workers.**
- **Remaining silent on sustainability and the green transition is no longer a viable option.**



Green Giant Government Action

As scientific warnings about the adverse impacts of climate change become more widespread, governments and regulators around the world are taking action to reduce carbon emissions. Although this is creating the momentum for increasingly stringent environmental regulation, it has also led to historic investments in incentives to support green business transformation.



- **A Green Deal Industrial Plan for Europe:** The EU recently expanded upon its Green Deal with the introduction of the Green Deal Industrial Plan¹ to support its goal of reaching net zero carbon emissions by 2050. In addition to existing incentives, it creates €225 billion (\$245 billion) in new EU funding for loans as well as simplified rules, fast-track permitting, skills training, and a push to expand free trade agreements with key allies.²
- **Historic US Incentives Signed into Law:** The Inflation Reduction Act of 2022 includes \$369 billion in incentives for technology to fight climate change, the largest climate change bill in US history. Six months after it was signed into law, it is estimated the legislation helped spur more than \$90 billion in new investments and 100,000 new clean energy jobs.³
- **But China Still Leads Global Green Tech:** China still leads the world in energy transition investment with \$546 billion (nearly half the global total) spent in 2022. The US was a distant second with investment totaling \$141 billion as investment in the EU reached a total of \$180 billion.⁴

Workforce Implications:

- Employers who do not capitalize on these robust incentives may lose top talent to competitors.
- Local incentives for employee training can help cost-effectively close green skills gaps.
- Workers around the world, particularly Gen Z, view sustainable employers more favorably.
- Sincere engagement is critical because “greenwashing” can damage to your employer brand.



GLOBAL INVESTMENT
IN THE LOW-CARBON
ENERGY TRANSITION
REACHED \$1.1 TRILLION
IN 2022⁴

1. [European Commission](#) 2. [Reuters](#) 3. [World Economic Forum](#) 4. [Bloomberg](#)



Getting Serious about ESG

ESG is fast evolving—from its early corporate social responsibility and community value add—to a global standard of doing business. That said, progress on the E and positive climate action, and defining what and how to measure for the S is still a challenge for plenty of organizations. More organizations are setting the goal of when they want to get to net zero and many more are only in early stages of figuring out their

carbon footprint path to reduction. A “Measure What’s Regulated” mindset is also growing as business leaders focus on recently proposed US ESG reporting rules¹ and the EU Corporate Sustainability Reporting Directive² (CSRD). This growing regulation makes workforce ESG-focused workforce strategy increasingly important.

- **1 in 3 Public Companies Now Committed to Net Zero:** While more than one-third (34%) of the world’s largest companies are now committed to net zero, nearly all (93%) will fail to achieve their goals if they don’t at least double the pace of emissions reduction by 2030. However, experts believe increasing adoption by more businesses and the introduction of new climate change reduction technology could help close the gap.³
- **Serious Attention in the C-Suite:** 58% of Fortune 500 CEOs said in a recent 2022 survey that they have a plan to achieve net-zero greenhouse gas emissions by 2050 or sooner. This figure is a significant increase from 36% in 2021.⁴
- **ESG and Workers Wanted:** Nearly 8 in 10 organizations have or are in the process of planning their ESG strategy, yet 94% of companies lack the necessary talent to implement their goals.⁵

Workforce Implications:

- Globally, only 6% of employers with ESG targets have the talent they need to achieve them.⁵
- ESG performance gaps can negatively impact bottom line results by as much as 21%.⁶
- Upskilling needed as the World Economic Forum estimates 61% of the global workforce will need additional training by 2027.⁷



OF ORGANIZATIONS DON'T HAVE THE TALENT THEY NEED TO ACHIEVE THEIR ESG GOALS⁵

1. [US Securities and Exchange Commission](#) 2. [European Commission](#) 3. [Accenture](#) 4. [Fortune](#) 5. [ManpowerGroup Employment Outlook Survey, Q4 2022](#) 6. [Accenture](#) 7. [World Economic Forum](#)

Green Tech Adoption Accelerating

The convergence of growing global sustainability demand and rapidly evolving technology are creating increasingly lucrative opportunities for businesses to capitalize on the global green economy. Global investment in solar power recently surpassed investment in oil production for the first time and reached an average of \$1 billion per day.¹ This rapid growth will accelerate across the global economy, particularly in the energy, construction, and automotive sectors.

