

THE NEW TALENT LANDSCAPE

RECRUITING DIFFICULTY AND SKILLS SHORTAGES





KEY FINDINGS

- HR professionals across industries are reporting a more challenging market for talent in 2016 compared with 2013.
- The health and social assistance and manufacturing industries are the industries reporting the highest levels of recruiting difficulty.
- HR professionals believe the reasons behind a more difficult recruiting environment include a low number of applicants, lack of the needed work experience among candidates, competition from other employers, candidates' lack of technical skills and the local market not producing enough qualified candidates.

EXECUTIVE SUMMARY

68%

OF HR PROFESSIONALS ARE EXPERIENCING DIFFICULTY RECRUITING CANDIDATES FOR FULL-TIME POSITIONS IN THEIR ORGANIZATIONS.

SHRM surveyed HR professionals on a range of recruiting and skills issues to get a better understanding of what the current talent market looked like across a range of industries. The findings reveal that many HR professionals are experiencing a more challenging recruiting environment compared with previous years.

HR professionals also say there are skills shortages among the job applicants applying for open positions: More than half of HR professionals reported some level of basic skills/knowledge deficits among job applicants, and 84% reported applied skills shortages in job applicants in the last year. But although the most common strategy HR professionals report their organizations are taking to recruit for full-time regular positions is to leverage social media, the approach they consider most effective is to train existing employees to take on hard-to-fill roles. This emphasizes the need to address skills shortages in the talent market as well as the importance of addressing skills gaps within the existing workforce.

DESPITE HIGH LEVELS OF RECRUITING DIFFICULTY AND MANY AREAS OF SKILLS SHORTAGES, NEARLY ONE-THIRD OF HR PROFESSIONALS REPORT THAT THEY ARE WORKING WITHOUT A TRAINING BUDGET.

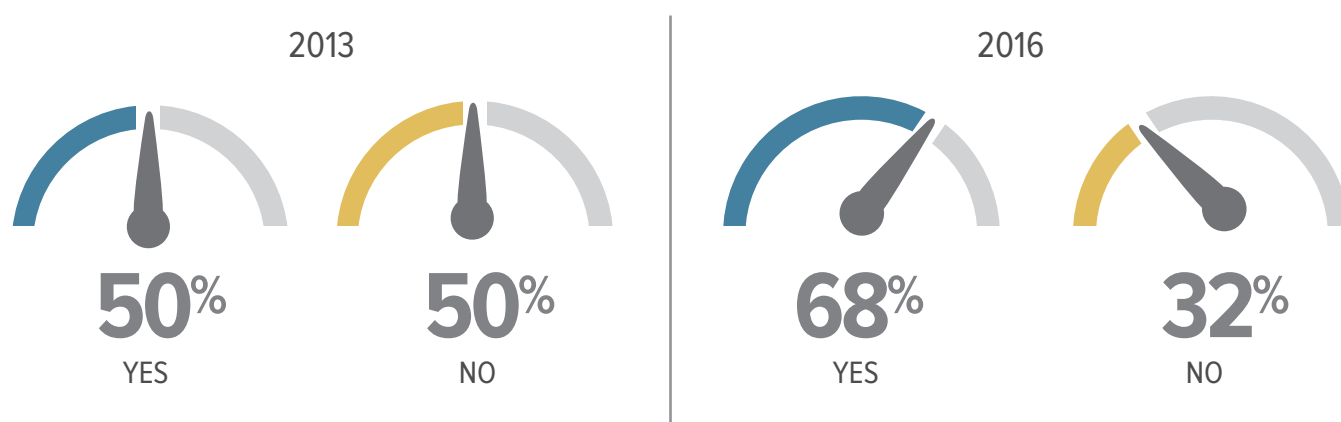
EXECUTIVE SUMMARY

Other findings included:

- The top basic skills shortages identified are writing in English, basic computer skills, spoken English language, reading comprehension and mathematics.
- The most commonly reported applied skills shortages are critical thinking/problem-solving, professionalism/work ethic, leadership, written communications and teamwork/collaboration.
- It is not uncommon for HR professionals to work without a training budget. Whereas 69% of HR professionals surveyed said their organization had a training budget over the last 12 months, almost one-third (31%) reported that their organization did not.
- One-half of HR professionals reported that over the past 12 months their training budgets had remained the same. Meanwhile, 39% said training budgets had increased and 11% said they had decreased.
- Employees receive their training most often through conferences, seminars, workshops and professional organizations; via on-the-job training; or through webinars or other online training applications.
- Organizations reported varying levels of use of the public workforce system (the network of federal, state and local programs, sometimes referred to as American Job Centers or One-Stop Centers, that function to support economic expansion and develop the talent of the U.S. workforce). Use of the public workforce system appeared to be associated with organization staff size, with HR professionals at the smallest organizations least likely to say that they had used the public workforce system.
- Whereas few organizations reported that they provide registered apprenticeship programs in their organizations, larger organizations (those with 2,500 or more employees) were more likely to have them compared with smaller organizations.

FIGURE 1

MORE HR PROFESSIONALS REPORT DIFFICULTY RECRUITING FOR FULL-TIME REGULAR POSITIONS IN THE LAST 12 MONTHS



Note: n = 2,988 (2013); n = 3,160 (2016). Respondents who answered "don't know" or "not applicable, have not hired any full-time regular positions" were excluded from this analysis.

Source: The New Talent Landscape: Recruiting Difficulty and Skills Shortages (SHRM, 2016)

Implications for HR Professionals

- Hiring managers and organizational leaders may not be as aware as HR professionals are of the current levels of difficulty in filling open job vacancies. HR professionals will therefore need to gather as much information and data as they can to build a solid business case for greater investments in securing talent—either through increased staffing resources or, in some cases, higher compensation budgets.
- Building the business case for investing in talent should be a natural outcome of the overall workforce planning process, which, in turn, must be continuous and long-term in scope to be successful.
- HR professionals must understand the unique skills requirements of their industry to develop more effective strategies for bridging skills shortages and gaps. This may entail having in-depth knowledge of many jobs' technical specifications.
- Replacing retiring Baby Boomers will continue to be a key staffing challenge in the years ahead. Organizations that can continue to engage their mature workforce and even retain them beyond retirement age will have an advantage. The U.S. Bureau of Labor Statistics (BLS) forecasts a decreasing overall labor force where replacement needs will exceed new job growth vacancies in four out of five occupations.¹
- Although HR professionals must continue to take a leading role in driving increases in productivity, they are also charged with managing their organizational culture and improving employee job satisfaction and engagement. Making sure employees are not at risk of burnout will be critical, especially where technological changes or the inability to fill some positions may leave many employees doing more with less.
- HR professionals will need to work with their organizational leaders and relevant education and training bodies to invest in education and training as a way to meet skills shortfalls. Smaller organizations with lower training budgets in particular may benefit from leveraging government and industry resources. Therefore, HR professionals in these organizations must stay informed of what resources and potential collaborations may be on offer.
- HR professionals have a unique and important insight into the labor market and what skills, education and credentials employers need the most today and in the future. As a result, they are a vital part of regional and industry efforts to build the talent pipeline. To truly lead, HR professionals must become involved in workforce readiness efforts that extend beyond the boundaries of their organizations and become leaders on this issue within the communities where they do business.