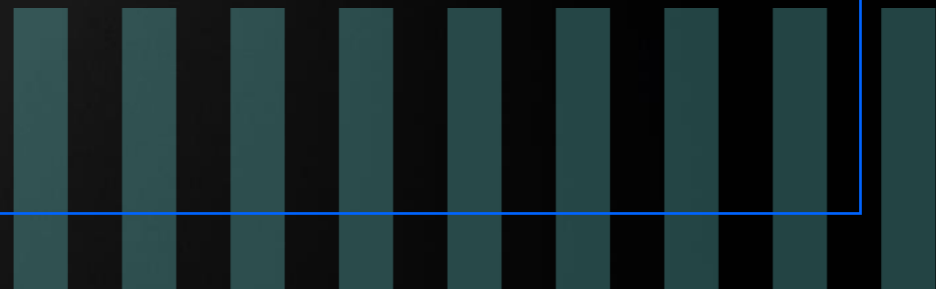


# Pontoon Perspective



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November 2023



## EXECUTIVE SUMMARY

In an ever-evolving business landscape, it is imperative for organisations to stay ahead by adapting to emerging trends and prioritising areas of growth.

In the last three years, companies worldwide have grappled with a myriad of complex challenges and uncertainties. The global business landscape has been profoundly shaped by the COVID-19 pandemic, leading to disruptions in supply chains, changes in consumer behaviour, and the need for rapid adaptation to remote work.

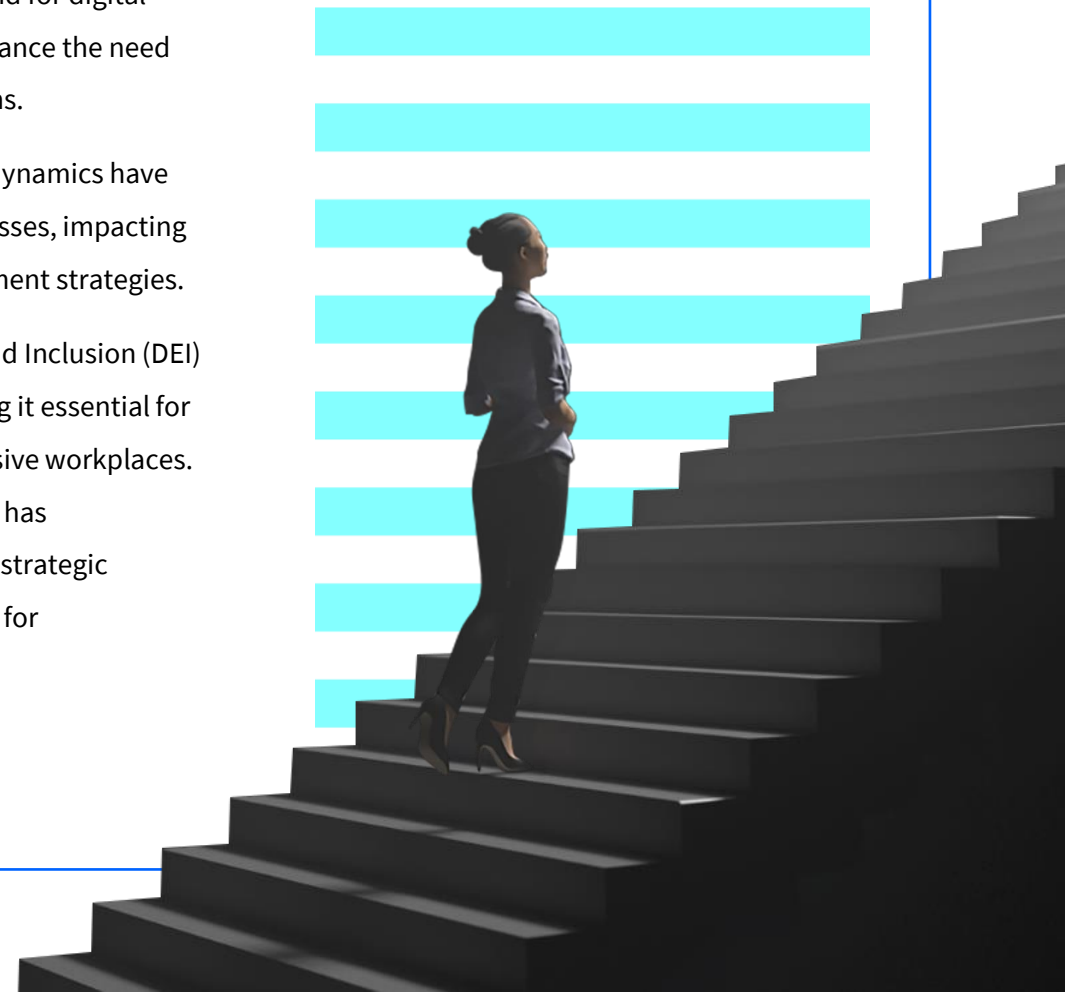
Economic volatility and recessionary trends have also added to the pressure, forcing organisations to navigate unpredictable financial terrains. The rapid advancement

