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EWS
Emerging Workforce® Study

2018 Executive Summary

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Study Overview

The Emerging Workforce® Study (EWS) by Spherion Staffing annually examines the issues and trends impacting the American workplace. Conducted by Research Now, it is the only nationally representative survey of both employers and employees. Since 1996, Spherion has interviewed more than 200,000 workers and hundreds of companies to reveal new insights and impacts that employers need to be aware of to make the right decisions for their business and their employees.

2018 EWS: The New American Workforce

This year's study confirms that changes happening in the make-up of the American workforce are here to stay. Temporary, freelance and contract workers comprise almost one-third of U.S. companies' total workforces this year — an increase of more than 90 percent over last year. The new American workforce reflects different attitudes and opinions about how we work. What is the ripple effect from these changes on employers and employees? The impacts are evident across a number of new trends and topics, including:

The Agile Workforce

Top Employer Concerns

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The Agile Workforce

Contingent workforces (those that include contractors, freelancers and/or temporary workers) are on the rise and here to stay. Companies see many benefits of a contingent workforce such as the ability to remain nimble during economic ups and downs (85 percent), the ability to protect their full-time workforce (79 percent) and a higher quality workforce (72 percent). They also see challenges, as outlined in the graphic below. Employees are big proponents of a more flexible work environment, with 41 percent saying they will only work for a company that offers agile employment opportunities.

Companies' Use of Contingent Workers (2009 – 2018)

2009	2012	2014	2015	2016	2017	2018
6.6	8.3	7.4	12	12	15	29

Mean Percentage of Contingent Workers
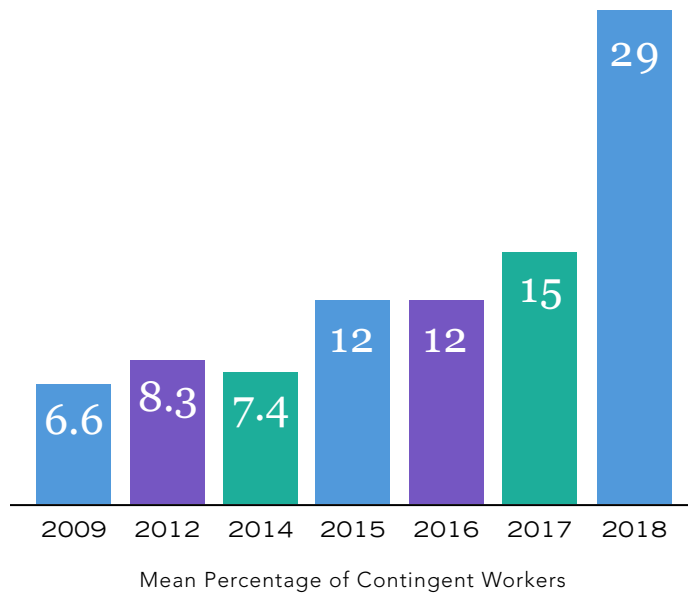
Challenges in Managing Blended Workforces (Permanent and Contract/Temporary/Freelancer)

51% We struggle to find ways to engage our agile workforce because compliance and regulatory requirements hinder us from integrating them fully into our workforce

47% We struggle with having complete insight into the number of agile workers we utilize

47% We struggle with having complete insight into the scope of our contingent labor costs

