

Market Burst

Top trends in talent

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June 2022

Realising the potential of Gen Zers

Generation Z is expected to make up one third of our workforce in ten years. By 2040, they will hold influential leadership positions in organisations across the globe. A recent study by SHL and the Adecco Group explains which skills are unique to Gen Zers and will be an asset in defining the future of work.

The graduates surveyed performed exceptionally well in deductive reasoning, exceeding the expected results by [22%](#). In today's fast-paced world of work, where information is often incomplete, Gen Zers excel at critical thinking, reading between the lines and drawing logical conclusions. They also have plenty of behavioural skills to back up this intellectual capability, showing strength in formulating strategies and concepts. This places younger generations in a strong position to grow into leaders who can solve problems quickly and plan for future challenges.

Importantly, some of the drivers motivating Generation Z include personal growth opportunities and work environments with high ethical and quality standards. Nearly [3 in 10](#) young workers recently surveyed by Deloitte pointed to learning and development opportunities as a top reason to work for their current organisation. For [23%](#), most important are positive workplace cultures and opportunities to grow in their current role or move into a leadership position.

A big question is how organisations can support developing the full potential of younger generations. One approach is to introduce a range of diverse entry-level programmes, providing opportunities to take ownership of business-related projects while mentored by senior colleagues. Firms need to design ongoing development options to ensure continued exposure to varied and stimulating tasks. Another thing is to highlight company values, goals, objectives, and norms to help Gen Zers understand organisational culture and how they fit.



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Nearly 170 start-ups have conducted layoffs since the beginning of 2022

Recent hiring slowdown in the IT sector

As inflation and interest rates continue to rise across the globe, start-ups and big tech companies prepare for what might be an impending economic downturn. The tech sector flourished during COVID-19 as the world turned to e-commerce, streaming services, and remote work, but now, in 2022, consumers are going back to their analogue ways and digital companies are having a hard time. [Netflix](#) lost 200,000 subscribers in the first quarter of 2022 and laid off 150 employees. [PayPal and Bolt](#), among others, have also decided to cut their full-time workforce. In addition, nearly 170 [start-ups](#) have conducted layoffs since the beginning of 2022.

While some companies are cutting their workforce, others are slowing hiring. In an internal memo, Facebook's parent company [Meta](#) announced that it has decided to pause hiring across its engineering operations for the rest of 2022, listing industry downturn, data-privacy changes, and the Russian invasion of Ukraine as the main reasons.

What do layoffs and slowdowns mean for the job market? The IT job market has been fairing exceptionally well, with new hires rapidly growing and unemployment rates within the sector [dropping from 2 to 1.7%](#). Even though the latest troubles may generate anxiety about the future, market experts suggest this pause should be shortly followed by yet another expansion. Another thing to remember is that the recently laid-off tech workers will now be up for grabs by firms in other industries that are struggling to find IT talent.