of technologies has intensified the demand for digital transformation, leaving companies to balance the need for innovation with cybersecurity concerns.

Talent shortages and shifting workforce dynamics have also placed additional burdens on businesses, impacting hiring, retention, and employee development strategies.

Moreover, the call for Diversity, Equity, and Inclusion (DEI) initiatives has gained prominence, making it essential for companies to prioritise diverse and inclusive workplaces. Navigating these multifaceted challenges has necessitated adaptability, resilience, and strategic foresight as companies continue to strive for sustainability and growth.

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To provide organisations with a deeper understanding of the current market dynamics and enhance their workforce optimisation strategies, we conducted a comprehensive analysis of data within our Pontoon client portfolio. The findings revealed several key trends and actionable insights, which can serve as valuable takeaways for businesses looking to make informed decisions and drive positive changes in their operations. These takeaways include:

### **FUTURE OF SKILLS**

The rapid advancement of technology and the digital transformation of industries require a proactive approach to upskilling and reskilling the workforce. Investing in employees' technical and soft skills is critical to staying competitive. Insights in this area suggest the importance of developing strategies for continuous learning with a focus on fostering adaptability, emotional intelligence, and problem-solving capabilities to drive innovation and collaboration at all levels of the organisation.

### **EFFICIENCY IN HIRING**

Attracting and retaining top talent remains a persistent challenge for businesses across sectors. Efficiencies in hiring underscore the significance of data-driven recruitment processes to streamline hiring while improving accuracy. Implementing inclusive hiring practices and embracing remote and flexible work arrangements can also help organisations broaden their talent pool and ensure diversity in the workforce. Additionally, fostering a strategic approach to employee development is vital for overcoming the intense competition for skilled professionals.

### **DIVERSITY, EQUITY AND INCLUSION (DEI)**

DEI has become a paramount focus area, driven by societal expectations and regulatory changes. Insights in DEI reveal the need for dedicated leadership to drive initiatives effectively. Prioritising ongoing training and education on unconscious bias and inclusive leadership are essential for creating a culture of understanding and belonging. Companies should also focus on data transparency and measurement of DEI metrics to assess progress and accountability. By embracing unbiased hiring practices, diverse leadership representation, and inclusive corporate culture, organisations can promote DEI within their workforce.

**The future of skills, efficiencies in hiring, and DEI are intertwined elements that will define a company's success.** By investing in developing technical and soft skills, enhancing hiring efficiencies through data-driven practices, and prioritising DEI initiatives, **firms can position themselves as forward-thinking, inclusive, and competitive organisations.** These insights should guide companies in making informed decisions and taking proactive steps to secure a successful future.



# The Future of Skills in a Shifting Hiring Landscape

The hiring market is in a state of flux, with softening demand for certain roles juxtaposed against a persistent and escalating demand for roles with skills in technology. To navigate this evolving landscape, understanding the future of skills is crucial.

The intersection of these two trends sheds light on the pivotal role that skills will play in the workforce of tomorrow. To better appreciate how these factors have influenced the evolution of skills, we analysed the requirements of our client portfolio over the last eight quarters.