44% The management of an agile workforce has become too complex

43% We want fewer permanent workers on our payroll due to higher labor costs
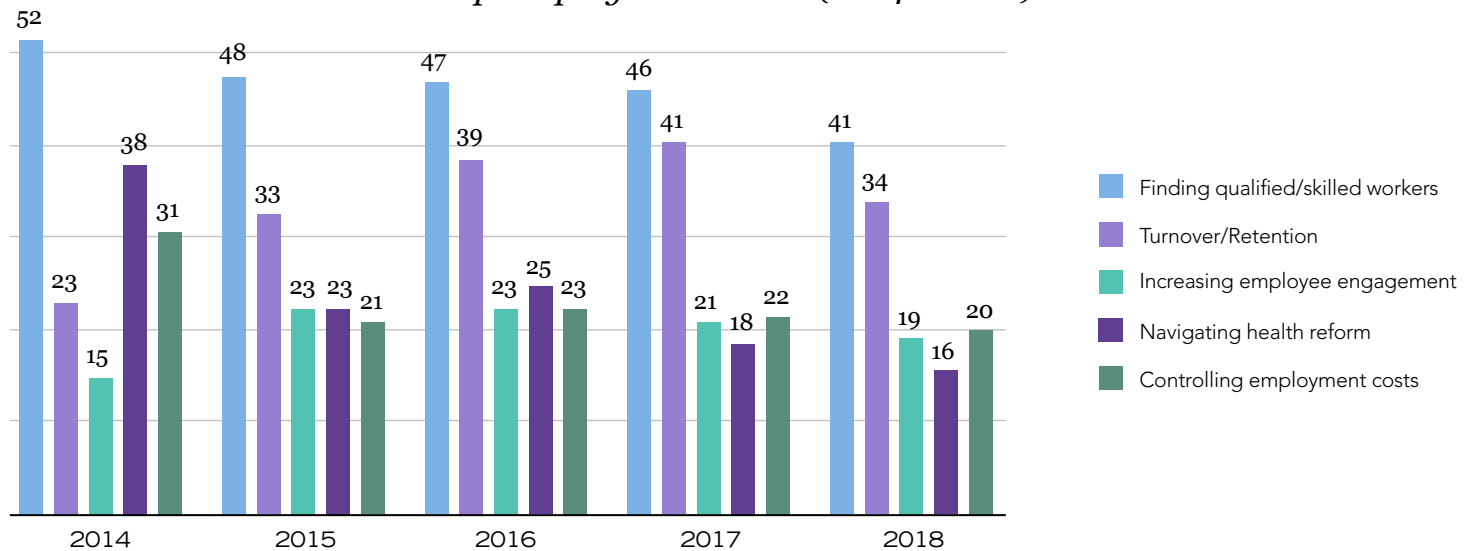
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Workforce Continues to Top Employers' Concerns

For the last five years, employers' top concern has been finding qualified workers with the right skills. Second place for four years in a row goes to turnover and retention issues with more than one-third of employers consistently expressing concern about keeping their workers on the job. Yet, workers aren't feeling the love from employers, and this year's study finds disconnects remain between employers and employees around what drives retention. As unemployment hits an 18-year low, employers are bracing for significant turnover in the midst of growing concerns over controlling employment costs.

Top Employer Concerns (2014 – 2018)

Legend:
- Finding qualified/skilled workers
- Turnover/Retention
- Increasing employee engagement
- Navigating health reform
- Controlling employment costs

Year	Finding qualified/skilled workers	Turnover/Retention	Increasing employee engagement	Navigating health reform	Controlling employment costs
2014	52	23	15	38	31
2015	48	33	23	23	21
2016	47	39	23	25	23
2017	46	41	21	18	22
2018	41	34	19	16	20

Top Retention Drivers and Disconnects

Employers' View	Employees' View
1. Benefits	1. Financial Compensation
2. Supervisor Relationship	2. Benefits
3. Financial Compensation	3. Growth & Earnings Potential
4. Culture & Work Environment	4. Time & Flexibility
5. Management Climate	5. Management Climate
6. Growth & Earnings Potential	6. Culture & Work Environment
7. Training & Development	7. Supervisor Relationship
8. Time & Flexibility	8. Training & Development

Workers Still Don't Feel Their Employers are Putting in the Effort to Retain Them

20% say less

and only

24% say more

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Retention Risks

Significant numbers of employees are planning to jump ship—especially millennials. Dissatisfaction with salary and growth opportunities top the list of why workers want to leave their jobs. For their part, employers are increasing efforts—with the exception of bonuses—to drive up employee retention.

