



The Great Realization: Accelerating Trends, Renewed Urgency

A Look at the 2022 Labor Landscape



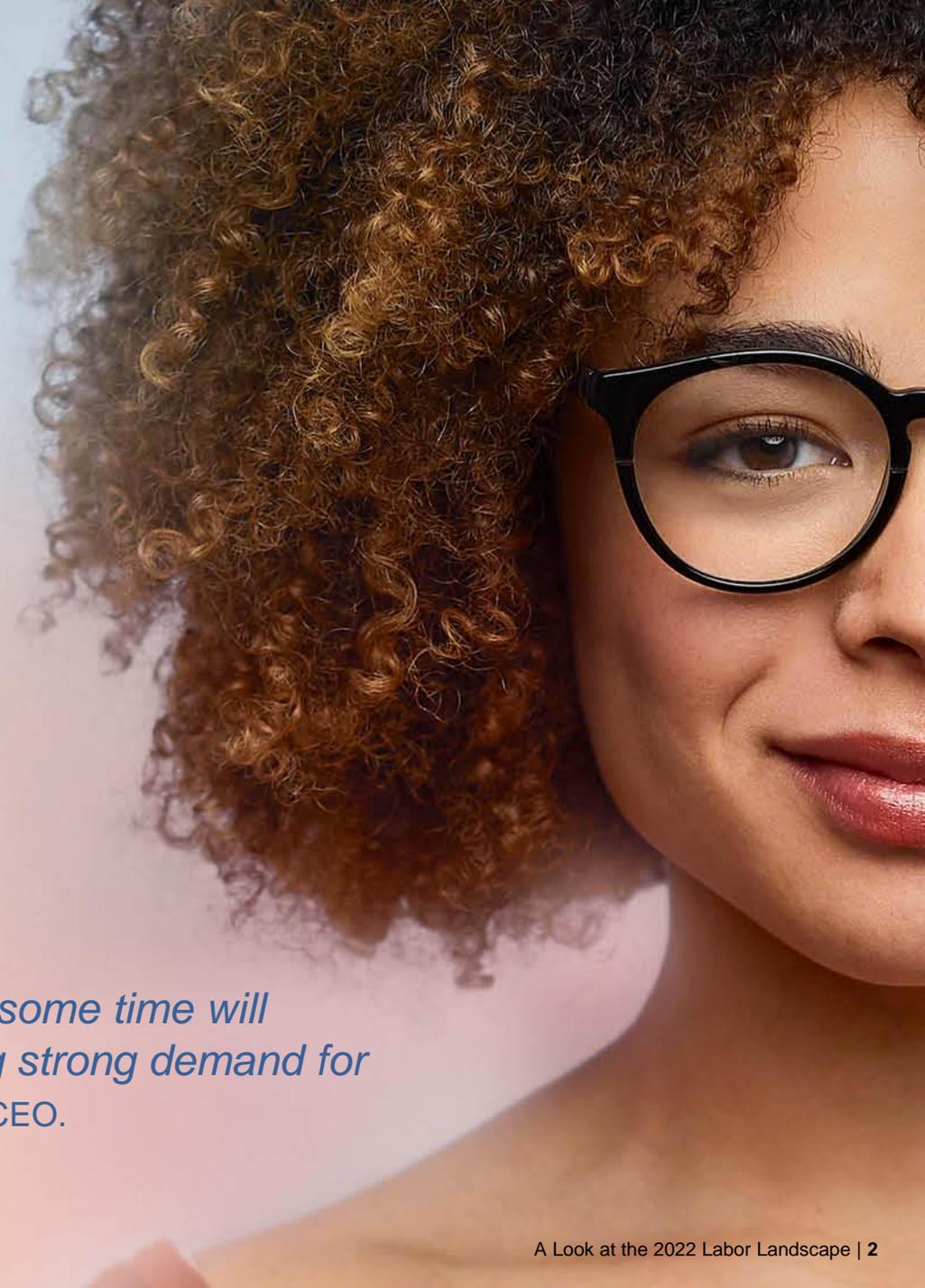
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THE TRENDS DRIVING TRANSFORMATION ARE NOT NEW, BUT NEWLY URGENT

Labor markets are dynamic and change for different reasons: some cyclical, some structural and as we have seen most recently, also as a result of the pandemic. We think most of the pandemic-related anomalies are transitory, but timing of a new normal is uncertain.

- **This recovery is unlike any we have ever seen** - demand for skills is at record highs in many markets with unemployment levels still high while workforce participation stagnates.
- **Uneven economic growth continues** with some markets recovering well while others lag, hampered by Covid variants, vaccination rates and challenges to a previously hyper efficient supply chain.
- **Experimentation with new work models is widespread**, as hybrid and remote work (formerly 'telecommuting'), increase flexibility and will continue to do so into 2022.
- **Employers continue to seek flexible and strategic workforce solutions** to meet the strong demand for their goods and services today and for long-term sustainable value creation.

