Reed Talent Solutions

THE GREAT UNLOCKING:

Harnessing the hidden workforce

Survey report 2023



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Why do companies need to look at harnessing the hidden workforce?

Talent shortages are not a new thing, but the post-Covid era has seen the fastest changing labour market in more than two decades.

Despite some sectors showing signs of easing, we're still in a fierce jobs market.

UK businesses continue to be challenged by the last few turbulent years, and skills gaps are top of the agenda, with a widening disparity between the skills employers need and those available in the workforce, not least because of accelerating technological change.

Even though the market is showing some signs of settling, it remains a challenge to source and onboard the skilled and experienced talent hiring managers demand in many areas, most notably science, technology, engineering and mathematics (STEM).

The government is striving to address immediate talent shortages with initiatives designed to attract the long-term sick and over 50s back to work, as well as trying to overcome deep-rooted problems in the education system. The recently published McKinsey report, 'Education to employment: designing a system that works', highlights that less than 50% of young people and employers agree young people are prepared for work, with almost 40% of employers reporting that a lack of skills is the main reason for the high number of entry-level vacancies.

Employers are having to rethink their approach to hiring and talent management. We've seen some businesses make strides such as looking beyond degrees to attract a broader talent pool, but with a quarter of the UK workforce set to move jobs in the next 12 months, thinking differently about recruitment and retention is critical if employers are to meet their growth plans.



Louise Reed,
Solutions Director,
Reed Talent Solutions

Reed Talent Solutions set out to examine the extent of the current situation by conducting two extensive surveys.

The first was of 1,000 hiring managers, and asked questions including whether they believed their current workforce had the necessary skills to achieve their goals, how hard they are finding it to recruit fresh talent, and which areas are the most challenging.

Our second survey was of 1,000 unemployed adults either actively looking for work, or not actively looking for work, but not unemployed due to ill health. It examined how many of these people would consider going back into employment if they could find a more flexible role, whether they felt they had the right skills to enter the workplace, and what their priorities are when it comes to choosing a job.

Using the results of these surveys, this report looks at what companies can do to harness the power of the UK's hidden workforce.

RESULTS FROM THE SURVEY

Skills shortage preventing businesses reaching growth potential

Our research shows businesses are struggling to meet their objectives due to a skills shortage among current workforces.

The Reed Talent Solutions survey of 1,000 hiring managers revealed almost 80% of respondents believe there is a significant gap between the skills held by their workforce, and those needed to meet their business goals.

Our second survey of 1,000 unemployed adults suggested those out of work feel they are lacking the skills they need to return.

It showed a quarter of people (27%) did not feel they have the right skills to be able to re-enter the workforce.

The two surveys also revealed:



73% of hiring managers believe their business is currently finding it more challenging to recruit now compared to previous years.



77% of hiring managers said it was either very or somewhat likely that a lack of access to workers equipped with the skill sets they need will restrict growth within their businesses in the next three years.



91% of unemployed people actively looking for work said they were very much or somewhat struggling to find a job, with 79% of those saying they did not think they had either the right skills or the right qualifications to get one.

Why is it getting harder to recruit people with the right skills?



The top three reasons given by the almost three-quarters (73%) of hiring managers who said their business is finding it more challenging to recruit now - with respondents able to choose more than one answer - were a lack of available candidates with the right skills and knowledge for the role (60%), a lack of available candidates in general (49%), and a lack of candidates with the required qualifications (38%).

When it came to which department or function, they found it most difficult to recruit for, IT and digital topped the list with 40% of respondents selecting that option.

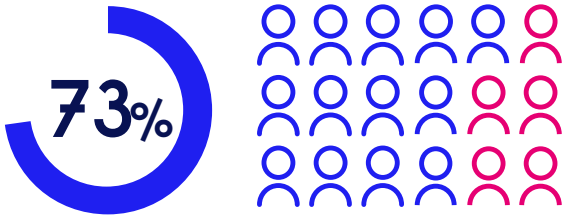
With people able to select up to three options, the other answers in the top three were 'operations' (25%) and 'finance and procurement' (21%).

Reed Talent Solutions' Solutions Director, Louise Reed, said employers are still demanding specific skills and experience in their attraction and selection processes and in doing so, are closing the door to candidates with adjacent and transferable skills, who then feel sidelined.

She said: "Being mindful of the current landscape, it's critical to tap into much broader talent pools by widening the brief. What is actually essential - and what can be trained?"

Louise felt that while it is up to employers to ensure reskilling programmes and career pathways are made available to a wider pool of talent, candidates need to take some responsibility for their own development by exploring the new skills available to them, opening their minds to alternative careers and setting themselves up for future success.

"Ninety per cent of us will need some form of reskilling in the next 10 years if we are to really keep up with the pace of change. Candidates must utilise any reskilling opportunities available to update their skills and make themselves more attractive to employers."



of hiring managers are finding it harder to recruit now

A gap between workforce skills and business objectives

Our survey found 77% of hiring managers felt there is a significant gap between the skills held by their workforce and those needed to meet their business objectives.

Although soft skills such as leadership (29%), problem solving (26%) and customer service (19%) featured strongly, technical skill sets, including project management (22%) and data analysis (26%) also featured prominently.