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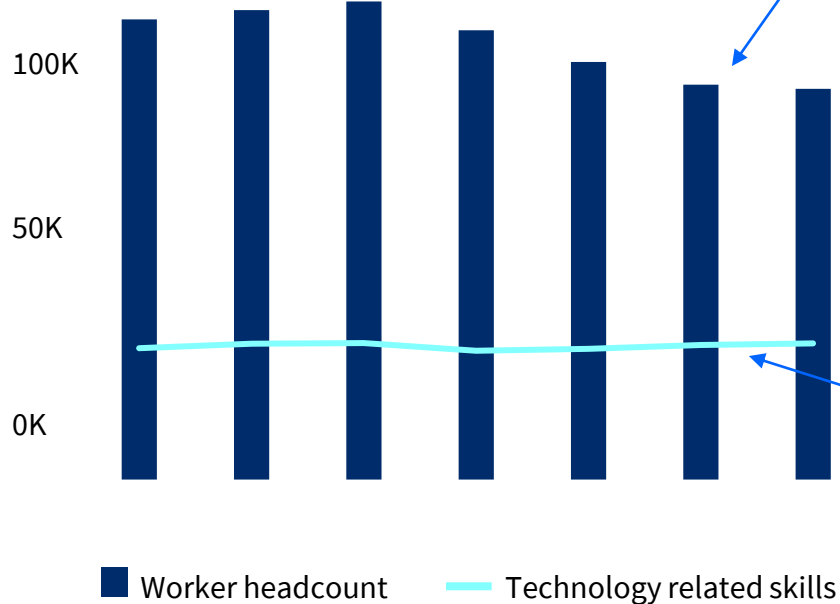
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## The Future of Skills in a Shifting Hiring Landscape

As the graph demonstrates, while the overall hiring market shows signs of softening, the demand for tech-related skills remains consistent. This disparity highlights the shifting dynamics in the job market, with technology playing a central role in shaping job opportunities and career trajectories.

Pontoon Client Data



### Softening Hiring Market


Global economic uncertainties and the impact of events like the COVID-19 pandemic have prompted some companies to exercise caution in their hiring efforts. This softening can affect traditional roles in industries that have experienced disruption or contraction.

### Demand For Technology Related Skills

Conversely, the demand for technology-related skills shows no signs of abating. The digital transformation of businesses and the increasing reliance on technology across sectors drive the need for professionals with technology-related skills. Digital literacy has established itself as a required fundamental skill, as has proficiency in using digital tools and technologies across industries. Specific tech skills, such as coding, data analysis, cloud computing, and cybersecurity, are experiencing a surge in demand. With the proliferation of data in various industries, understanding, interpreting, and making decisions based on data will be critical. Data literacy, including data interpretation, visualisation, and machine learning skills, will extend beyond data analysts to many roles.

## Our Perspective

Job seekers must continue to develop skills to remain competitive. Soft skills like adaptability, emotional intelligence, and resilience are becoming increasingly valuable alongside technical expertise. Digital literacy and the ability to work in virtual environments are also essential. On the other hand, employers must identify the critical skills required for their organisations to thrive, emphasising upskilling and reskilling is vital to ensuring the existing workforce can meet the evolving demands of technology and business operations. The future of skills is pivotal in this dichotomous hiring landscape. It underscores the importance of individuals staying adaptable and continually acquiring new abilities. Employers must align their hiring strategies with the demand for technology skills and be proactive in supporting their workforce's development. Ultimately, skills will remain at the forefront of both personal and organisational success in a world where the hiring market fluctuates, and technology plays an ever-expanding role in shaping the workforce.



# Unlocking Success: The Imperative of Efficiency in Hiring

The dynamic nature of markets, technology, and workforce demands has driven a shift in hiring, promising to boost the efficiency of talent acquisition beyond traditional methods.

Understanding trends is equally crucial for businesses seeking to attract, retain, and secure the right talent expeditiously and can be the defining factor in an organisation's market position.

To uncover hiring patterns and resulting trends, we conducted a comprehensive review of our client portfolio over the last two years, underlining the essential role that the data, technology, and workforce solution partners play in today's hiring landscape.

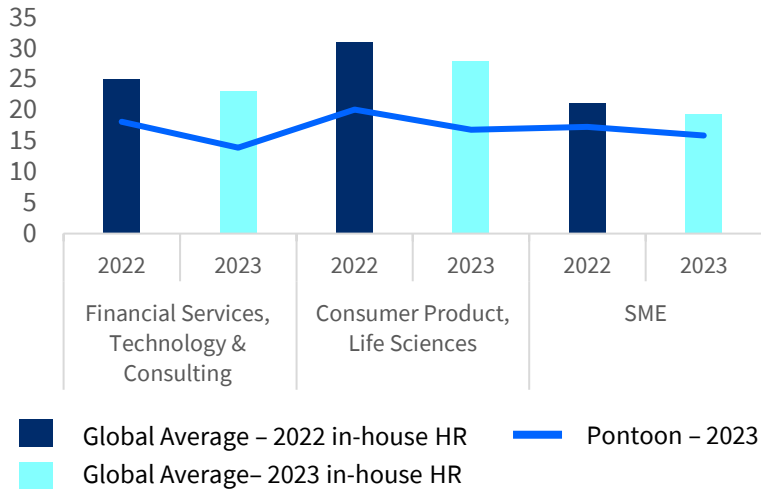
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# Unlocking Success: The Imperative of Efficiency in Hiring

