Talent Trends 2022 put people first to recharge your talent strategy.

# people, not companies, create magic.

This is the year to recharge, refresh and renew your talent strategy by putting people first. Skilled talent is in high demand and short supply, and one thing is clear: companies that treat workers like people — not human commodities — will emerge the winners in 2022.

Our 2022 <u>Talent Trends</u> research, which includes the views of more than 900 human capital and C-suite leaders in 18 markets, shows more than half (53%) of companies plan to hire extensively over the next 12 months. CEOs and other C-suite executives told <u>the Conference Board</u> the labor shortage is their third biggest challenge for this year. In response to the tight labor market, leading companies in the world, such as <u>Intel</u>, are making "significant" investments in their people. <u>McKinsey suggests</u> that businesses are becoming increasingly creative in their human capital investments to stem the skills crisis. During <u>the Great Resignation</u>, the needs and expectations of people have emerged as a top priority for companies everywhere.

Many of these moves initiated by C-suite leaders are meant to head off the seismic shift that has occurred during the past year. So much about the labor market has changed that it is nearly unrecognizable to those who have led its transformation during the past decade. The Great Resignation and Great Enlightenment have led to millions exiting the global labor market or accepting more attractive positions. Today, talent dictates terms of employment as organizations struggle to fill roles across nearly every pay grade. From merchandisers who stock store shelves to home health aides who tend to patients to data engineers who produce critical insights, the shortage of talent is stunning.



Cindy Keaveney chief people officer Randstad Global Businesses

For years, economists have warned of the growing skills gap caused by insufficient numbers of graduates in certain STEM fields. At the same time, a <u>demographic time bomb</u> is set to significantly curtail global growth as many industrialized nations will experience large waves of retirement in the near future. Add in the economic disruption and intensified need for digital skills brought on by the pandemic, and it's easy to see how the labor shortage can persist well into this year and beyond.

Today's talent scarcity challenges are deeper, structural issues worsened by anemic past investments in skilling and the acceleration of digital workflows. Redeploying resources takes time, and many employers are under pressure to transform their workforce more quickly even as the demands of the business grow more complex and unpredictable. So how will you help your organization adapt to this volatility with your talent strategy in 2022?

This year's Talent Trends research found a people-centric mindset among human capital leaders. An overwhelming majority (84%) say their organization is more focused on the talent experience than in the past. At the same time, just 45% say their talent acquisition strategy is more about value creation than about achieving savings — a 5-year low and a 22-point drop from 2021 findings.

What does this mean for the state of talent acquisition? Considering the extreme difficulties witnessed in the labor market in 2021, human capital leaders were far more occupied last year with operational emergencies than with long-term and strategic planning. Fighting fires has become a full-time job. Under pressure to hire, onboard, train and build remote teams while preserving company culture and attempting to stem costs, most human capital leaders didn't have time or resources to drive greater value creation in 2021.

Now, as you take on the challenges of a new year, you'll need to focus on advancing the readiness of your workforce, keeping the talent experience at the center of your business growth plans, and finding creative ways to acquire the high-demand skills your organization needs to meet its goals. This will require a strong focus on putting people first and greater investments in technology, analytics and reskilling. In fact, while 75% of those we surveyed believe reskilling is an effective way to combat the scarcity challenge, only 29% say they are investing in this area to help with the skills shortage.

As Nya Patel, vice president of talent acquisition at financial services giant <u>Prudential Financial</u>, recently told us:

> "While this year has been exhausting for talent acquisition professionals, our success has truly been in rethinking what we do, how we do it and adapting to the market."



vice president of talent acquisition Prudential Financial

Our 2022 Talent Trends research will help you understand the complex web of developments that is today's world of work. And it will give you ideas about how you can recharge, refresh and renew your talent strategy to shape your company's future. From job flexibility to remote working to an explosion in HR technology offerings, we'll celebrate the wins you and your peers are making as you adjust your human capital strategies in these unfamiliar times. Dive into this year's top 10 trends to see the data and people-centric strategies that will help you prepare for whatever surprises may be around the corner, while creating the structure you need to create long-term value.

# about the 2022 Talent Trends research.

Now in its seventh year, Randstad Sourceright's <u>Talent Trends</u> research has provided insights that human capital leaders need to drive business agility and results with their talent strategies. The 2022 Talent Trends research is a survey of more than 900 C-suite and human capital leaders at international and regional organizations, across 18 markets around the globe. Survey panels are composed of business leaders who influence both strategic and operational decisions for their organizations.

Conducted by a third party on behalf of Randstad Sourceright, the research is designed to help our clients and the broader business community understand the top HR and talent acquisition trends for 2022. Online surveys were conducted via external panels during Q4 of 2021. Interviews were self-administered and could be taken across devices (including mobile phones, tablets, desktops and laptops).

# who participated

- 61% human resources
- 20% procurement
- 12% other strategy and general management leadership roles, including the C-suite
- 7% talent acquisition

# key industries

- 12% IT and technology
  10% banking and financial services
  5% high-value manufacturing
  3% life sciences and pharma
- Each industry listed here represents a sample size of 30 or more respondents.

# company size

- 37% 1,500–2,999 employees
- 33% 3,000-4,999 employees
- 30% 5,000+ employees

# 18 markets

Americas	Asia Pacific	Europe	
Brazil	Australia	Belgium	Nordics
Canada	China	France	Poland
Mexico	India	Germany	Switzerland
U.S.	Japan	Italy	U.K.
	Singapore	Netherlands	

# what are 2022's top talent trends?



#### success stories

- Southern Glazer's Wine & Spirits flexes on workforce policies, but not safety. (18)
- Prudential prioritizes people to lay a rock-solid foundation that fuels business growth. (32)

the 2022 business health index (46) The Business Health Index shows the views of human capital and C-suite leaders in 18 markets.



# Do you have a clear understanding of the needs and expectations of the people that make your business thrive?

If the events of the past year have taught organizational leaders anything, it's that their people have been resilient throughout the global crisis. The roller coaster ride we call the pandemic has placed tremendous stress on everyday life, deeply disrupted the workplace and inflicted all sorts of new and familiar fatigue on everyone. But despite such tolls — and perhaps because of them — people are more determined to take charge of their lives and careers.

This is evidenced by the Great Resignation, which gained momentum last year and appears to be strengthening heading into 2022. For example, in November, the U.S. reported that a record 4.5 million people voluntarily quit their jobs, an all-time high rate of 3.4% of total private sector employment. Japan, Germany and other major industrial nations are also observing similar developments. Late last year, Randstad's <u>Workmonitor research</u> reported that the Great Resignation was part of the "Great Enlightenment" movement in which most surveyed workers said they had more clarity about their personal and professional goals.

While this development may be empowering for people, it's forcing organizations to reassess their talent strategies and execution. With workers in the driver's seat, companies are rethinking how to attract, hire, engage and retain both permanent and contingent talent. With many seeking remote work schedules, flexible hours, better pay and sense of purpose, the strategies developed before the pandemic have become outdated. In this new era, employers must walk a tightrope, balancing the new demands of talent alongside long-established company practices and culture.

The biggest shifts are obvious. Long-term, remote work is no longer a perk for skilled workers; rather, it's an expectation or <u>a necessity for some</u>. Our 2022 <u>Talent Trends</u> research shows that 41% of human capital and C-suite leaders expect their permanent employees to work remotely at least part of the time. This expectation is highest among life sciences and pharma professionals, at 46%. Organizations that continue to offer remote working options will gain a competitive advantage when recruiting and retaining talent. At the same time, 56% have asked some employees to come back on-site for at least a few days a week, although even these plans seem to be changing daily.