Retention at Risk

24% of workers say they are likely to look for a new job in the next 3 months

33% say they are likely to look for a new job in the next 12 months

48% of **Millennials** are likely to look for a new job in the next 3 months (vs. 25% overall)

56% of **Millennials** are likely to look for a new job in the next 12 months

Why Workers are Looking to Leave 2018 vs. 2017

I am unhappy with my current salary **(37% 2018 vs. 20% 2017)**

I am unhappy with the growth opportunities at my current employer **(31% 2018 vs. 10% 2017)**

I want to work within an office culture better suited to my personality/workstyle **(28% 2018)**

I don't feel valued at my current employer **(28% 2018 vs. 12% 2017)**

I feel my skills are better suited for another position or industry **(27% 2018 vs. 9% 2017)**

Employers' Efforts to Increase Retention

	2017 TOTAL	2018 TOTAL
More training and development programs	70%	73%
Coaching programs	59%	61%
Surveys of employees to see what the top drivers of retention are	54%	56%
Bonuses for top performers to stay	57%	56%

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Talent Shortage & Skills Gap: Causing More Concern Than Ever

Employers report being more worried today about the talent shortage than they were one year ago. They continue to look for employees with strong problem solving skills, interpersonal skills and strategic thinking skills, and these are the very same skills they say their employees most lack. Similarly, employees are increasingly concerned about their lack of skills, citing they feel more unprepared today than in previous years.

Employers Struggle with Talent Shortage

66%
61%
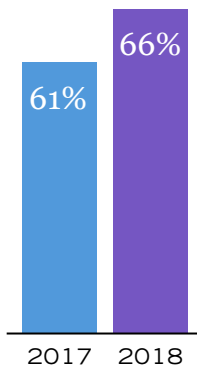
2017   2018

I am more worried about the talent shortage today, as compared to one year ago

More Employees Feel Unprepared or Unequipped with the Skills to Further Their Career in the Future

	2017	2018
I don't feel my current job skills will help me attain a promotion today	37%	41%
I worry a lot about falling behind in acquiring new skills that will be needed in the future	38%	42%
I believe my current job skills fall short of what will be required in future positions	36%	40%
I don't feel like my current employer has trained me adequately enough to keep my skills up-to-date	34%	41%

Top Skills Employers Believe They Will Need From Hires in the Future

	2018
Problem-solving skills	43%
Interpersonal skills	40%
Strategic thinking skills	35%
Team-building skills	25%
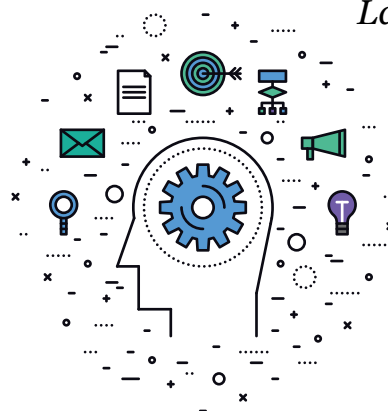
Top Skills Employers Believe Their Current Workers Lack, Nearly Identical to Those They Need

	2018
Interpersonal skills	36%
Problem-solving skills	33%
Strategic thinking skills	33%
Team-building skills	27%

Recruiting 2.0

Potential employees are considering a lot more than salary when thinking about accepting a job offer. Outside of salary, 30 percent of employees say an employer's location and commute have the greatest influence on their decision to work for a company, and 15 percent say it's the person they'll be working for that matters most. This year, employees also report they are increasingly looking for work/life balance, the right culture, values and office environment. A company's online reputation also continues to grow in importance for recruiting workers. Employers must take note of candidates' current and future priorities if they want to overcome the challenges in successfully recruiting the right workers.

Most Challenging Skill Sets to Recruit and Hire in the Next Three Years

|	2018
Technology professionals	24%
Healthcare workers	18%
Manufacturing workers	14%
Engineering workers	14%

What Employees Look For When Considering New Employment

When considering new employment, the experience I have during the hiring process factors heavily into my decision to accept a job or not — **86%**

When considering new employment, the number of programs/benefits a company offers to help me balance work and personal life will determine which job I accept — **85%**

When considering new employment, whether or not I feel a personal connection with the company's culture and values will determine my decision to accept a job or not — **78%**
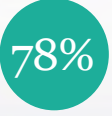
When considering new employment, a company's overall office environment (office space, energy, number of co-workers, etc.) will determine whether I accept a job or not — **75%**