“The post-pandemic hiring recovery that has been underway for some time will continue to carry momentum into 2022 with employers predicting strong demand for talent across key sectors,” - Jonas Prising, ManpowerGroup Chairman & CEO.



The Great Realization:

ACCELERATING TRENDS, RENEWED URGENCY





What Workers Want

from Surviving to Thriving at Work



81% expect training programs from their employers to help keep skills up to date.

People Power is on the Up

People want employers to offer more – to prioritize wellbeing and purpose, while providing hygiene factors including flexibility, competitive pay, good working conditions and skills development.

Many also expect a stronger stance on socio-economic issues too – shared values matter.

Source: 2021 Edelman Trust Barometer: The Belief Driven Employee

TREND #1



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THE REINVENTION OF WORK BY WORKERS – FLEXIBILITY, LOCATION & PURPOSE

Individual choice will be in the reach of the many – not just the few. People from all roles – from the production line to the home office - will demand flexibility, fair wages, and more autonomy as a norm, redefining “essential” for work and for workers.

A heightened focus on a values-driven agenda, empathetic leaders and a culture of trust will become a net positive for attracting and retaining talent and engaging remote teams. The employee value proposition will take precedence.

TOP 3 MOST IMPORTANT WORK FLEXIBILITY FACTORS:

- Ability to choose start and end times (45%)
- More vacation days (36%)
- Having fully flexible workplace options (35%)

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021



49% of workers would move to an organization for better wellbeing.

Source: Mercer Global Talent Trends 2020-21



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MENTAL FITNESS PRIORITIZED - PREVENTION WILL BE BETTER THAN THE CURE

Mental fitness will be increasingly prioritized, expanding traditional health and safety exponentially. A mass movement to break the stigma of silence will require employers to be explicit about their increased duty of care-protecting mental health as well as wealth, employability and wellbeing.

Expect growing calls to action on ways to prevent burnout, build resilience and boost mental fitness.



3 in 10 workers want more mental health days to prevent burnout.

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021





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THE DECOUPLING OF WORK AND HOME CONTINUES

Hybrid work models and untethered work are more in demand than ever as people are intent on retaining the pandemic's silver lining and reshaping their own new world of work: balancing home and work, valuing flexibility, interaction, collaboration and human connection in a way that works for them.

The hybrid paradox will continue while we practice and perfect flexibility that works for all. CHROs face the next great challenge as they reimagine hiring, onboarding and employee wellbeing for the new digital world of work.



4 in 10 want to be able to choose which days they work remote and have the flexibility to change those days each week.

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021

TREND #4

3 in 4 workers want to feel motivated and passionate about their work.

7 in 10 believe the work they do is important to their organization and want to be recognized for their contributions by management.



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CULTURE MATTERS-THE ATTRACTION AND RETENTION TOOL THAT EATS STRATEGY FOR BREAKFAST

The heightened focus on reshaping company culture to build trust, retain remote teams and energize the employee experience will call for an Employee Value Proposition that brings a sense of purpose and wellbeing plus empathetic leadership for a digital world.

In this era of talent scarcity, best employers will realize firsthand: without investing in and evolving company culture, they will struggle to execute their strategy and need to prepare to lose talent to companies that will.

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021



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THE RISE OF VOICE AND ACTIVISM

Louder demands for raising wages, flexible working, broader benefits and climate action are being galvanized via social media, with or without trade unions. 2021 saw workers stand up, speak up and walk out across industries.

Employees and customers want to spend their time and money with organizations that act as stakeholders: global citizens, pillars of the community and environmental stewards.

64% of employees **want their daily work to help better society.**

2 in 3 workers **want to work for organizations with similar values to their own.**



Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021



Talent Scarcity

From Pledges to Progress



69% of employers cannot find the skills that they need – a 15 year high.

Whoever Holds the Talent Holds the Future

Shifting demographics including shrinking birth rates, reduced mobility across borders and the rise in early retirees means talent is scarce.

Now is the time to get even more creative attracting, upskilling, reskilling and retaining valued workers.

Source: ManpowerGroup Talent Shortage Survey 2021



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SKILLS SCARCITY IS DRIVING EMPLOYER CREATIVITY

The skills revolution is in full force. Record talent shortages, rising wages and the race to reskill means labor markets are in flux.

Reskilling and upskilling will become non-negotiable for individuals and organizations as roles continue to require more skills than before, with both tech and human capabilities most in demand.