Beyond remote arrangements, more professionals expect their employers to provide flexibility when it comes to their schedules and work hours. Companies such as <u>Schneider Electric</u> have created part-time options, job sharing and flexible sabbaticals to retain working parents who may have inflexible demands at home. Other notable businesses highlighted for <u>providing work flexibility</u> include SAP, Williams-Sonoma and Dell Technologies. Some of the leaders we surveyed are doing the same. Thirty-four percent (34%) say they are providing flexible arrangements as a way to address talent scarcity — the second most cited initiative (building talent pools is first, at 35%). These companies realize that people, more than ever, want more control over their lives, especially when it comes to work and how they spend a large part of their day. Among the various strategies implemented, 88% say sign-on bonuses are effective, followed by flexible work arrangements (86%), increasing pay (83%) and engaging in contingent talent (83%).



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With millions of people quitting, taking retirement and staying out of the labor market all together, companies face a daunting task ahead. They will need to identify what kinds of flexibility matter most to their people and find new ways of working to accommodate while meeting the needs of the business.

# guestions you should ask.

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Do we have a clear understanding of what attracts talent to our organization, why they stay or what's causing them to leave? Are we surveying employees and candidates frequently enough to understand their expectations and preferences when seeking the ideal job, and properly communicating our findings and respective action plans to address their feedback?  $\bullet \bullet \bullet$ 

How can we keep track of rapid labor market changes and workforce sentiments, and best communicate with leadership so they buy into the investments we need to understand, attract and win the best talent? recharge

# ways to achieve a people-focused workforce strategy.

Losing out on great talent is one of the biggest threats organizations face now, but with ongoing uncertainty, it's more important than ever for companies to find and retain skilled professionals. Your organization and its leaders need to grow even closer to your people, and really understand their struggles and motivators to ensure you're meeting their expectations as an employer. Here are five ways to build a more people-centric workforce strategy:

Revisit your scenario planning often to ensure both employees and contingent talent have clear directions for whatever situation may arise due to changing market conditions.

Avoid creating division among deskless and professional workers. Consider how you can provide unique benefits to on-site talent, such as commuting stipends or subsidized dining in the workplace.

Be clear, frequent and genuine in your communication with employees. If there are compelling reasons for returning to the workplace, explain this honestly and authentically.

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Now is the time to be bold, so experiment with initiatives that will help people feel valued, engaged and connected, even if they are physically separated.

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Closely monitor market developments and best practices, whether it's safety protocols or rising wages. Don't fall behind competitors during this highly competitive period.

Mike Smith global CEO Randstad Sourceright





# How can you use market data and talent analytics to build a more inclusive recruitment experience?

It's clear that companies are connecting the dots when it comes to diversity, equity and inclusion (DEI) at work, but our 2022 <u>Talent Trends</u> data shows they may not be doing enough to protect their goals. According to our research, 76% say DEI at work is fundamental to attracting, engaging and retaining talent, and 75% are actively promoting their DEI goals to candidates. At 86%, even more say DEI is embedded in their talent strategies and is integral to everything they do. But when it comes to practice vs. theory, just 43% say their hiring practices supported their diversity goals in 2021, suggesting that organizations may have <u>put their initiatives on the back burner</u> as they continued to manage operational emergencies and increased hiring demand last year.

How can companies sustain the momentum behind their DEI efforts? Human capital leaders that dedicate budgets to update their recruitment practices, broaden inclusion and belonging training, and engage more diverse professionals throughout the talent life cycle will keep their businesses on track.



Just 43% say their hiring practices supported their diversity goals in 2021, suggesting that organizations may have put their initiatives on the back burner.

For example, Goldman Sachs recently developed tools for allyship to create an "honest dialogue" about race in the workplace. This initiative resulted in broader representation and nurturing of diverse talent. Salesforce has committed to promoting more people of color to leadership positions, with a goal to increase the number of Black organizational leaders by 50% by 2023. Rachna Mukherjee, Schneider Electric CHRO for India and South Asia, recently shared that the company has included DEI in its Sustainability Impact Index, focusing on family leave policies and a global pay equity framework.

You can also look beyond simple metrics to effect change within your organization. According to Torin Ellis, diversity and inclusion expert and author, <u>HR is "chasing a different barometer of progress today."</u> Tools such as AI are helping to minimize bias in the hiring process, but employers must be careful to ethically apply such technologies, as Randstad's Glen Cathey and Tata Consultancy Services' Arun Prabhakar caution in <u>MIT's Sloan Management</u> <u>Review</u>. It's also important to remember that recruitment technologies designed to produce more inclusive hiring require the data to be fair and representative.

During a recent <u>Talent Navigator series webinar</u> with Randstad Sourceright, DEI leaders from Cisco and Gilead Sciences shared strategies they are using to meet DEI goals, even as they face today's challenging markets. Stan Blackwell of Gilead Sciences explained, "A lot of companies' diversity representation numbers would have failed had it not been for flexible locations." And Aleta Howell of Cisco said, "Skills-based hiring and available talent pools force us to rethink how we're hiring and what qualified talent looks like ... We need to encourage hiring managers to not think about the laundry list of 15 skills they'd love to have, but what are the four qualifications that you really need for somebody to be successful."

At the same time, organizations are considering how to bring these strategies to their contingent talent strategies. They are not only considering how to diversify their supplier networks, but are exploring how to use data to ensure the flexible talent they engage is representative of their markets as well.

Increasingly, companies are also recognizing the importance of better supporting people with disabilities in the workplace. As Caroline Casey, the founder of the Valuable 500, told Randstad Sourceright last year: "Disability inclusion and innovation have moved society's products and technical development more than any other group, and evidence of this has been the tools we have used through COVID."

According to our survey, 39% of employers say their DEI strategies are encouraging a more creative and innovative workforce. The same percentage (39%) also say they benefit from talent with a broader range of talents, skills and experiences. Beyond these benefits, 73% believe DEI practices that are evident and embedded in the organization are important to candidates, making it a clear advantage when it comes to attracting great people.

# 3 questions you should ask.

ways to embed initiatives in

people strategy?

our business strategy and our

Do our leaders realistically make DEI a priority, always finding

How are we measuring the impact of our DEI efforts through the talent life cycle and as it relates to greater impact on both people and our business?

How can we use technology ethically to ensure our processes are inclusive?



# ways to prioritize and protect diversity, equity and inclusion at work.

Focusing on workplace DEI and belonging is a win for your organization, your clients, your talent and your community. You shouldn't, and don't have to, sacrifice diversity in the name of speed or agility in hiring — in fact, prioritizing your efforts will help you widen your talent pool. Here are five ways to ensure you're prioritizing your DEI goals, even in today's challenging talent-scarce labor market:

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Use data to understand who your clients, communities and candidates are. Set goals to have your workforce, leadership teams and suppliers mirror your communities and markets.

Evaluate your language and biases in job requirements, performance reviews and other talent-facing processes to ensure you are inclusive and provide equal opportunities for everyone.

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Connect the value of DEI to the outcomes of every employee to help them understand why a more diverse workforce delivers better business results.

When using technology to eliminate bias, make sure results are explainable and transparent. Like anything else, poorly constructed tools or misinterpreted data can actually introduce bias into your recruiting process.