Time to Fill (days)  
Job Submission to Job Offer

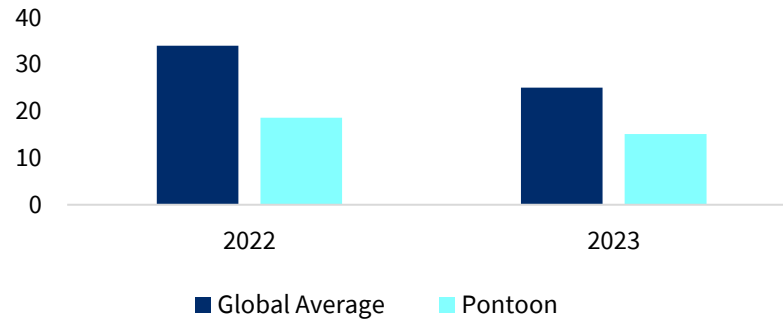


So far, in 2023, we're seeing a consistent improvement in reducing time to fill across our client base, whether through in-house hiring or the Pontoon partnership. This suggests that reduction strategies were applied uniformly across these different hiring approaches.

However, when comparing time to fill through the Pontoon partnership against the global average for in-house HR, we see a faster fill rate through Pontoon at 34% in 2023.

**The financial implications of a prolonged hiring process are substantial. Extended job vacancies result in lost productivity and necessitate investments in temporary staff or overtime for existing employees.**

Negative Attrition



Globally, negative attrition rates have decreased from 2022 to 2023 on average, and we are following a similar trend across Pontoon's client portfolio. However, we see a noticeable spike across our Small to Medium Enterprise (SME) clients. This pattern correlates alongside economic downturns and times of uncertainties as SME companies tend to be more sensitive to economic fluctuations.

A deeper look at our SME clients highlights a higher negative attrition within industries and regions where demand for skilled workers outstrips the supply or opportunities for more competitive compensation are available.

The overall low negative attrition rate experienced by Pontoon's clients highlights the value that streamlined processes, customised solutions, and established long-term partnerships yield for employee stability and satisfaction.

**Reduced turnover rates translate to savings in recruitment costs and retaining valuable institutional knowledge, contributing to long-term stability.**

## Our Perspective

Outsourcing hiring is particularly effective in streamlining the hiring process in sectors where competition for skilled professionals is high and swift placement can make a substantial difference. In markets with unique dynamics and candidate pools, mid-sized businesses benefit from outsourcing efficiency as they often face resource constraints and must act swiftly to remain competitive. Strategic partnerships with workforce solutions companies enable access to various predictive analytics, performance metrics, and market intelligence tools that evolve with industry trends while ensuring compliance with changing regulations. In an era marked by rapid shifts, business agility is indispensable, and flexibility to scale hiring efforts up or down according to an organisation's needs is invaluable during periods of growth, market fluctuations, or when seeking to expand into new geographic regions. An efficient hiring process enables companies to adapt quickly to reduce prolonged job vacancies, optimise talent pipelines, and accurately forecast future talent needs. By streamlining hiring, companies minimise expenses and allocate resources more judiciously. Top talent is a finite resource, and efficiency is the key to securing it.

# The Validity of DE&I Initiatives

Diversity, Equity, and Inclusion (DEI) initiatives have taken centre stage in the corporate world, sparking both fervent support and, in recent months, scepticism regarding their validity and impact. This scrutiny prompts us to ask: Do companies genuinely care about DEI, and should they? Do job seekers and employees truly prioritise their company's investment in DEI? To navigate these questions, we must consider the multifaceted dynamics surrounding DEI.

