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Skills and the talent shortage: a snapshot





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Introduction

Does your organisation struggle to find the right skills? As the economy picks up, organisations wanting to take advantage of growth will have to become more productive and deliver more. However this may prove a challenge. Despite economic growth, the UK faces a talent shortage across a number of job categories.

This guide provides an insight into the reasons and possible solutions for employers. Whether you run a large organisation or a small team, there is something in our snapshot for everyone.

Discover more about skills. Ask Manpower.

jobs employers are having difficulty filling¹



1
Skilled Trades



2
Engineers



3
Drivers



4
Office Support Staff



5
Management /Executive



6
Customer Service Reps



7
Sales Representatives



8
Sales Managers



9
IT Staff



10
Nurses

What is a talent shortage?

As workforce demographics change and the economy recovers, employers face a talent shortage; a mismatch between the skills individuals have and those that employers require.

? Why

There are a number of reasons for the talent shortage:

Availability: A growing disconnect between where skilled individuals are needed and where they are available.

Change: Changing markets and technology are prompting demand for new skills that outstrip supply.

Choice: Individuals with in-demand skills have a greater choice of where, when and how to work because of a higher number of suitable vacancies.

Unemployment: With unemployment still high, those who have been out of work long-term often lose valuable skills.

Demographics: Organisations are struggling to replace the skills of those workers exiting the workforce through retirement.

➔ Consequences

At a time when your organisation needs to grow and become more productive, a talent shortage could affect you in the following ways:

Inability to grow: As the economy accelerates, your organisation may lose out on opportunities to grow if the right people aren't in place to help you accelerate.

Competitors overtaking you: Organisations that don't have a talent plan in place for growth and increased productivity will lose out to competitors who do.

Losing revenue and/ or market share: Organisations that lack the skills to agilely react to changing customer demand risk customers leaving them for competitors.

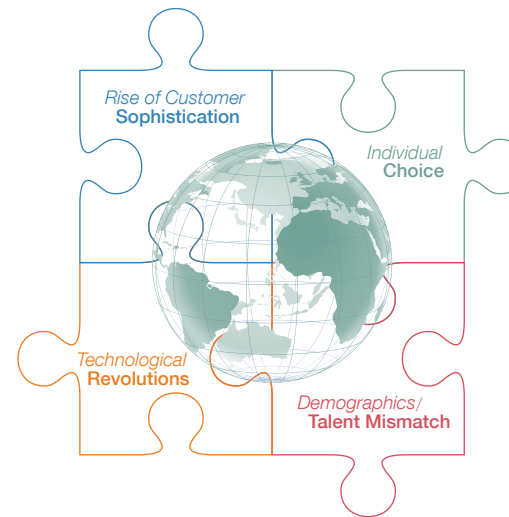
Talent and the world to come

In 2011, at Manpower, we announced that the world had entered the Human Age, a volatile and fast-changing new era marked by the rise of talentism — the new capitalism that puts unprecedented value on talent as the driver of business success.²

Despite high global unemployment, worldwide talent shortages persist as employers refine and upscale skills requirements to ensure they create a workplace that meets ever-increasing demands for efficiency and productivity.

In today's economy, optimising human potential has become the single most important determinant of business success and growth. It requires business and government leaders to re-examine how they unleash and leverage human potential in an increasingly volatile and shifting world.

In this age of innovation, we're breaking through previous limits and redefining what is humanly possible.



The Human Age

Technological Revolutions: People are connecting in new ways

Rapidly evolving tools, communication channels, and information access offers opportunity to work smarter, but poses many challenges to managing a workforce.

Individual Choice: People have the power of choice

As the fight for talent intensifies, employers must consider their employees as individuals in order to attract, engage, and motivate.

Rise of Customer Sophistication: People have the power of knowledge

With customers having greater and immediate access to information, businesses must deliver greater value for less.

Demographics/ Talent Mismatch: People with the right skills are hard to find

Emerging markets, ageing populations, and antiquated educational and training programmes have made talent harder to find and the key differentiator.