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Make sure DEI goals are embedded in all of your key strategic planning activities at the start so they are not treated as afterthoughts.

Audra Jenkins chief diversity and inclusion officer Randstad North America





# Do you have access to and understand how to use the insights that will help you make smarter talent decisions?

Our 2022 <u>Talent Trends</u> research shows that most human capital leaders continue to value the power of data; 79% say talent analytics play a critical role in sourcing, attracting, engaging and retaining talent. Just about the same percentage (78%) say the same of external market intelligence. And this trend is expected to continue to grow. A recent report estimated that the global people analytics market <u>will</u> <u>grow at 13%</u> annually over the next four years, the result of strong demand for HR insights. This is not surprising considering that, in recent years, organizations have not only exponentially generated more workforce data but also are struggling to make sense of all this information. As this happens, they will increasingly integrate their internal data with external market insights to help drive workforce management and planning. While the concept is not new, more organizations than ever are investing in data capabilities. Our 2022 research finds that 73% of talent leaders are investing in analytics — the highest level tracked since we launched the Talent Trends research in 2016. More importantly, companies are now marrying many sources of data to drive predictive capabilities that allow them to better plan their workforce. As data grows more meaningful through AI processing, and as employers single out the information most relevant to their needs, people strategies will become more effective and impactful.

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73% are investing in analytics — the highest level tracked since we launched the Talent Trends research in 2016.

There are big trends driving companies to invest more in data analytics. The acceleration of HR digitalization led to a spike in the amount of data collected. From candidate data to skills mapping to training and development and many other points of generation, talent leaders are flooded with information. During the pandemic, companies began collecting even more data, measuring productivity through employee surveys and behavioral studies. <u>Humanyze</u>, which works with clients on analyzing their workforce collaboration patterns, measured four times more data in just one month in 2020 than it had measured in the company's entire 10-plus years of existence.

While there has been tremendous growth in the volume of data collected, companies have not been as prolific in converting numbers into insights. A <u>McKinsey</u> survey of CEOs revealed their organizations "lack the ability to embed data analytics in day-to-day HR processes consistently and to use analytics' predictive power to propel better decision making." A recent report from <u>Oracle</u> cites continuing challenges for using analytics across organizations of all sizes.

Fortunately talent analytics have come a long way as well. Companies such as <u>Burning Glass</u>, <u>Brightfield TDX</u> and <u>Faethm</u> aggregate and analyze market data to help their customers identify competitive wages, understand skills availability and forecast their needs in the near future. Where technology currently falls short, however, is in providing prescriptive insights, not just predictive insights. There is no turnkey solution since market data needs to be integrated and analyzed with workforce data to gain the kind of insights talent leaders need.

Many employers still face hurdles when processing data. Accessing relevant information and developing actionable insights are arduous and complicated. Many businesses simply don't have the resources, expertise or capacity to develop forward-looking insights. Other businesses, however, are doing just that, either through internal data scientists or with partners.

They are using market data to determine the right geographies to recruit from, where niche skills can be found and at what cost. The same dataset can be used to identify where diverse candidates are centered and how employers can create jobs in those areas. When integrated with workforce data, you can target your recruitment efforts specifically to address skills and <u>diversity gaps in your strategy</u>. If you can effectively leverage this information, your organization will be better suited to adapt to the uncertainties ahead.

# guestions you should ask.

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How can we leverage data to identify where process improvements can be made to accelerate access to talent? Which tools and partners will provide predictive and prescriptive recommendations based on our company's people data? What do we need to change or have in place to be able to convert vast volumes of workforce data into actionable insights that impact talent acquisition outcomes? recharge

# 5 ways to build a robust people analytics strategy.

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Every company is experiencing a flood of data about their people, so human capital leaders need to know what to do with all this extra information and who in the organization can benefit most from such insights. When developing a data strategy, ask fundamental questions, like "What are my goals?" and "How can I drive value through analytics for my business leaders?" to drive your plan. Here are five more ways to build a robust people analytics strategy:

Invest in the data scientists and engineers who will bring greater rigor and ensure data integrity through management best practices.

Partner with talent analytics and market intelligence specialists if you lack the expertise or resources to make sense of the data.

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Avoid information overload and burnout by limiting the data sets to those that offer the most valuable insights. It's OK to start small and build up.

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Prioritize building data dashboards that are simple, easy to train for and accessible for all relevant stakeholders who need the insights they will provide.

Think ahead: identify a roadmap for data capabilities today that can evolve and better support your future workforce needs.

> Summer Husband vice president of global data and analytics Randstad Sourceright



# Southern Glazer's Wine & Spirits flexes on workforce policies, but not safety.

When you think of essential businesses, wine and spirits might not be the first that come to mind. However, food and beverage distributors are considered Essential Critical Infrastructure. Therefore, throughout the COVID-19 pandemic, hundreds of thousands of hospitality businesses relied on Southern Glazer's Wine & Spirits so they could continue to serve customers and pay employees during an incredibly challenging time.



This was a challenge for <u>Southern Glazer's Wine & Spirits</u>, North America's largest distributor of beverage alcohol. The company needed to learn to operate under new and stringent safety protocols to protect its workforce, suppliers and customers, while continuing to operate and serve customers across the U.S.

## adapting quickly to keep people safe

Mark Calimlim, vice president of procurement at the U.S.-based company, manages Southern Glazer's contingent workforce program. He says the company had to react quickly to the needs of its various talent groups. Even as a significant portion remained on-site to support the logistics of product distribution — the company is present in 44 states, the District of Columbia and Canada — others who could work remotely needed guidance on new ways of working. Supporting its people across so many different areas, each with its own set of workplace regulations and safety requirements, was no small task.

"We had to really think proactively, and that's when leadership put in place a robust plan for how to adjust accordingly," Calimlim says, pointing out that human capital leaders were given as much trust and flexibility as they needed to keep facilities operating with minimal disruption. These steps included adjusting shifts for those on-site to optimize the resources available. For those who could work remotely, the company quickly rolled out tools that accelerated the transition.

# edging the competition in a talent-scarce market

Like many essential businesses, Southern Glazer's Wine & Spirits faced tremendous challenges associated with staffing its distribution centers. Between missing workers who were out with COVID-19 and others who stayed at home out of fear of contracting the disease, the company experienced a surge in talent scarcity.

Even now, it's no small task to effectively source contingent talent who comply with local vaccination regulations and to provide a robust testing regimen to reduce the risk for outbreaks.

Talent scarcity has been a big challenge for the company since the pandemic began, according to Calimlim. Not only has demand for workers across the board risen sharply, but competition has also grown tougher. He points out that as other employers have enhanced their offerings in both wages and soft benefits, Southern Glazer's through market data has also revised policies and offered incentives to keep pace with the market.

For instance, the company is creating clearer paths to permanent roles for contingent talent who want to join the organization long-term. For those who can, a flexible and generous work-from-home policy is still in place. Signing bonuses, increased competitive wages and flexible working arrangements have also become standard offerings, which was not the case just three years ago. For the leaders at Southern Glazer's Wine & Spirits, these measures were the clearest indicators of the importance of talent to its success.

## ensuring business agility through workforce agility

With uncertainty and talent scarcity continuing into 2022, Southern Glazer's Wine & Spirits will continue to lean on its crisis management team — consisting of key functional leaders in operations, finance, HR, legal, communications and compliance — to provide guidance for the road ahead.

