2018 Executive Summary

Emerging Workforce Study

Home
Study Overview
The Agile Workforce
Top Employer Concerns
Retention Risks
Talent Shortage & Skills Gap
Recruiting 2.0
Wages & Compensation
Technology & Automation
Diversity at Work
Methodology
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
- Retention Risks
- Talent Shortage & Skills Gap
- Recruiting 2.0
- Wages & Compensation
- Technology & Automation
- Diversity at Work
- Methodology
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)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mean Percentage of Contingent Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>6.6</td>
</tr>
<tr>
<td>2012</td>
<td>8.3</td>
</tr>
<tr>
<td>2014</td>
<td>7.4</td>
</tr>
<tr>
<td>2015</td>
<td>12</td>
</tr>
<tr>
<td>2016</td>
<td>12</td>
</tr>
<tr>
<td>2017</td>
<td>15</td>
</tr>
<tr>
<td>2018</td>
<td>29</td>
</tr>
</tbody>
</table>

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.
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 Retention Drivers and Disconnects

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem-solving skills</td>
<td>43%</td>
</tr>
<tr>
<td>Interpersonal skills</td>
<td>40%</td>
</tr>
<tr>
<td>Strategic thinking skills</td>
<td>35%</td>
</tr>
<tr>
<td>Team-building skills</td>
<td>25%</td>
</tr>
</tbody>
</table>

Top Skills Employers Believe Their Current Workers Lack, Nearly Identical to Those They Need

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpersonal skills</td>
<td>36%</td>
</tr>
<tr>
<td>Problem-solving skills</td>
<td>33%</td>
</tr>
<tr>
<td>Strategic thinking skills</td>
<td>33%</td>
</tr>
<tr>
<td>Team-building skills</td>
<td>27%</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Skill Set</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology professionals</td>
<td>24%</td>
</tr>
<tr>
<td>Healthcare workers</td>
<td>18%</td>
</tr>
<tr>
<td>Manufacturing workers</td>
<td>14%</td>
</tr>
<tr>
<td>Engineering workers</td>
<td>14%</td>
</tr>
</tbody>
</table>

### 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%)
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](chart)

- 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%)

**Salary Disconnects**

- **40%** of employees say they are not happy with their current salary
- **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
- **63%** of male employees who believe employees at their company earn equal pay for a job regardless of gender
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

A digital workplace greatly influences my ability to further my career

My level of engagement depends largely on my employers’ digital tools and workplace

My decision to work for a company greatly depends on their digital workplace capabilities

I only want to work for a company that has a digital workplace

I’d like to work in a digital workplace, but do not currently

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

**Employee and Employer Views on Automation**

![Employee and Employer Views on Automation](image-url)
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

<table>
<thead>
<tr>
<th>Statement</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company does not see the value of implementing a diversity and inclusion program</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>I’m not sure I fully understand what “workplace diversity” means</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>My company values diversity over qualification when hiring for open positions</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>I feel comfortable working with any employee regardless of age, gender, ethnicity, religion or sexual orientation</td>
<td>78%</td>
<td>91%</td>
</tr>
</tbody>
</table>

### Employer Views on Diversity

<table>
<thead>
<tr>
<th>Statement</th>
<th>2017 EMPLOYERS</th>
<th>2018 EMPLOYERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company does not see the value of implementing a diversity and inclusion program</td>
<td>30%</td>
<td>43%</td>
</tr>
</tbody>
</table>

How Employees and Employers Rate Their Companies’ Diversity Efforts

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 Employers</th>
<th>2018 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers 2018</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Employees 2018</td>
<td>35%</td>
<td>35%</td>
</tr>
</tbody>
</table>
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.