Online Reputation Continues to Grow in Importance for Recruiting Workers

When considering new employment, a company's online reputation will be equally important as the offer I am given — **65%**

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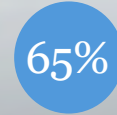
Wages & Compensation

Employees are not happy with their current salary and employers are largely unaware. Much of the unhappiness appears to stem from disconnects during the hiring experience, as shown below. The top three reasons employees say their salary is too low are: 1) they have done research and know their current salary is below average for their position (35 percent), 2) they believe they can find a new job that will pay them more (20 percent) and 3) while some believe their current salary is on par for the industry, they think they should be compensated higher as a top performer (18 percent).
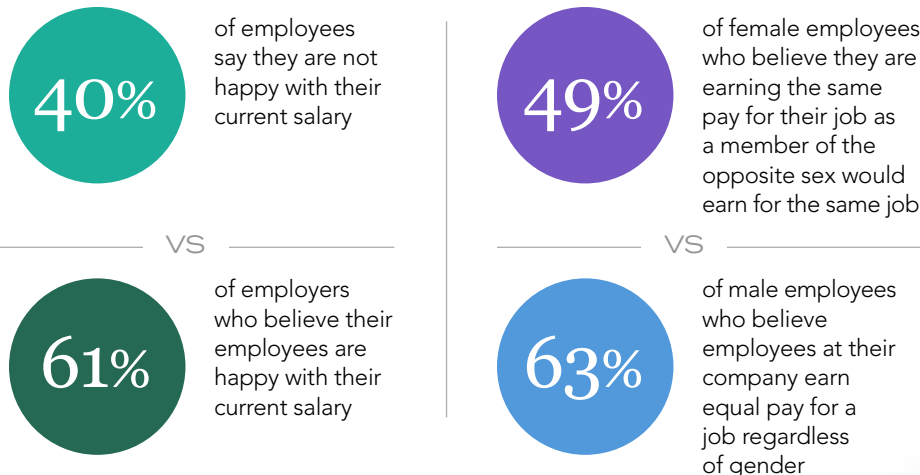
Hiring Expectations vs. Reality

■ 2018

Statement	2018
I was satisfied with my initial compensation, but I expected higher annual increases and/or bonuses than I have received	66%
I was satisfied with my initial compensation, but I expected to advance more than I have	61%
I was dissapointed with the offer I received, but felt there were other positive aspects of the job and company	46%
I had several job offers, but I chose the one with the best salary and benefits	45%
The offer I received was well below my expectations	40%
I was dissapointed with the offer I received and I am still resentful	28%

0 10 20 30 40 50 60 70

Salary Disconnects

40% of employees say they are not happy with their current salary

VS

61% of employers who believe their employees are happy with their current salary

49% of female employees who believe they are earning the same pay for their job as a member of the opposite sex would earn for the same job

VS

63% of male employees who believe employees at their company earn equal pay for a job regardless of gender
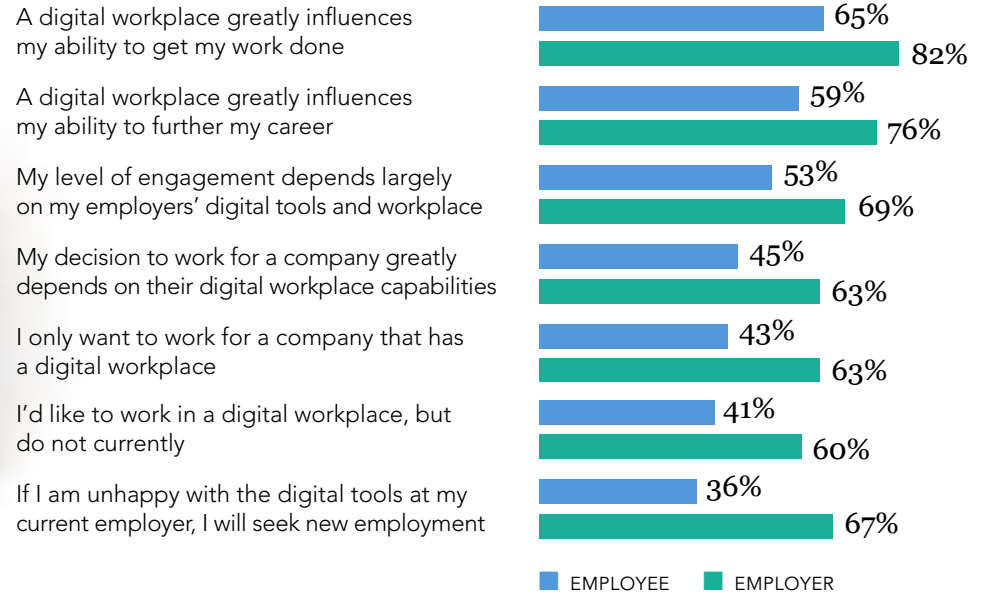
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Technology & Automation