By closely tracking fast-moving developments, the company is also learning how to better respond to changing market and regulatory trends so its workforce can be agile while it responds to customer needs. Inhouse legal and compliance staff at Southern Glazer's Wine & Spirits help make sure the company follows guidelines as they are implemented.

Above everything else, Calimlim says Southern Glazer's Wine & Spirits is putting its people first. Their safety is the organization's top priority.

"Safety is of the utmost importance to our company. We will not keep a facility open for the sake of making and pushing out products if it is a detriment to the broader Southern Glazer's community."

> vice president of corporate procurement Southern Glazer's Wine & Spirits





# What strategies will you use to enhance happiness, satisfaction and productivity?

There's no question that in the turmoil of the past two years, human capital leaders have emerged as the <u>North Star</u> for their businesses. Providing direction on a long list of critical decisions such as remote work, safety protocols, wellness initiatives and surveying, they have been the counselors that leaders turned to over and over for guidance and reassurance. HR leaders have been fighting fire after fire, but have made so many wins for their organizations and people along the way. And now, as talent shortages persist, you're likely focused on transforming your company's talent experience.

Broadly defined, the talent experience is more than culture, benefits and inclusion. It also includes self-determination, so people have more control over their careers, learning pathways and workdays. Some companies understand this and are investing in technologies and practices that encourage creativity and initiative, and maintaining a strong, differentiating employer brand that is consistent, authentic and engaging. These investments help to ensure their people are proud of their job and employer and, in turn, are more productive, committed and satisfied.



#### recharge

84%

#### refres

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In "The Definitive Guide: Employee Experience," analyst Josh Bersin points out that companies with the right experience strategies report better outcomes. This explains why, according to our 2022 <u>Talent Trends</u> research, 84% of human capital and C-suite leaders say their organizations are more focused on the talent experience than ever before.

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The pandemic may have brought forth the Great Resignation, but it also allowed many leaders to re-examine the relationship between people and their employers. Specifically, they are hoping to create more mutually beneficial interactions that drive both greater job satisfaction for their people as well as innovation and productivity. <u>The Society of Human Resource Management</u> likens the trend to a time more than a decade ago when companies obsessed over the customer experience. Today, business leaders want to bring the same level of rigor to the management of their people because they see a significant impact on satisfaction and retention — and accelerated business growth.

This strategy includes investing in more tools to facilitate work. Nearly half (47%) of those we surveyed say they are using technology to improve how work is performed, while 41% say they are leveraging innovation to improve how talent is recruited. As a way of empowering their workers, 42% are offering more channels for talent to give feedback on company policies and procedures.

With only a minority of human capital leaders investing in innovation, there is clearly a greater opportunity for them to capitalize on the current surge of technologies that aim to improve the talent experience. This could also indicate that companies are still figuring out and refining how they can get the most value out of their existing technology investments.

Beyond technology, companies are also turning to a host of other initiatives to better attract talent and create a more positive experience. Our survey respondents believe the measures they best deliver on to attract and engage candidates include: ensuring job locations are convenient (76%), positioning the company as a globally recognized brand (76%), actively living and promoting DEI in the workplace (75%), and offering a strong purpose and a clear vision for the future (75%).

Our 2022 research also shows a significant increase in employer branding investments across all talent categories, with the most notable increases for freelancers, up 30 points to 69% in 2022 from 39% in 2021, and temporary staff, which increased 28 points to 62% in 2022 from 34% in 2021. As your company engages more contingent professionals, you may risk alienating an important part of your workforce if you don't <u>consider their experience</u> as well.

For the near future, companies will not be able to take their focus off the talent experience. If they do, they risk losing out on much-needed skill sets. If you can meet and exceed talent expectations, it's likely you will get a leg up on the competition.

# questions you should ask.

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Have we mapped out the journeys for all our talent categories to develop specific plans for each group and deliver the best-possible experience?

Have we effectively considered how technology can genuinely enhance empathy, connectedness and attentiveness to all our people? Do we know what makes us "us"? Do we have a clear employee value proposition that describes our unique identity and culture to the employees, contractors and candidates who will deliver value and drive customer retention?

# ways to drive a talent experience that stands out.

Do you understand the talent experience that your workforce lives through every day? If you aren't clear about how they engage, create and interact with each other, technologies and your company, you may want to pay closer attention. Surveying and interviewing your people can help you better refine policies that better support their lives, but here are five additional ways to create strong connection points that drive engagement, satisfaction and realization:

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Safety - both psychological and physical - and wellness are important considerations during this time, so regularly review and amend your plans for protecting people both on- and off-site.

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Provide opportunities for your workforce to share feedback on the tools and technologies they need to be productive, creative and collaborative: whether they're feeling intellectually challenged; and where their passions come into play.

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Consider expanding employee assistance resources to include financial and non-monetary aid to those most in need or under stress.

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Monitor how external and internal talent feel about their experiences through employee surveying and review sites, such as Glassdoor. Also regularly address comments left on your company's social channels to demonstrate you are a responsive and caring organization.

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More than ever, focus on measuring engagement and productivity as these are rapid indicators of shifting sentiments and stress.

Francesca Campalani global head of employer branding and talent marketing Randstad Sourceright









# How will you ensure innovation and collaboration, regardless of where people sit?

In an article published last year in <u>Nature</u>, Microsoft researchers concluded that work-from-home arrangements may lead to less innovation and collaboration in the workplace. While they also found remote working can result in more hours spent on the job, it nevertheless led to internal people networks becoming more static, which "may impede the transfer of knowledge and reduce the quality of workers' output." Since the beginning of the pandemic, human capital leaders have grappled with the work-from-home dilemma. On one hand, this was necessary to ensure health and safety, as well as business continuity, but concerns about productivity persisted. While the data shows productivity isn't suffering, some businesses may feel remote work impacts collaboration and, as a result, creativity.



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But rather than focusing on how to optimize a hybrid workforce, a more useful conversation centers around how companies can instill a sense of purpose that helps their workforce transcend geographic boundaries. By fostering a culture that creates passion and common goals — what some are now calling "human magic" — organizations can drive better performance through meaning, new ways of collaboration using technology and process evolution. Considering the responses we received in our research, many businesses are taking the opportunity to effect such changes.

Our 2022 <u>Talent Trends</u> research shows 44% of human capital and C-suite leaders say some or all of their workforce is working remotely. This figure is higher for businesses with more than 3,000 employees (46%) than for smaller businesses (42%). Even though most predict these figures will shrink this year, they also believe their workers have remained productive throughout the pandemic.

In fact, a majority (53%) say their permanent workforce was more productive during the past year — 14 points higher than the 39% who said the same in our 2021 research. Talent leaders also report higher productivity for contingent talent, rising from 38% in 2021 to 45% in 2022. Productivity, however, doesn't necessarily translate into innovation and creativity.

53%

53% say their permanent workforce was more productive during the past year — 14 points higher than the 39% who said the same in our 2021 research. As more companies plan for hybrid working in 2022, they must re-imagine the workplace to reinforce purpose and mission, and to limit burnout. Workspaces can be reconfigured to the new way of working, such as <u>Google's Campfire</u> concept, which encourages people to meet in hybrid environments with some team members on-site and others sitting in remote locations.

Human capital leaders will have to be mindful that managing those who work hybrid schedules requires a different approach from motivating those with full-time, at-home or on-site schedules. They may need more flexibility around their needs to care for children and other family members. Work hours may need to be adjusted to earlier or later starts since they may be in the office on different days, for example.