Employers will become increasingly creative and master the art of flexibility – to attract, retain and upskill.

58% of all employees will need new skills to get their jobs done.

Source: [Gartner](#)



Over 30% of companies plan to increase wages in order to attract and retain talent.

1 in 5 employers plan to offer more benefits such as additional vacation time.

Source: ManpowerGroup Employment Outlook Survey, Q4 2021



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THE END OF THE GENERATIONAL ERA NO MORE BOOMER, MILLENNIALS OR GEN Z?

People of all ages will demand even more personalization and resent being boxed, labelled and pitched against one another.

Younger workers are set to swell the workforce and as inflation rises and savings dwindle, the pandemic-exiteers will likely return to drive the gig work boom across generational lines.



**People under 35 will make up 75%
of the workforce by 2030.**

Source: Deloitte



TREND #8



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FROM SHE-CESSION TO SHE-COVERY

Closing the gender gap has hit the brakes with women leaving the workforce at alarming rates.

Mass exoduses from sectors typically dominated by women - education, health and hospitality – coincide with growth in tech, logistics and sales where women are under-represented.

As women are increasingly getting more college degrees, producing more valedictorians and higher GPAs than men in STEM, it will be the employers who provide choice, flexibility and performance-over-presenteeism that will attract and keep the best and brightest, all while driving the skills and growth agenda.

51% of women are less optimistic about their career prospects than before the pandemic, with **57%** saying they plan to leave their current job within two years.



Source: [Deloitte Women @ Work Global Outlook 2021](#)



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DIVERSITY, EQUITY, INCLUSION AND BELONGING PROGRESS, NOT PLEDGES

Continued polarization along lines of politics, race, identity and age means organizations will increasingly be asked to take positions on social issues.

All stakeholders – investors, regulators, customers and employees – will expect even more transparency around progress, not just pledges, and will be held to account.

Organizations will need to visibly action diversity, equity, inclusion and belonging so everyone is able to benefit from economic recovery, tech advancements and climate justice.



Over 30% of companies already deploy d&i training programs.

1 in 5 plan to deploy them over the next six months.

Source: ManpowerGroup Employment Outlook Survey, Q4 2021



Nearly **1 in 4** workers are looking for employers who provide benefits such as parental and caregiving leave.

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021



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SENSE AND SENSIBILITY: THE FUTURE OF WORK MUST WORK FOR FAMILIES

Rethinking the future of work needs to be as much about family and care as it is about tech, robotics and machine learning.

Employers who provide caregivers (across all genders) with choice-flexibility and performance over presenteeism-will attract and keep the best and brightest.



Tech Accelerates

From Digitization to Digital Adoption

More than **80%**
of employers
have accelerated
digitization in
response to
COVID-19.

The Tech Revolution has Gathered Incredible Pace

Investment in digitization accelerated as a result of the pandemic, and consumers and employees alike expect it to make the way they live and work easier.

There is new urgency for organizations to upskill their people so they can translate data into insights, make data-driven decisions and combine the best of human and machine learning for new value creation.

Source: World Economic Forum Future of Jobs Report



HUMAN VS. ROBOT – HYPERCONNECTING HUMAN STRENGTHS

As every aspect of life becomes more tech enabled, we must strengthen the connection people have with work and colleagues for improved productivity and creativity.

Machine learning and workforce data will enable prediction of potential performance, matching of individuals to ideal opportunities and will help people know themselves better than they ever did.

Intelligent machines and AI will enable people to specialize in human strengths – in empathy and honesty, judgement and creativity, coaching, compassion and more.



1 in 3 organizations plan to invest more in AI technology including machine learning over the next year.

Source: [ManpowerGroup Employment Outlook Survey, Q1 2022](#)





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CLOSING THE CHASM – FROM DIGITIZATION TO ADOPTION AT SPEED

Advanced technologies are increasingly impacting how companies transform business models, enhance customer and employee experiences and become more data-driven. But investing in and even deploying technology and innovation is the easy part. Digital-led transformation alone is no differentiator.

Human capabilities and having the right culture enterprise-wide to execute are key to tech adoption, speedy ROI and continuous transformation. All essential to lead to new value creation opportunities.

1 in 5 organizations globally are having trouble finding skilled tech talent including, **IT project managers, software developers, cybersecurity analysts and AI and machine learning specialists.**



Source: [ManpowerGroup Employment Outlook Survey, Q1 2022](#)

TREND #13



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NEW DAWN OF SUSTAINABLE TECH

Using technology to reduce emissions, transform supply chains and nudge behavior. As tech giants compete to be the first to open up the metaverse the blending of the digital and physical worlds will emerge as one of the most important new trends, creating new opportunities to reimagine hybrid meeting and working with less environmental impact.