The views on digital workplaces are largely positive with both employees and employers seeing the benefit, however, employers place much more weight on the importance of digital workplaces versus employees, especially when it comes to viewing digital capabilities as an influencer in the hiring process. The topic of automation gets mixed reviews with many seeing the benefits of automation in making their company more productive and the majority believing they can do their job just as – or more – efficiently than a machine. A significant number of both employees and employers believe that automation would make their company less productive.

Views on Digital Workplaces

A digital workplace greatly influences my ability to get my work done
- 65%
- 82%

A digital workplace greatly influences my ability to further my career
- 59%
- 76%

My level of engagement depends largely on my employers' digital tools and workplace
- 53%
- 69%

My decision to work for a company greatly depends on their digital workplace capabilities
- 45%
- 63%

I only want to work for a company that has a digital workplace
- 43%
- 63%

I'd like to work in a digital workplace, but do not currently
- 41%
- 60%

If I am unhappy with the digital tools at my current employer, I will seek new employment
- 36%
- 67%

■ EMPLOYEE   ■ EMPLOYER

Employee and Employer Views on Automation

■ EMPLOYEE 2017
■ EMPLOYER 2017
■ EMPLOYER 2018
■ EMPLOYEE 2018

I understand that automation can improve performance, but our employees/I would rather work with people
- 77 79 82 80

I feel employees/I can do the job just as efficiently as or more efficiently than a machine
- 68 86 75 87

I believe automation will make our company more productive
- 62 52 63 55

I feel that automation will make our company less productive
- 43 48 55 50

I don't believe my job will be eliminated, but it will change due to automation
- 57 58

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Diversity at Work

Contradictions abound in employers' and employees' perspectives on diversity at work. There is a lot of positive perspective but it's not translating into action. Employers increasingly value business benefits from a diverse workplace—even more so than employees. Yet, 43 percent of employers say their company does not see the value of implementing a diversity and inclusion program—a significant increase over last year. Less than half (49 percent) of companies and employees (45 percent) describe their workforce as extremely or very diverse.

Employee Views on Diversity

	2017	2018
My company does not see the value of implementing a diversity and inclusion program	34%	37%
I'm not sure I fully understand what "workplace diversity" means	23%	28%
My company values diversity over qualification when hiring for open positions	44%	47%
I feel comfortable working with any employee regardless of age, gender, ethnicity, religion or sexual orientation	78%	91%

Employer Views on Diversity

My company does not see the value of implementing a diversity and inclusion program

EMPLOYERS
2017
30%

EMPLOYERS
2018
43%

*How Employees and Employers
Rate Their Companies' Diversity Efforts*

	A	B	CDF
Employers 2018	35%	39%	26%
Employees 2018	35%	35%	30%

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Methodology

The 2018 Emerging Workforce Study was conducted online within the United States between February and March 2018 by Research Now Group, Inc., on behalf of Spherion, in two phases. First, among 704 human resource managers, with results weighted as needed to reflect the composition of U.S. companies, based on company revenue. Secondly, among 2,007 employed adults, with results weighted as needed for age, sex, race/ethnicity, education, region and household income to represent the target population. No estimates of theoretical sampling error can be calculated. A full methodology is available.

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