Beyond technology and scheduling accommodations, frequent and authentic communication is critical to motivating teams and inspiring creativity. When your leaders ensure people understand and believe in the company's mission and goals, as well as how they individually contribute at a team level, you help them see the purpose of their hard work. Even small gestures, such as celebrating shared wins, delivering honest and transparent communications, recognizing great work, and encouraging skills development can go a long way.

When it comes to purpose, 78% of companies say employees view their company as having a strong purpose and clear vision, and 75% say job candidates believe the same. Just 61%, however, feel temporary workers would agree, indicating an opportunity to provide a better experience across the workforce.

As human capital leaders face more uncertainty in the days ahead, they can at least be sure of one thing: workers have experienced all of this before and will be ready whether they are in the workplace, at home or integrating a combination of the two.

# questionsyou should ask.

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Do the engagement metrics we currently measure reflect whether the people working with our organization feel purpose-driven?

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How can we inspire our workforce to feel excited about their work, accomplishments and collaborating with the people around them?



Does our current technology infrastructure support the collaboration and culture we want to create, and do our people find value in using these innovations?



#### charge

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# ways to foster a sense of purpose and collaboration for your workforce.

Organizations have an opportunity to elevate engagement and creativity by helping their talent develop and grow alongside the business. The most effective way to do this is to build on your current way of working but also consider new ideas that spur collaboration and aspirations. Here are five ways to help create "human magic":

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Amp up your culture of collaboration so that people with varying schedules remain engaged and connected to colleagues.

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Offer skilling and development opportunities to help those who aspire to move internally to build the skill sets they need to be successful.

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Give people tools to network with colleagues they normally would not interact with. Allowing space for casual conversations, virtual water cooler meetings and internal social platforms can replicate typically in-person moments.

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Incentivize team work by providing rewards and recognition for collaborative achievements.

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Train team leaders to better listen and communicate to help the people around them to realize their full potential.

### Louisa Wilson

managing director of enterprise customer acceleration Randstad Sourceright and Randstad Enterprise Group





# Are your managers willing to listen and provide meaningful support?

Disruption reigns in the pandemic era, and that has huge implications for company culture. Remote work, social distancing in the workplace, flexible schedules and an endless parade of public health regulations make it nearly impossible to find balance. Unquestionably, the past two years have taken a heavy toll on people everywhere, which has led to burnout and ultimately the Great Resignation. More than ever, companies need to reinvent their cultures to support the shifting needs and concerns of the people who work for them. Before the arrival of COVID-19, the workplace was familiar and constant. Workers could mostly count on consistency and predictability. Now, however, daily volatility means that companies and people around the world are struggling with a number of operational challenges, ranging from vaccine mandates as a condition of employment to work-from-home mandates to mental health issues.

#### echarge

49%

Throughout the pandemic, companies have done a good job of looking after their employees. We know this because at the end of 2020, Randstad <u>Workmonitor</u> research showed that most people felt emotionally supported by their employers. By the end of last year, however, many of those same workers <u>said they were stressed</u> and wanted to make changes to their work-life balance. Many reassessed their priorities as part of the Great Enlightenment and often did not see a future with their employer.

Talent's expectations have shifted significantly during the past two years. Both employees and job seekers want their interests looked after by employers. When our 2022 <u>Talent Trends</u> research asked companies how they are delivering a better talent experience, they focused on actions that foster well-being. Top answers include implementing change management and knowledge sharing for their people (49%), as well as creating more transparency around workplace culture, the recruitment process and career advancement potential (49%).

Employers are implementing change management and knowledge sharing for their people (49%), as well as creating more transparency around workplace culture, the recruitment process and career advancement potential (49%) to deliver a better talent experience.

# 6

A positive culture that focuses on empathy is much more likely to lead to greater retention and job satisfaction and has a more durable effect on morale than pay. Conversely, <u>researchers found</u> a toxic culture is 10.4 times more powerful than compensation in predicting a company's attrition rate compared with its industry.

Deloitte's 2021 Workplace Survey revealed that the top concern for executive leaders is preserving their company culture in a post-pandemic world. In December 2021, Google CEO Sundar Pichai conceded that employees were unhappy with the lack of candor that previously existed in the company's culture. He also pointed out that changes in internal communication brought on by the pandemic also shifted the talent experience. Walgreens CEO Roz Brewer recently told <u>Time Magazine</u> that, in 2022, managers plan to become more empathetic and actively listen to their employees to help attract and retain hires.

Empathy is cited as a top factor in creating a strong candidate experience, according to our 2022 Talent Trends research. Seventy-three percent (73%) believe that putting personal well-being first is important to job applicants when it comes to culture. More than half (56%) are also investing in workplace culture and employee feedback and engagement systems to better gauge employee sentiments and understand their needs — a jump from 45% last year. The same percentage (56%) also say they are providing training for soft skills such as adaptability, time management, creativity, teamwork and communication — the most often cited category for all skills targeted.

Will your company be able to effectively create a culture of empathy to meet talent needs and expectations? Those that do will limit the impact of the Great Resignation. For others, 2022 may prove to be much more challenging when it comes to talent acquisition and retention.

# questionsyou should ask.

How do we know we are genuinely building trust with our employees, temporary workers and candidates through real empathy, authenticity and transparency?

What mechanisms are we using to measure employee loyalty, and do they provide evidence of how we can achieve better results?

6

What is our plan for communicating the company's values and offerings as they are updated and changed?

# ways to cultivate a people-first culture.

Companies and the people who work with them have adapted well to the challenges brought on by the pandemic, but this ongoing, volatile situation can test even the best of us. We still need a bit of grace, some flexibility and lots of understanding. We all want to be valued as people first, even at work. Companies need to listen to and act on the signals that people are sending before it's too late. Here are five ways to make it work:

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Take an authentic interest in the welfare of your people and convey it through your executives and managers at all levels.

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Create, don't limit, opportunities for people to connect with each other. This can mean setting up business resource groups (BRGs), casually allowing teams to share stories on video calls, or setting up more formal virtual group activities. Try not to force sharing; you don't want to make employees feel uncomfortable.

### 

6

Step up employee surveying to gauge stress and burnout. Concisely communicate the results of this data and your plan for addressing gaps.

# 

Encourage innovation and ideation. Create a safe environment for employees to take risks, help them learn from failure, and provide space for them to speak out with concerns and recommendations.

# Lori Sargent senior vice president of human resources

Randstad Sourceright and Randstad Risesmart





go above and beyond.

# Prudential prioritizes people to lay a rock-solid foundation that fuels business growth.

Helping customers around the world grow and protect their wealth takes a lot of talent. It requires a lot of agility and foresight to achieve operational excellence, drive a positive client experience and keep the organization ahead of its competition. <u>Prudential Financial</u>, the ninth largest institutional asset manager worldwide and the second largest life insurer in the U.S., has experienced both tremendous growth opportunities and challenges in the past few years. And amid all the uncertainty, the company has been taking on a transformation that depends greatly on getting the right people on its teams and building on its legacy.



That's why talent was so pivotal to the company's success in 2021. In a recent financial report, CEO Charles Lowrey cited "significant progress" in Prudential's transformation to achieve higher growth and become more nimble. And in the company's 2020 annual report, he credits employees for rising to meet the challenges "facing our customers, the company, our communities and themselves personally, again and again."