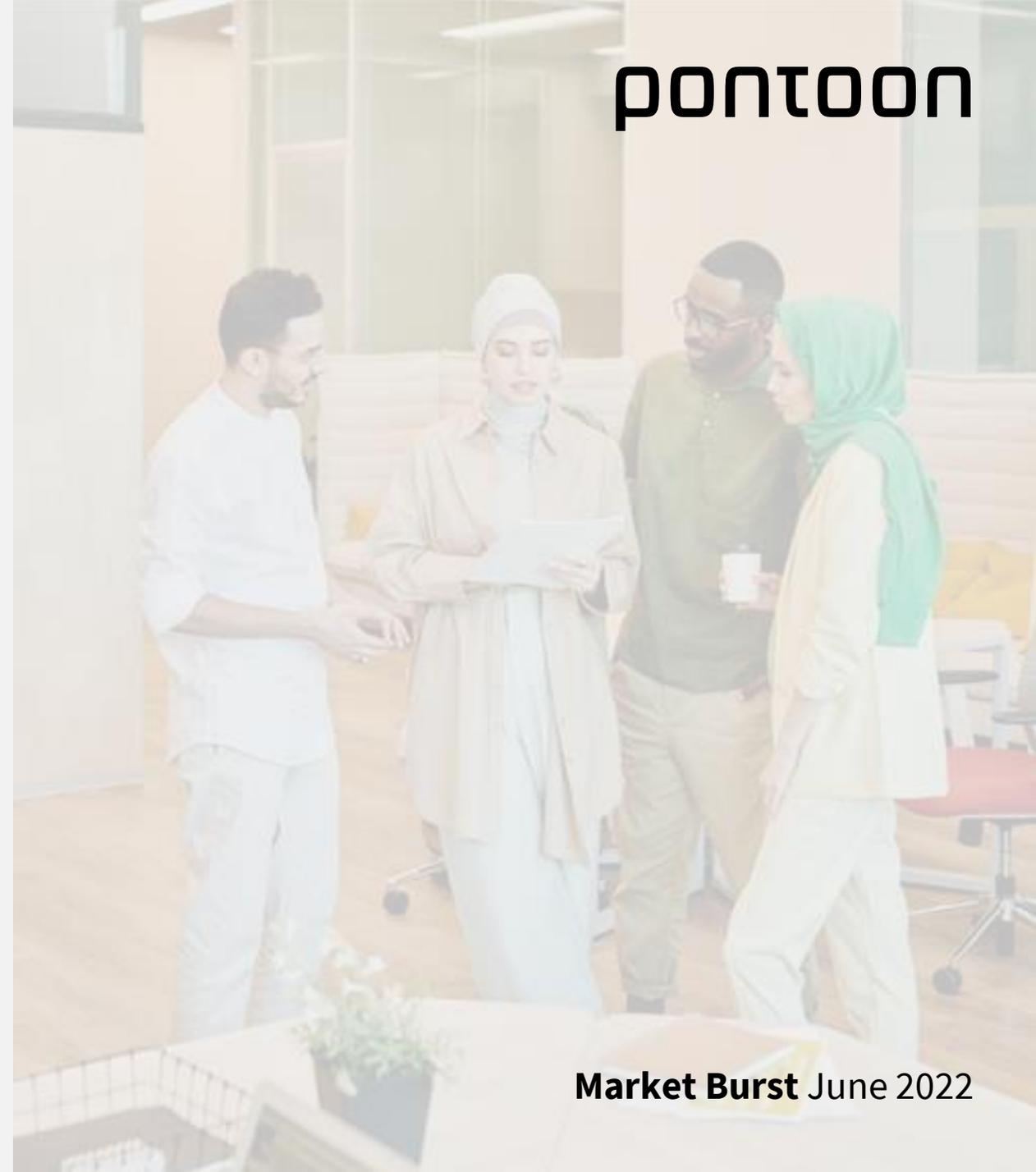
Inclusive hiring approaches

Working in diverse companies is a priority for many employees, and enabling an inclusive environment starts with recruitment. Nearly [8 in 10](#) job seekers report that a diverse workforce is essential when evaluating new opportunities and job offers. [Almost one third](#) say they would not apply to a job at a company lacking diversity within its employee base.

In a recent report, talent platform Findem asked HR leaders how they plan to enhance the hiring process in the future. [57%](#) of respondents said driving a more diverse pool was at the top of their list. [Almost 3 in 10](#) mentioned also eliminating bias which has become a huge driver of DE&I initiatives in the current market.

Outdated hiring practices and unconscious biases can make it difficult for companies to find diverse talent. Blind recruitment can provide one solution. The concept relies on blocking personal information from the application, leaving only details regarding candidates' qualifications and experience. This reduces the likelihood of gender or race discrimination and gives talent a better chance to secure a position based solely on their fit for the job.

Many of the new HR tools are also helping hirers enhance diversity. Recruiters can use tech for an AI-assisted search across the open web to find candidates from broader, untapped talent pools. Some platforms provide profile masking features to eliminate bias during selection, while others check job ads for discriminatory language.



Identifying and closing skill gaps

While experts agree that closing skill gaps is an excellent way to future-proof a business, everyday reality of workers shows that there is still a lot to be done in terms of upskilling. PwC's Global Workforce Hopes and Fears Survey 2022 revealed that [60%](#) of employees do not see any upskilling initiatives at their company. [7 in 10](#) say their employer is not making any technological investments to enhance or automate the workflow.

So how to get the ball rolling? It all starts with a thorough assessment of employees' skills. Firms need a comprehensive skill taxonomy to understand their talent's strengths and weaknesses. Supported by advanced analytics that can help identify high-demand skills emerging on the job market, companies can pinpoint areas where upskilling is necessary. This deep understanding supports purposeful training and allows for compelling career development plans, resulting in a [50% increase](#) in employee engagement.

[ING Bank](#) is one example of a company that used this approach. The firm identified the "big six" capabilities that they felt were needed to stay relevant in the changing market, including customer experience, data fluency, and cybersecurity. The capabilities identified now steer the bank's talent management efforts. ING also upgraded their "talent fluidity matching" platform, where teams and individuals can interact and link their skills with available development opportunities.

Superteams – a strategy for retaining top talent

With the Great Resignation still going strong, it's not surprising that [83%](#) of business leaders fear they might lose valuable talent. Just increasing pay isn't enough to retain workers – a recent survey by PwC shows that meaning also matters to employees. Nearly [7 in 10](#) respondents said that one of the most important factors when considering an employment change is finding the job fulfilling. Additionally, [60%](#) admitted that they want a role that offers creativity and allows innovation. Top talent wants to take on new and exciting challenges and organisations falling short of these expectations run the risk of their best people looking for employment elsewhere.

One relatively recent phenomenon that can potentially cause a stir in this area are [superteams](#) - groups of people and intelligent machines cooperating to redesign work in a human-centred way. Experts claim that when technology automates parts of jobs the work that remains for humans becomes more insight-focused and experience-oriented. This is why working as part of superteams may appeal to employees who want to acquire new skills, create knowledge, and collaborate across business units, thus giving them a good reason to stay and develop within the current organisation.