Seventy-seven per cent of managers also said it was either very or somewhat likely that a lack of access to workers equipped with the skill sets they need, will restrict growth within their business in the next three years.

More than half of respondents said their organisation didn't offer apprenticeships (54%) or graduate programmes (57%), while even fewer said their business offered more specialised programmes:

- Internal mobility (71% said their business does not offer such programmes)
- Returners (74%)
- International mobility (76%)
- Older workers (77%)
- Ex-military/Armed Forces Covenant (78%)

Despite that, 84% of respondents said such programmes would be either very or somewhat effective. And 49% of managers selected reskilling, upskilling, or training existing employees as being the method they are using within their organisation to tackle skills shortages.



Untapped workforce is looking to return to work

Our survey of 1,000 unemployed adults either actively looking for work, or not actively looking for work but not unemployed due to ill health, suggested there is a large untapped workforce available and looking to return to work.

This is shown by the fact half of those surveyed would consider going back into employment if they could find a job with the flexibility to fit around their current situations.

However, just over a quarter of people (27%) did not feel they have the right skills to be able to enter the workplace. Out of those people, 39% felt they needed greater digital/computer literacy skills, while 22% said they needed more customer service skills.

Aside from salary, 87% selected flexible working as one of their top-three priorities when it came to choosing a new role. Remote and/or home working was selected by 44% of respondents, with pension options coming in third at 19%.

Training and upskilling opportunities also ranked highly as the fourth most important priority.

Unemployed adults feel they lack the right skills

Of those surveyed who are looking for a job, 91% said they were very much or somewhat struggling to find a job, with 79% of those saying they did not think they had either the right skills or the right qualifications to get one.

When it came to which skills people felt they were lacking – with respondents able to select all options that applied to them - data analysis skills (23%) topped the list.

Soft skills such as leadership (20%) and management (19%) also ranked high on the list, but respondents also highlighted a lack of technical skills, including project management (17%) and digital/computer literacy (18%).

Louise Reed believes recruiting talent whose skills and experience might not meet the job specification, but who have the capability to learn and use transferable skills is critical to meet future hiring demands.

She said: "As recruiters it's imperative we lean into this to influence hiring managers and decision makers to change their mindset when considering hiring into their teams.

"Partnering with organisations who offer recruit, train, deploy programmes can bring new, previously untapped talent into your organisation while also attracting a more diverse workforce."

What is the answer?



While there is no doubt skills gaps among current and potential employees present a challenge to businesses, there is a very tangible solution to this problem.

When it comes to attracting hidden talent, every organisation can take advantage of some quick wins.

These include:

- **Enhancing and promoting flexible working policies,** including the use of job adverts offering flexible working, which attract more applicants than adverts where flexibility is not mentioned.
- **Avoiding unnecessary lists of essential requirements** that might discourage returners to the workplace, such as asking for specific or recent work experience.
- **Advertising jobs as suitable for returners,** and offering part-time opportunities where possible.
- **Partner with specialist organisations** who have reach into talent pools where you don't.
- Engage an expert to carry out a **diversity audit** – is your business ready for a more diverse workforce?

What is the recruit, train, deploy programme?

Our recruit, train, deploy solution provides a strategic and proactive model for identifying new talent, building the skills you need, and ensuring employee potential is optimised.

We work closely with you to understand skills gaps and design a bespoke recruit, train, and deploy solution that delivers the skilled talent you require. Where relevant, we will engage with our equality, diversity, inclusion and belonging (EDI&B) partners to develop attraction strategies targeting diverse talent pools, and support individuals in accessing new skills and roles within your organisation.

Recruit:

We deliver targeted attraction and sourcing to find new talent, selected to meet your skills and employee value proposition (EVP) profile. Our streamlined process, recruitment technology, and high-touch recruitment team ensure reduced time to recruit and candidate engagement throughout.

Train:

Our experts design and deliver a tailored and unique training programme to address your specific skills gaps. The programme includes trainee support and mentoring, quality, and progress checks throughout, and a final assessment.



Deploy:

Onboarding and deployment of a skilled and diverse talent pool of 'role-ready' employees. Our deployment programme includes a range of employment options to provide flexibility of resource engagement, with ongoing career and skills development built into the programme, ensuring high levels of candidate engagement. The opportunity to transfer into a permanent role after a defined period of time ensures organisations can meet future talent objectives while providing long-term career pathways for individuals who have been through the programme.

Why would this benefit businesses?

Reed Talent Solutions' recruit, train, deploy model will provide your business with a bespoke skills development programme, and access to new and diverse talent, while empowering you to improve lives through work.

The model is designed to be fully flexible and can be adapted to meet your organisational requirements.

By adopting our recruit, train deploy programme your organisation can:

- **Reduce the skills gap**
- Access **new and diverse** talent
- **Reduce the cost** of talent acquisition, training, and management
- **Increase retention** of talent and skills
- Adopt **flexible deployment options** enabling resources to be engaged when you need them, or to retain skills longer term
- Open up skills and careers to new communities and give back by **improving lives through work**



Reed Talent Solutions



Want to learn how we can help your organisation attract hidden talent and bridge the skills gap?

Find out more here

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