### when talent is a priority at the top

This kind of C-level recognition of talent is one reason why Prudential has been able to stay ahead in the market, according to Nya Patel, vice president of talent acquisition, head of DEI recruitment, and culture co-chair of the company's <u>Asian Pacific Islander American Association</u> (APA) Business Resource Group. In a recent interview with Randstad Sourceright, she points out that Prudential has done well to mitigate the talent scarcity and skills gap difficulties plaguing so many organizations, in part because executive leadership recognizes the importance of talent in the transformation effort.

"Prudential's executive leadership team has been at the forefront of making sure that we keep a pulse on top talent in the market and in recognizing the need for bringing strong diverse talent to Prudential," she says. "I, as a talent acquisition leader, feel supported by our executive leadership and our focus on recruitment is an enterprise priority."

### refining recruitment to attract and engage talent

Acquiring the right talent, however, has not been easy. In today's fierce financial services sector, where competition is leading more companies to buy out the bonuses of candidates in January and February (financial services workers typically receive bonuses at the end of Q1), wage inflation is a major concern. Talent expectations are changing too, with work-fromhome arrangements more common and demand for better work-life balance growing. Lastly, an increase in the number of jobs and a decrease in talent pools has made it more challenging for companies such as Prudential to compete for top talent.

Patel says Prudential is focused on delivering a better talent journey, and the company has been reassessing all aspects of the candidate experience, in light of its vision and strategy. In addition, Prudential is refreshing its employee value proposition (EVP) and employer brand to better understand and deliver on what matters most to its people.

"We are also re-imagining how we attract talent and the recruiting process itself — everything from ensuring our job descriptions are attractive, building stronger enterprise referral strategy, creating a more efficient interview process, and keeping our offers competitive," she adds.

Prudential also recently established a DEI recruitment team, led by Patel, that builds a structured diversity recruitment strategy and embeds it into all aspects of the talent life cycle. These efforts will help accelerate Prudential's commitments to diversity, equity and inclusion. "Our transformation and success has truly been in rethinking what we do, how we do it and adapting to the market," Patel says.

## building skills for the future

Another initiative is the creation of the talent marketplace, in which employees become owners of their learning and development and can find internal mobility opportunities. At the end of last year, the company launched an internal gig economy initiative in which employees take on projects that provide the opportunity to demonstrate a current skill or gain exposure to a new skill. Patel says this will help Prudential democratize opportunities across the enterprise and quickly mobilize resources where they are needed while energizing workers who are excited to take on new challenges.

> "The idea stemmed from building skills of the future internally and driving employee learning, career growth and internal mobility opportunities within Prudential."

> > vice president of talent acquisition Prudential Financial



Patel also notes that the company is tapping its external recruitment partners for expertise around best practices. By learning how other companies are making the most of their recruitment strategies, Prudential is able to enhance its own outcomes.

As the company further advances on its journey and as talent scarcity worsens, Patel knows Prudential will need to get even more creative. "I don't think that the talent shortage is going away anytime soon. We will continue to see recruiting challenges through 2023," Patel predicts. "But we are being very creative in re-imagining what we do, and that has brought us through the challenges and is preparing us for the future."



# refocus recruiting on human potential.

# Are you eliminating quality candidates with unnecessary or outdated requirements?

Many market changes came about as a result of the pandemic, and one of the most concerning is worsening talent scarcity. As a result of today's talent shortages, many organizations are rethinking their recruitment practices to focus less on demonstrated experience and more on people's ability to quickly gain the skills needed to perform the work. In recent years, some companies have dropped educational requirements for some roles, but will it be enough as talent acquisition teams compete among the same talent pools? According to our 2022 <u>Talent Trends</u> research, 1 in 4 human capital leaders say talent scarcity is a major pain point. Talent scarcity is one of the most-cited pain points this year, second to HR technology strategy (29%) and followed by concerns about talent leaving their companies (23%). What's more, 1 in 3 plan to hire this year to overcome or avoid talent scarcity in their industries. This percentage is even higher for employers in the manufacturing (43%) and life sciences and pharma (38%) sectors.

1 in 4 say talent scarcity is a major pain point.

Those who view scarcity as a major pain point are also seeing a significant impact on business results and costs. Thirty-nine percent (39%) say time to fill has risen significantly, 37% can't seem to hire or retain recruiters, and 36% are experiencing higher-than-normal recruiting costs. One-quarter (25%) say they've experienced a reduction in profitability, and the same number say they've had to reduce the level of service they provide to their customers. There is much at stake.

Companies are re-evaluating the criteria that matter most to both widen and diversify their candidate pools. Citing data from EMSI Burning Glass and The Conference Board, <u>Wall Street Journal</u> reports that as many as 1.4 million jobs may open up to people without college degrees over the next five years if employers continue this trend. And, by eliminating educational thresholds, companies can encourage candidates of various socioeconomic backgrounds, and who may not have had the means to attend college, the chance to showcase their skills. According to an internal report compiled by <u>Hewlett-Packard</u>, most women apply for a job only if they feel they meet 100% of the job's requirements; men, however, may do so when meeting as little as 60%. Removing unnecessary criteria can help female candidates feel more confident to apply. Beyond eliminating educational and experience requirements, companies such as <u>The Body Shop</u> are getting rid of background checks, and last year, Amazon stopped screening candidates for marijuana use.

According to Gartner, just 16% of new hires have the skills their employers need at the time of hire and in the future. The consulting firm suggests companies may achieve better hiring outcomes if they focus their search and attraction strategies on potential and not just on experience or education. When you hire people with the right aptitude or capacity to learn, you can quickly accelerate training to develop high-value skill sets in these individuals.

Øyvind Forsbak of Orient Software agrees. In <u>Forbes</u>, Forsbak suggests that job seekers may ultimately be the right hires if they receive training to fill in their skills gap. And <u>CNBC</u> reports that more technology companies are creating career pathways for new hires so they can join the organization, acquire the skills they need for their immediate and future jobs, and enjoy a longer tenure than without such tracks.

This approach not only improves talent retention but also engagement and growth for workers, truly creating a win-win situation for all. Expect to see this trend become a more common hiring practice as companies continue to grapple with talent shortages this year.

# 3 questions you should ask.

Are we using external market data to help hiring managers understand the availability of talent who meet their qualifications and to suggest which criteria should be eliminated to widen that pool without impacting talent quality? refresh

How can pulling back educational and other non-essential job requirements help us to attract more diverse applicants?

Does our recruitment process identify and track high-potential talent who may not have the right skills at this time but could be ideal in the near future after they have gained more training and work experience?
7

# b ways to hire for human potential.

One of the key lessons we've learned from the pandemic is that flexibility is key, and this also applies to identifying job applicants for your roles. Using behavioral and skills assessments, for example, employers may find the right person who only needs upskilling to be a great fit for an open role. This flexibility will help your organization acquire the resources it needs more quickly. Here are five ways you can widen your talent pool by rethinking requirements:

Mandate a four-year college education only if the skills needed can solely be acquired through higher education. Many roles, even technical ones, can be performed by a person with experience and the right aptitude.



Consider experience and training from alternative learning institutions, including apprenticeships, boot camps and even online courses as a way to broaden the talent pool.

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Re-evaluate your candidate screening assessments to ensure they identify potential and propensity for learning, not just technical skills, so you don't miss out on strong candidates.

## $\bullet \bullet \bullet \bullet \bullet \bullet$

Work with hiring managers to identify adjacent skills and experience that may also fit their hiring needs.

Update job descriptions to encourage candidates with potential to apply. The age of hunting for the purple squirrel is gone; it's time to find the chameleons instead.