- **Clean Energy Tech Adoption Accelerates:** In 2021 renewable electricity generation rose by almost 7%, a record 522 terawatt-hour (TWh) increase, with wind and solar PV technologies together accounting for almost 90% of this growth. China was responsible for more than half of renewable electricity generation growth in 2021, mostly due to record wind and solar PV capacity additions in 2020. The United States and the European Union were responsible for 8% of the growth each.²
- **Greener Construction and Buildings:** On average, buildings account for approximately 40% of total carbon emissions. In Europe alone, it is estimated 35 million buildings need to be renovated to improve energy consumption before 2030, creating 160,000 new jobs in the construction sector. Green building growth and jobs are also expected to accelerate in other regions as governments take action to reduce building carbon footprints.³
- **A Reinvention of the Automotive Industry:** Electric vehicle (EV) share of global auto sales is likely to grow from ~7% today to nearly 90% by 2050. Although EV adoption is relatively low today, 29% of consumers are interested in purchasing an EV and another 24% are considering hybrid electric vehicles. In response to growing tailpipe emissions regulations, automakers and their suppliers are going all in with capital investment expected to reach \$108 billion by 2030.⁴



**GLOBAL GREEN BUSINESS
TRANSFORMATION WILL CREATE UP
TO 30 MILLION NEW JOBS BY 2030⁵**



Workforce Implications:

- The green transition could create up to 30 million jobs globally in clean energy, efficiency and low-emissions technologies by 2030.⁵
- Employers are concerned an inability to attract talent (53%) and skills gaps in local labor markets (60%) will be the greatest barriers to their business transformations.⁵
- Three in four workers (79%) say, other things being equal between the two different job offers, they would take a job in a LEED-certified building over one in a non-LEED-certified building.⁶

1. [Wall Street Journal](#) 2. [International Energy Agency](#) 3. [European Commission](#) 4. [Morgan Stanley](#) 5. [World Economic Forum](#)
6. [US Green Building Council](#)



The New Collar of Work is Green

The consensus is growing among consumers, governments, and business leaders. Unlike the past, today they can clearly see the impact climate change is having on the planet as sea levels rise and extreme weather events become more frequent. In addition, they can clearly see the business opportunity, as the transition toward a more circular economy offers opportunities to increase business differentiation, reduce costs, improve brand reputation, and drive job creation in their local communities.

- **The Battle for Green Talent has Already Begun:** Today, 70% of employers globally say they are currently or planning to actively recruit for green jobs or skills.²
- **Green is the New Blue:** Employers globally across industries are the most interested in recruiting for green roles/skills within skilled technical functions such as Manufacturing & Production (36%) and Operations & Logistics (31%). But they are also seeking green skills for roles within IT & Data (30%), Sales & Marketing (27%), Engineering (26%), Administration & Office Support (25%), and Human Resources (25%).²



- **Business Leaders Say Green is the Future:** In a recent global survey of employers, 55% said investments in their green business transformation and application of ESG standards (54%) will be job creators for their organization. Respondents chose from a list of current global megatrends and green business transformation and ESG were identified as the top two key drivers of job creation in the next five years.¹

Workforce Implications:

- Employers need to fully optimize their strategic workforce planning to attract, hire and retain workers amid persistent talent scarcity and growing green jobs demand.
- Global upskilling and reskilling efforts must be scaled up to close green skills gaps.
- Deploying ESG best practices (e.g., diversity & inclusion) can help you improve your Employer Value Proposition and reach underutilized sources of talent.

70%



OF EMPLOYERS ARE



**CURRENTLY OR ACTIVELY
PLANNING TO RECRUIT FOR
GREEN JOBS AND SKILLS²**

1. [World Economic Forum](#) 2. [ManpowerGroup Employment Outlook Survey Q3 2023](#)

In Conclusion

The global green business transformation will be one of the most exciting periods of innovation for the workforce since the industrial revolution. This innovation will be accelerated by the simultaneously growing adoption of increasingly sophisticated artificial intelligence and machine learning tools. It will also be driven by growing demand from governments, investors, employees, and consumers seeking bolder action and transparency (e.g., mandatory reporting) to address climate change.

Today's green business transformation must occur as an aging workforce in the most developed economies will make skilled human talent an increasingly limited resource. This means leaders must not only innovate to improve the environmental efficiency of their organization, but also apply the same thinking to fully leverage the power of their human capital. Organizations which can fully optimize the way they hire, train, retain and deploy talent will be the leaders in the green economy of the future.



Global Workforce Solutions to Accelerate Green Business Transformation



Workforce Consulting
& Analytics



Workforce
Management



Talent
Resourcing



Career
Management



Career
Transition



Top Talent
Attraction



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