

A green edge

Green skills for the future

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Green skills are the knowledge, abilities, values and attitudes to support sustainable and resource-efficient business operations as companies focus on reducing their carbon footprint.

“Every skill needs to be a green skill”

Stefan Praschl
board member, competitions, WorldSkills

Cities are the epicentre of the climate battle due to their large emissions. Achieving ambitious climate goals will depend on the capabilities and skills of the workforce in cities, who must equip themselves to remain relevant. **Economist Impact surveyed 300 executives in Berlin, London, New York, Singapore, Sydney and Tokyo to find out if they consider green skills integral to their organisational needs—and if not, why not?**

31.7% For one-third of survey respondents, a lack of clarity on what green skills are is a challenge to adoption.

Despite the lack of a uniform definition, the intensifying effects of climate change and an urgent need for a clean-energy transition make green skills adoption essential.

- More than **80%** of surveyed business leaders recognise the benefits of green skills in increasing resilience against extreme weather events.
- A higher share of executives from the **energy, utilities and natural resources sector** are prioritising green skills than other sectors, reinforcing the direct impacts of climate change on the sector.
- **Eighty-five percent** of respondents say that energy skills are much more important now compared with five years ago, followed by urban design skills.



28.3%

Today, fewer respondents consider green skills as most important which is much lower than other skills (digital skills, analytical skills, soft skills and management skills.)

95.7%

In five years' time, most business leaders expect green skills to become significantly more important.

All respondents belonging to the **manufacturing, machinery and industrial and retail or wholesale trade sectors** consider green skills to be most important in the next five years.

Studies show a strong link between product popularity among consumers and ESG claims. Growing consumer attention to sustainability will become the most important influence for green skills adoption five years from now, according to **78%** of respondents.

“The evolution of sustainability and environmental awareness going beyond the remit of a single department into something bigger, is in part due to growing consumer awareness of green issues—people are voting with their spending.”

Sophie Tyldesley
green skills and local green finance policy team leader, Department for Environment, Food and Rural Affairs, UK Government

For eight-out-of-ten respondents, brand reputation is currently the most important benefit of green skills adoption. A higher proportion representing financial services consider this to be the case compared with other sectors.

“Important beyond the actual skill set is how someone with green skills will actually get things done, rather than just be exploited as a public-relations exercise.”

Robin Hicks
associate editor at Eco-Business

Given their crucial role in decision-making, greening the skills of leadership is important in establishing and communicating a clear green-skills roadmap in organisations.

- When asked which two functions in their organisation would benefit the most from green skills development, **86%** of respondents highlighted senior executives and **over half (56.7%)** selected C-suite executives.

“C-suite commitment is critical to implement sustainability strategies in every organisation I worked with.”

Samantha Sharpe
research director, Institute for Sustainable Futures, University of Technology Sydney

Despite leadership's importance, **31.7%** of respondents cite a lack of top management endorsement and the necessary investment as a challenge to green skills adoption.

Almost all executives surveyed (**98%**) think that their organisation is completely or partially ready to support green-skills development and training.

- A higher share of respondents from the manufacturing, machinery and industrial and energy, utilities and natural resources industries believe their organisations are “completely ready” to support green-skills development and training.

Business leaders across cities have varying perceptions of the current level of green skills within their workforce.

Total percentage of respondents who selected 4 and 5 when asked to choose their current level of green skills on a scale of a 1-5, where 1 signified no green skills and 5 signified extensive green skills



Source: Economist Impact, 2023

To further analyse the survey findings and city-level differences, Economist Impact designed a green-skills barometer that assesses the perception of business leaders about the green-skills ecosystem in their cities through three key pillars:

Green-skills ecosystem in cities



Environmental awareness + **Leadership** + **Employee imperative**

Captures the role of external stakeholders and environmental trends that influence the adoption of green skills by businesses.

Studies the benefits of and readiness for adopting green skills for the business, as well as the ways in which leadership incentivises adoption.

Analyses the importance of green skills compared with other skills as well as the relative importance of different green skills.

For respondents in **Berlin, New York, Sydney and Singapore**, government regulation has the highest influence on green-skills adoption, while for **London** it is increased attention from competitors towards green skills.

For almost half the respondents in **Berlin (46%)**, the need to reduce air pollution is driving green-skills adoption in their cities. However, for **Sydney**, the top driver is renewable energy adoption.

A higher proportion of respondents in **London (20%)** said that their organisation doesn't incentivise employees to adopt and/or build their green skills, compared with only **6% in Berlin**.

Eighty-four percent of respondents in **London** agree that green-skills adoption regularly features in board meetings or management policies, as opposed to **66% in New York**.

For **Berlin**, urban design is the most popular green skill while for all other cities (**London, Singapore, New York, Sydney and Tokyo**) it is energy skills.

Seventy-eight percent of respondents in **Sydney** agree that they regularly encounter candidates with green skills or sustainability experience during hiring processes, while only **64%** agree in **Singapore**.

89%

58%

Eighty-nine percent of respondents believe that city-level initiatives provide extensive support for green-skills adoption in the wider workforce, compared with **58%** who think national climate change options do, showcasing the importance of cities in driving green talent.

- Londoners are the least confident in their city's ability to enable green skills. While Sydneysiders are the most positive about opportunities their city provides.

“The cities more sensitive to green-skills adoption are cities that are already thinking and planning how they will cope with the sustainable development agenda, and who have more active and inclusive participation from engaged citizens.”

Borhene Chakroun
director, division of lifelong learning policies and systems, UNESCO

Find out more at <https://impact.economist.com/sustainability/project/a-green-edge/> about how your city and organisation can inculcate a green edge through green skills in your workforce.

About the programme

A green edge: green skills for the future is a research programme by Economist Impact, sponsored by Kyocera Document Solutions, which includes a barometer assessing the green skills ecosystem in six cities and an accompanying briefing paper. The findings are based on a survey of 300 executives, conducted between an October and November 2023. The six cities are Berlin, London, New York, Singapore, Sydney and Tokyo. Expert interviews and an extensive literature review supplemented the survey findings.