#### Jenna Alexander

director of internal talent acquisition Randstad UK, Randstad Sourceright EMEA and Pareto UK/NAM







refresh

# Are you creating opportunities for high-performers while building skills for the future?

As talent scarcity grows and critical skills become more difficult to win, looking inward gives companies a smart recruitment option with many benefits, such as accessing talent who are already engaged and familiar with your company. Internal mobility programs can significantly reduce recruiting and onboarding costs, shorten the time to productivity and build workforce loyalty. In <u>Harvard Business Review</u>, Bain & Company's organizational design leaders report that 60% of a company's future roles can be filled by current employees, assuming that adequate programs and training are in place.

According to our 2022 <u>Talent Trends</u> research, more than 1 in 4 employers (26%) report they have shifted people from one area of the business to another during 2021. Sixty-five percent (65%) say that internal mobility has had a positive impact on their business over the past year, and 25% say that improving internal mobility is one of the reasons their company is considering a total talent acquisition model this year.

renew

8

recharge

Traditional approaches to internal mobility, however, can face several roadblocks. A company's culture may make it difficult for talent to move into a different role, internal candidates may be concerned with taking on a role they are unsure of, and hiring managers may object to losing their full-time workers to other parts of the business.

refresh

A more people-centric, agile approach to internal mobility is the internal talent marketplace, which allows workers to move vertically and horizontally within the organization, choosing the projects they'd like to work on. By giving employees an opportunity to select projects of interest while using their expertise across the organization, you can improve retention and show employees that their growth matters.

Consumer goods giant Unilever has embraced this approach since 2019, when it launched its AI-powered <u>FLEX Experiences marketplace</u>. Company CEO Alan Jope <u>highlighted the benefits of FLEX in 2020</u>, saying it helped the company to redeploy people who were affected by the pandemic to other positions within the company.

Similarly, last year <u>Standard Chartered Bank</u> launched a Gloat-based marketplace after an initial pilot unlocked 4,000 hours of productivity gains. Company officials said the program, which will help with career progression and skills development, will be available to all employees this year. <u>Other</u> <u>businesses</u> such as Novartis, Schneider Electric, Seagate and more have all invested in these platforms as well. A majority (54%) of those we surveyed say their organization is investing more in internal talent mobility — a 16-point increase from last year (38%). This is on top of the 56% who say they have already made investments in this area to enhance their recruitment efforts.

54% say their investing mo mobility – a from last year

54% say their organization is investing more in internal talent mobility — a 16-point increase from last year (38%).

And they confirm that technology is playing an important role in their mobility strategies. Nearly 1 in 4 (24%) feel internal mobility opportunities would suffer if they didn't focus on talent innovation, and 74% believe artificial intelligence helps them to identify employees who can fill other important roles in their business.

This increased interest has led to the growth of new internal mobility technologies. Platforms such as <u>Gloat</u>, <u>Fuel50</u>, <u>365Talents</u>, <u>Avature</u> and others offer mature solutions, but more vendors are rolling out similar offerings. Employers will have to choose carefully because talent marketplaces must be customized for each organization and its human capital management platforms. When successfully implemented, the return on investment will be well worth the effort.

# guestions you should ask.

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Competition for in-demand skills will only grow during these transformative times. What will be the cost to our organization if we fail to retain and develop high-performing talent? What does our current internal mobility model look like and what are the roadblocks that keep it from being effective for our people and organization?  $\bullet \bullet \bullet$ 

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Do we have the right tools to create an internal talent marketplace, and how do we evangelize its use among our employees?

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# ways to create an internal talent marketplace.

When the skills your company is hoping to acquire are in short supply, it's time to look both internally and externally to find the right people and get critical work done quickly. An internal talent marketplace can help with retention during the Great Resignation, fortify the talent experience and directly connect hiring managers with the people ready to perform in the organization. Here are five ways to get started:

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Build buy-in at the manager level. To ensure they won't simply lose their best workers to internal competitors, organizations need to help department leads and people managers get visibility of available internal candidates, so they can be confident that there will be plenty of resources to go around and provide fresh input to their team. This mutually beneficial offering will help secure that vital buy-in.

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Offer career coaching and skilling support as part of the internal mobility strategy. While optimizing the experience with technology is critical, employees are more likely to consider an internal switch if they know added support and resources, such as third-party coaching and guidance, are available to help them excel.

Focus on creating a user-friendly talent experience. This culture will be critical to ensuring employees join the marketplace and look for opportunities within your company first, rather than going outside the business.

Consider piloting several technologies before committing to your talent marketplace platform. With more solutions becoming available, you can pick an option that aligns with your company's policies, processes and culture.

### $\bullet \bullet \bullet \bullet \bullet$

Tailor how you measure success. Internal mobility results will not likely use the same metrics as external recruiting. Creating meaningful indicators for a focus on talent retention will also help show the progress that can convert internal skeptics.

> Dan Davenport chief executive officer Randstad RiseSmart



home





# Are you prioritizing skilling and flexible resources during these challenging times?

A complete talent strategy has always relied on a balance of acquiring permanent workers, upskilling existing employees and deploying contingent talent for flexibility. For many organizations, configuring the right mix of these different talent categories is key to an effective and agile workforce. Now, nearly two years into the accelerated digital transformation journey caused by the pandemic, companies are realizing they need to adapt that mix as a result. With hiring bottlenecked due to record talent demand and millions opting out of the labor market, companies are looking for alternatives to permanent hiring to get work done. This includes more temporary staffing, freelancers and even automation. According to <u>Staffing Industry</u> <u>Analysts</u>, the number of temporary staffing hours worked in the U.S. ending on January 1, 2022 was significantly higher from the same time a year before. Professional staffing was 28% higher, while U.S. staffing overall was 17% higher. Although the figures are lower than their peak in the summer of 2021, they still surpass pre-pandemic levels.

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71%

We expect these numbers to continue to grow, based on our 2022 <u>Talent</u> <u>Trends</u> research. Seventy-one percent (71%) plan to shift more work to contingent, project or contract this year — the highest percentage in Talent Trends history, and a 15-point increase from last year. And 25% report they already converted more permanent positions to temporary or freelance roles last year.

> 71% plan to shift more work to contingent, project or contract this year — the highest percentage in Talent Trends history, and a 15-point increase from last year.

The shift to more contingent resourcing is not surprising; organizations just can't hire fast enough. It's also in line with the recovery in the staffing market, which witnessed a decline early on in the pandemic. Since then, companies have turned to more flexible work arrangements. Demand for IT professionals has been especially strong, according to <u>SIA's IT Staffing:</u> <u>Growth Opportunities in the New World</u> report. Due to the acceleration in digital transformation, 149 million new jobs in this field are predicted to be created from 2020 to 2025. Our data shows that employers are experiencing talent scarcity most when it comes to IT skills (46%).

At the same time, companies are also seeking to reskill more people to stay current with business demand. This practice gained greater popularity during the start of the pandemic when many businesses were forced to furlough, lay off or reduce the hours for many employees. According to a survey conducted by the <u>International Labour Organization</u>, training was interrupted for 90% of employees, 86% of apprentices and 83% of interns/trainees initially. Most businesses (65%), however, also took active measures to upskill and reskill their employees.