Overcoming the talent shortage

There are three key areas to consider in order to solve talent shortages in your organisation.

People practises

Teachable fit

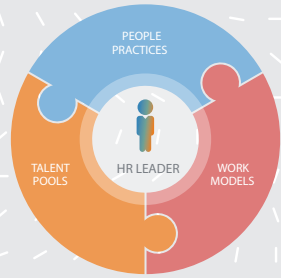
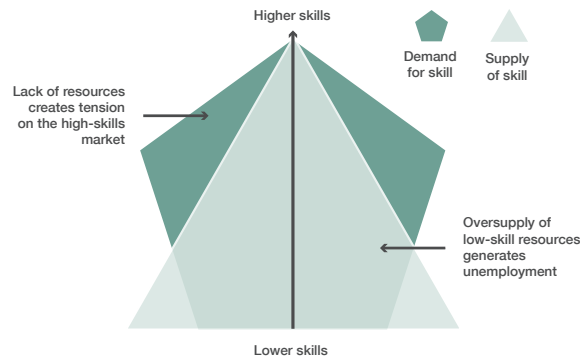
As organisations face ongoing skill shortages, finding the right talent can involve identifying those who are a 'teachable fit'³; individuals who hold a number of the skills required and who (because of their background and/ or other transferable skills) are trainable, willing to learn and can be rapidly developed in a cost-effective and timely way. A commitment to reskilling and upskilling current and potential employees will enable organisations to move forwards. The key to success here is the ability to identify a 'teachable fit' by asking:

- What capabilities are essential to performing the job?
- Which are teachable in an efficient way?
- Is there adequate time/ money to develop the candidate?
- Do candidates have the motivation and capacity to develop?

Benefits

Looking at candidates who are a 'teachable fit' can:

- Widen the available talent pool
- Ensure the workforce continues to be appropriately skilled
- Help build a loyal and motivated workforce through engagement.



Responding strategies

47% of global companies addressing talent shortages are adopting new people practises. 25% are searching for new talent sources, typically by recruiting from under-tapped talent pools. 23% are preparing to adopt new, alternative work models.¹

Untapped markets

Youth

For entry level jobs, apprenticeships are an excellent route for managers to nurture and develop the talent they need. Apprentices can be found in almost 200,000 workplaces⁵ and in 2012/13 there were nearly 860,000 individuals⁴ on apprenticeships in the UK. Apprentices can and do operate in almost every business sector and functional area. With young people being tomorrow's workforce, employers that identify promising young talent and make them enterprise-ready are likely to be the employers that profit, grow and succeed in the long-term.

Benefits

Taking on an apprentice can be a cost-effective solution to developing and harnessing the potential of fresh talent. They learn on the job and the government contributes to the cost of learning. It's a way to introduce tech-savvy individuals into your organisation with new skills and ideas and also help to build a loyal and motivated workforce.

Women

In the UK, women make up almost 46%⁷ of the workforce and comprise well over half of all graduates entering the market today.⁸ However, inflexible work environments can be a barrier to women looking for work, especially those with childcare and other responsibilities. The best way to tap into this talent pool is by offering flexible working and telecommuting options. Companies that evolve to offer flexible working stand to prosper over the long-term; those that don't will struggle to stay competitive.

Benefits

By introducing flexible working options, organisations can expect to see a significant widening of the available talent pool by having access to previously untapped skills and knowledge.

Our apprentices

4,500 Manpower apprentices are now employed having completed 12 month apprenticeship programmes we run for our clients alongside our facilities nationwide.

What women want

65% of women say flexible work options are important to them and only 28% of employers provide them.⁹

Willing to move

Manpower's Migration for Work Survey discovered that 59% of employees surveyed would consider relocating for work, including 25% who would consider permanent relocation. 30% of those willing to migrate for work would consider moving anywhere in the world.