1 in 3 organizations plan to build out internal capabilities in e-commerce and digital trade platforms, big data analytics, cloud computing and IoT.



Source: [ManpowerGroup Employment Outlook Survey, Q1 2022](#)

TREND #14



Despite increased investment in AI technologies across industries, **1 in 5** organizations cannot find enough AI and machine learning specialists for roles that require these skills.

Source: ManpowerGroup Employment Outlook Survey, Q1 2022



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USING AI TO INCREASE DIVERSITY AND REDUCE INEQUITIES

An increase in understanding of neurodiversity means artificial intelligence must have in-built benevolence filter in diverse talent, not filter out the atypical. Organizations will recognize value of the machine learning match and predictive performance so we can help people know themselves better than they know themselves, charting a pathway of employability, equity and increasing prosperity.



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WIN-WIN = WHEN WAGE GAINS ARE PAID FOR BY PRODUCTIVITY GROWTH

Organizations seek to balance higher wages with productivity growth. And policy makers prefer this dynamic because there are no current or latent inflationary pressures as the potential of the economy expands. Technology will unlock producing more with existing inputs or producing the same with fewer inputs.

IT (23%) and Manufacturing (21%) roles will see the most significant headcount changes due to more tech investments.



Source: [ManpowerGroup Employment Outlook Survey, Q1 2022](#)



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SMART PEOPLE ANALYTICS WILL ENABLE DATA-FIRST DECISIONS

Providing a seamless and scalable digital experience for employees will require changes in technology infrastructure, management practices and employee and customer engagement models. Workforce and talent data/analytics will be front and center in leveraging data and analytics to identify match for a role and predict potential performance. Employers will have even more data to manage and draw insight from as increased employee led data sharing and aggregation from data lakes accelerates.

Source: Harvard Business Review, Ace the Assessment

76% of organizations with more than **100 employees** rely on assessment tools such as aptitude and personality tests for external hiring.





Companies Reset

From Reactive to Proactive Strategic Workforce Management



83% of organizations believe they need greater speed and agility to cope with change.

Companies Reset

Companies are becoming increasingly sophisticated, transforming and seeking nimbler operating models, more resilient supply chains, greener and more consolidated partners and solutions in response to heated competition, unpredictability and greater transparency.

Source: [Orange Business Services](#)

TREND #17



Companies Reset | What Workers Want | Talent Scarcity | Tech Accelerates

FROM NET ZERO TO NET POSITIVE

Transparency around ESG, the rise of stakeholder capitalism and the convergence of standards and reporting is creating greater urgency for companies to take the lead.

Regulations around climate action and commitments to Net Zero emissions are increasingly common, though the next frontier will be S – a companies' social impact.

2 in 3 organizations report ESG as a crucial focus for their organization.



6 in 10 companies are tying ESG goals to their purpose.

Source: Mercer Global Talent Trends 2020-21





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OPTIMIZING WORKFORCE VIA STRATEGIC TALENT MANAGEMENT

New, nimble operating models and people practices will emerge to respond to transformations in the market – from digital technologies to changing consumer preferences.

The ability to turn data into meaningful insights will be critical to manage human capital risks, including the responsible integration of gig, freelance and contract workers.

Vendor consolidation and resiliency will be at a premium to mitigate uncertainty and manage workforce risk.



68% of companies cite "**consolidation of staffing suppliers**" as a **workforce management strategy currently in place in their organization.**

Source: Staffing Industry Analysts (SIA) [2020 Workforce Solutions Buyer Survey](#)



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BUSINESSES EMERGE AS MOST TRUSTED

Employers become most trusted source of information-above government and media. Embracing a values driven agenda becomes a net positive for attracting and retaining talent.

Employees increasingly demanding “Empathetic” action with expectations from all sides of the political spectrum that CEOs will lead the way. The role of business will continue to broaden into areas from advocating for racial equity to championing vaccination and voting rights.

7 in 10 workers say having **leaders that they can trust and follow is important to them.**



2 in 3 want to work for organizations whose **values are the same as theirs.**

Source: ManpowerGroup What Makes Workers Thrive Survey, December 2021



NEW DEFINITION OF RISK AND RESILIENCY

Supply chain fragility, exacerbated by climate, consumer demand and shortages of skills is reprioritizing risk.

Mono suppliers and vertical supply chains are out, circular, networked, regional, resilient, and sustainable are in.

Supply chain resilience and vendor consolidation will be at a premium to mitigate uncertainty and manage risk.



Over half of organizations are currently assessing their extended supply chains (e.g. third parties, sub-contractors) in order to reduce risks, nearly **40%** plan to do so in the next two years.

Source: [Orange Business Services](#)

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