For many companies, reskilling and upskilling is a priority. <u>David Goeckeler</u>, CEO of Western Digital, recently shared that retaining the company's existing talent is key to its success. "So keeping our people, reskilling our people, building that future-ready workforce, is what's critical for us, but also for our employees," he said. The company has embarked on a vast effort of collaborations with government agencies, local universities and polytechnics. Its factories have set up <u>Industrial Internet of Things (IIoT)</u> <u>labs</u> and dedicated learning centers.

Most human capital leaders we surveyed agree that reskilling helps to mitigate the scarcity challenge, with 75% citing this approach as very or somewhat effective. Job families that are most likely to receive reskilling are IT/technical (57%), operations (44%), and research and development (42%).

Uncertainty has led talent leaders to reconsider their strategies around different work arrangements. By using more flexible and internal resources, you can gain more control over your talent supply and thrive in the digital economy.

# guestions you should ask.

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What are we doing to optimize the mix of flexible, fixed and internal resources we engage to get work done?

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Are we prioritizing reskilling over hiring in cases where a significant portion of our workforce may be losing employability due to changing market trends?



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Are we using both internal mapping and external market data to gauge skills availability and plan for the future?



#### recharge

refresh

#### renew

# ways to strike the right balance within your people strategy.

Business agility and growth are still at the top of every leader's priority list. But if your company can't find the people who will help your company achieve those goals, you're bound to fall short. It's time to create a people strategy that's ready to flex, too. Here are five ways to help you determine the right mix of reskilling, flexible talent and permanent employees as you face uncertainty ahead:

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Consider the urgency of your talent needs, the availability of people with the right skills and your budget first. This will determine the approach that makes the most sense.

Take your cost analysis to the next level. Don't just determine the cost of each resourcing model, but also consider intangible factors such as the value of not laying off workers when they are reskilled, your company image and building loyalty among the people that work with your organization.

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Work closely with hiring managers to recommend the best approach to their talent needs. Scenario planning can help you anticipate any situation they may face.

Perform important skills mapping exercises to determine where gaps lie in your organization, and consider which options can best help you fill those gaps.

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Make sure the C-suite is engaged and collaborating on your people strategy to drive organization growth goals. It's important to ensure the CEO, finance, procurement and HR leaders are aligned to create a sustainable and long-term model that optimizes all work arrangements.

> Kimberly Kelly Fahey managing director of global client services Randstad Sourceright



# the 2022 business health index.

The Talent Trends Business Health Index shows the views of human capital and C-suite leaders in 18 markets based on four factors: reported growth in the last year, reported hiring in the last year, leaders' views on the political environment, and whether they expect their business to grow significantly. Since 2016, our Talent Trends research has collected more than 5,350 responses on these factors. This feedback is normalized and used to determine the business health outlook both globally and locally, providing a basis for comparison.



A score of 100 is the baseline global average set in 2016. An indexed value of 80 or lower indicates the market is less optimistic. A score of 120 or higher suggests the market is more optimistic about the year ahead. <u>Check out the index analysis here</u> for additional data and insights on each market.



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drive HR technology innovation to create people, culture and productivity accelerators.



# Are your investments in technology paying off with better talent acquisition results?

When people were sent home to work at the beginning of the pandemic, concerns about productivity rose quickly among organizational leaders. Would their workforce be distracted, spend less time on their jobs and simply do less work despite saving time on commutes?

For most of the human capital and C-suite leaders we surveyed in our 2022 <u>Talent Trends</u> research, the opposite is true. In fact, just 5% report that permanent talent who work remotely are much less productive than those working on-site — down from 10% last year. Most (53%) say that permanent employees who work remotely are more productive than before the pandemic, and 45% say the same of contingent talent.

These gains can be attributed to several factors, including engagement, <u>a rise in</u> <u>hours worked</u> and technology helping people to get work done more efficiently. According to researchers at <u>three U.S. universities</u>, widespread implementation of remote-working technology is expected to boost productivity by 46% by the end of the pandemic.

The impact of technology on workforce productivity is clear, but companies have an opportunity to use innovation to drive organizational value beyond getting more work done. The next evolution of AI, automation and other technologies is also helping businesses put their people first and center on well-being. As leaders focus on empathy and connectedness, they are deploying tools that help them build engaged, inclusive and healthy organizations.

These tools — ranging from intelligent listening platforms like Peakon and Medallia, to collaboration suites including Slack and Asana, to team-building apps like kahoot! and Scavify, among others — reinforce culture and personalize what can otherwise be draining virtual touchpoints. Organizational use of these technologies has grown rapidly as human capital leaders seek out ways to preserve human connection.

The employers we surveyed are turning to a number of initiatives to amp up culture. Nearly half (47%) say they are using technology to improve how work is performed as part of their talent experience efforts. Similarly, 49% are creating more transparency around their recruitment process, workplace culture and career advancement potential. More than three-quarters (76%) say AI is also helping them create a more personalized experience for talent, and 74% say this kind of innovation allows them to identify needs and gaps within their workforce.



76% say AI is helping them create a more personalized experience for talent, and 74% say this kind of innovation allows them to identify needs and gaps within their workforce.

The expansion of HR technology is also helping many employers accomplish more as they execute their talent strategies. Integrating point solutions with major platforms, such as Workday, Oracle, SAP SuccessFactors and other human capital management platforms, is giving human capital leaders more control and visibility over people management. Robotic process automation is completing repeatable work more quickly than ever before.

New technologies are also transforming the way that companies train people. The rise of virtual and augmented reality is accelerating training for many roles, including those with high occupational risks. In fact, <u>Forbes</u> reports that immersive extended reality courses can help improve knowledge retention by up to 90%.

Looking to the future, technology will continue to be the enabler that makes innovation, connection, engagement and smarter talent decisions possible. With talent scarcity expected to continue adding pressure on resourcing, companies will have no choice but to explore how technology can help alleviate this challenge while giving them the foundation to better attract and retain people long term.

# 3 questions you should ask.

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Does our technology roadmap include innovations that will create more opportunities for people to connect and collaborate? Are we meeting with our technology vendors often for knowledge, feature and best practices sharing to ensure the tools we use are human-centered rather than transactional based?

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What are critical elements of a culture of innovation and how do we continue to build and foster such a culture?

refresh

## 5 ways to keep people at the center of your innovation strategy.

Technology mobilized the world at the onset of the pandemic, but now the potential of innovation to help us not only get through the next stage of recovery but also excel in getting work done is clear. How are you using innovation to find talent and keep people engaged with their work and each other? Here are five ways to help your organization keep people at the center of your technology strategy:

Collaboration tools are key during these volatile times, so be sure to budget appropriately for such investments. Include training in that plan to ensure people know how to get the most out of those tools.

Don't be afraid to cut your losses if a technology fails to live up to its promise. It's better to abandon an ineffective purchase than to force people to continue using something that delivers little reward.

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Identify pain points that cause bottlenecks in your workflow and the solutions that can help you eliminate these hot spots.

Consider building a home-grown solution if the right commercial one can't be found. This approach may lead to a better adoption and outcomes than trying to force-fit an off-the-shelf product that doesn't match your people's needs.

> Thomas Jajeh chief digital officer Randstad Sourceright



## make sure you have a project team representative of the people who will use the tool. Their feedback and point of view will be critical in understanding which solutions can make the strongest impact.

When deciding on technologies,



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As an operating company of Randstad N.V. — the world's leading global provider of HR services with revenue of € 20.7 billion — Randstad Sourceright's subject matter experts and thought leaders around the world continuously build and evolve our solutions across recruitment process outsourcing (RPO), managed services programs (MSP) and total talent solutions.

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