Realising the benefits

In 2013, a group of 22 of the UK's biggest companies signed a commitment to flexible working rights after finding that "agility" in staff hours and locations can cut workforce costs by as much as 13%.¹⁰

Relocation/ Strategic migration

The reality is that there may be a surplus of talent in one region and a shortage in another. If there aren't sufficient skilled workers in the area, organisations may wish to consider looking in other localities, regions or nationwide and bring the talent to them.

Benefits

Relocating talent can mean specific skills are brought into your organisation. And as workers talent is valued, employers can foster greater motivation and loyalty.

Work models

Planning ahead

As technology, markets and customer demands rapidly evolve, employers need to be confident they have the skills in place to meet the challenge of growth. Now more than ever, hiring managers need to plan ahead and ask themselves what challenges affect their department or business today, how and where might these change over time, what talent and skills will be needed as a result and also what talent options exist in the labour market?⁶

Benefits

By anticipating change, organisations can identify potential skills shortages sooner rather than later, and act quickly to identify the right talent before any competitors do.

Hyperspecialisation

According to the Harvard Business Review, hyperspecialisation is where tasks are broken into smaller pieces and each piece is tackled by workers with a specific skill set. Employers would then have specialised, low-risk workers producing better work faster and more cost effectively. There is another, more practical way this principle can be applied. Employers can get better value out of highly-paid, highly-skilled workers by ensuring that they are completely focused on specialised tasks, with other menial tasks delegated to administrative workers.⁶

Benefits

Hyperspecialisation can provide a more cost-effective and optimal use of employees, resulting in improved final products.

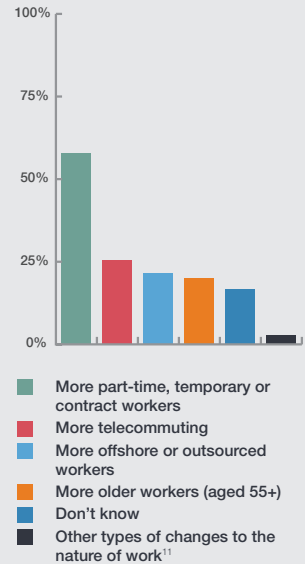
Contingent, flexible and virtual workers

People are key to innovation and rather than hire full-time employees, businesses are turning to highly-skilled contingent workers. Temporary, contract, part-time, remote and virtual talent are becoming increasingly common and can deliver some significant advantages. A flexible workforce can enable employers to flex-up numbers for short projects without having to invest long-term in the costs of maintaining a large workforce. With the number of contingent workers rising in the UK, employers should consider what mix of contingent and permanent talent would work well for their businesses.⁶

Benefits

Flexible working cultures increase the talent pool in a highly cost effective manner and enable organisations to increase productivity at short notice while anticipating future growth.

How your company's workforce will change over the next five years



Global talent shortage

Of those employers affected by the global talent shortage, 41% estimate it impacts their ability to serve clients, closely followed by reduced competitiveness/productivity (40%).¹

Checklist on skills

Some questions to consider:

- What are your business or departmental objectives?
- What future skills challenges are you anticipating over the next six months?
- Does your team have the skills required to deliver on this challenge?
- If not, how could this impact your department/ organisation?
- How does your organisation plan ahead for talent?
- What can be done to attract and retain the right talent with the right skills?
- What solutions could work for your organisation?

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About Manpower

Manpower is the global leader in contingent and permanent recruitment workforce solutions. Manpower enables clients to achieve their business goals and enhance their competitiveness.

With a network of offices in cities across the country, Manpower has provided organisations in the UK with a continuum of staffing solutions from the incidental to the strategic for 55 years, working with businesses such as BT, IBM, Royal Mail and Xerox to help them win.

In the Human Age, where talent has replaced access to capital as the key competitive differentiator, Manpower UK leverages its trusted brand to develop a deep talent pool, providing clients with access to the people they need, fast.

Manpower UK creates powerful connections between organisations and the talent they need to enhance their competitiveness and unleash their workforce potential. By creating these powerful connections, we help everybody achieve more than they imagined, and power the world of work.

For more information, see manpower.co.uk



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