DEI initiatives have been acknowledged as fundamental drivers of long-term success and sustainability for the better half of the last decade. Still, today, we're finding ourselves at an inflection point: while companies and institutions exhibit positive intent and heightened

activities, data reveals a concerning pace of progress.

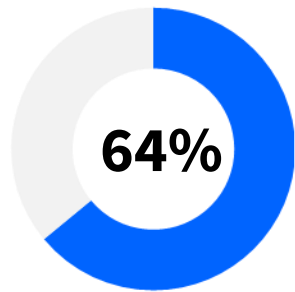
In 2020, the global market for DEI stood at an estimated \$7.5 billion, with projections indicating a more than twofold increase to \$15.4 billion by 2026. Yet, sobering statistics, such as the projection that it will take another 257 years to close the global economic gender pay gap at the current rate, underscore the need for clearer insights into what truly drives effective change.

Providing leaders with best practices equips them to direct DEI efforts toward the most effective strategies, ultimately fostering quicker and more scalable progress within the global business community and its surrounding ecosystems.

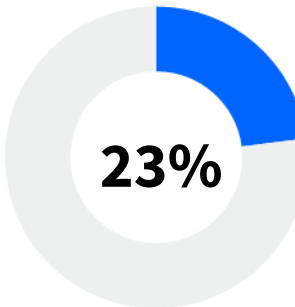
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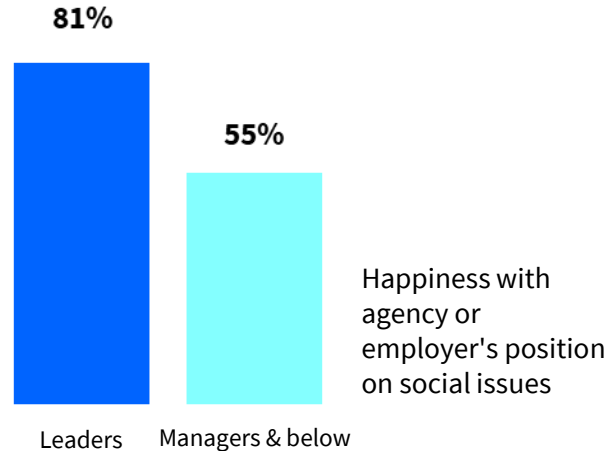
## The Validity of DE&I Initiatives



64% of job seekers would choose companies based on their committed to protecting the environment, sustainability and their social responsibility (DEI)



23% of employees would leave a role based on their company's commitment to DEI & ESG strategies.



Data coming from the [Global Workforce of the Future Report](#), investigating the changing world of work from a worker's perspective (30,000 workers surveyed).

Companies that invest in ESG /DEI initiatives hold a competitive advantage in attracting talent. While these factors may not be deal-breakers for most job seekers, they can serve as differentiators, making a company more appealing in a competitive job market.

The data suggests that while these issues may not drive immediate turnover, companies recognise that retaining existing talent requires a broader focus on factors like work environment, career growth, and job satisfaction.

Leaders play a pivotal role in setting the tone for the organisation. Companies should ensure that their leadership

actively supports and promotes the company's commitment to social issues, publicly championing DEI and sustainability initiatives.

Addressing the misalignment between leaders and non-managers is essential to foster a more inclusive and aligned workplace culture.

Companies should aim for diverse representation in decision-making processes. Involving employees from various levels and backgrounds in shaping social responsibility initiatives can lead to more inclusive and effective strategies.

## Our Perspective

Companies must be aware of the delicate balancing act required to manage the DEI challenges. It's essential to continue promoting diversity and inclusion while complying with legal requirements and maintaining the trust of employees and the broader public. Successful organisations are those that find ways to bridge these different aspects and create environments that are both inclusive and legally compliant. This data is a compelling reminder of the distinction between job seekers and employees' priorities. It suggests that while job seekers may be more inclined to favour companies aligned with environmental and social responsibility values, employees may not be as willing to leave their jobs solely based on their organization's efforts. This underscores the broader influence of DEI on talent attraction and a company's overall reputation, and prompts us to consider the diverse motivations that drive talent choices. Companies should continue investing in these areas while also considering the broader spectrum of factors influencing employee decisions. By fostering a genuine commitment to diversity and inclusion, companies can make a meaningful impact and align themselves with a future where equity, innovation, and inclusivity coexist. The discussion surrounding DEI should not be viewed as a debate but rather as an opportunity for growth and progress in the corporate world.

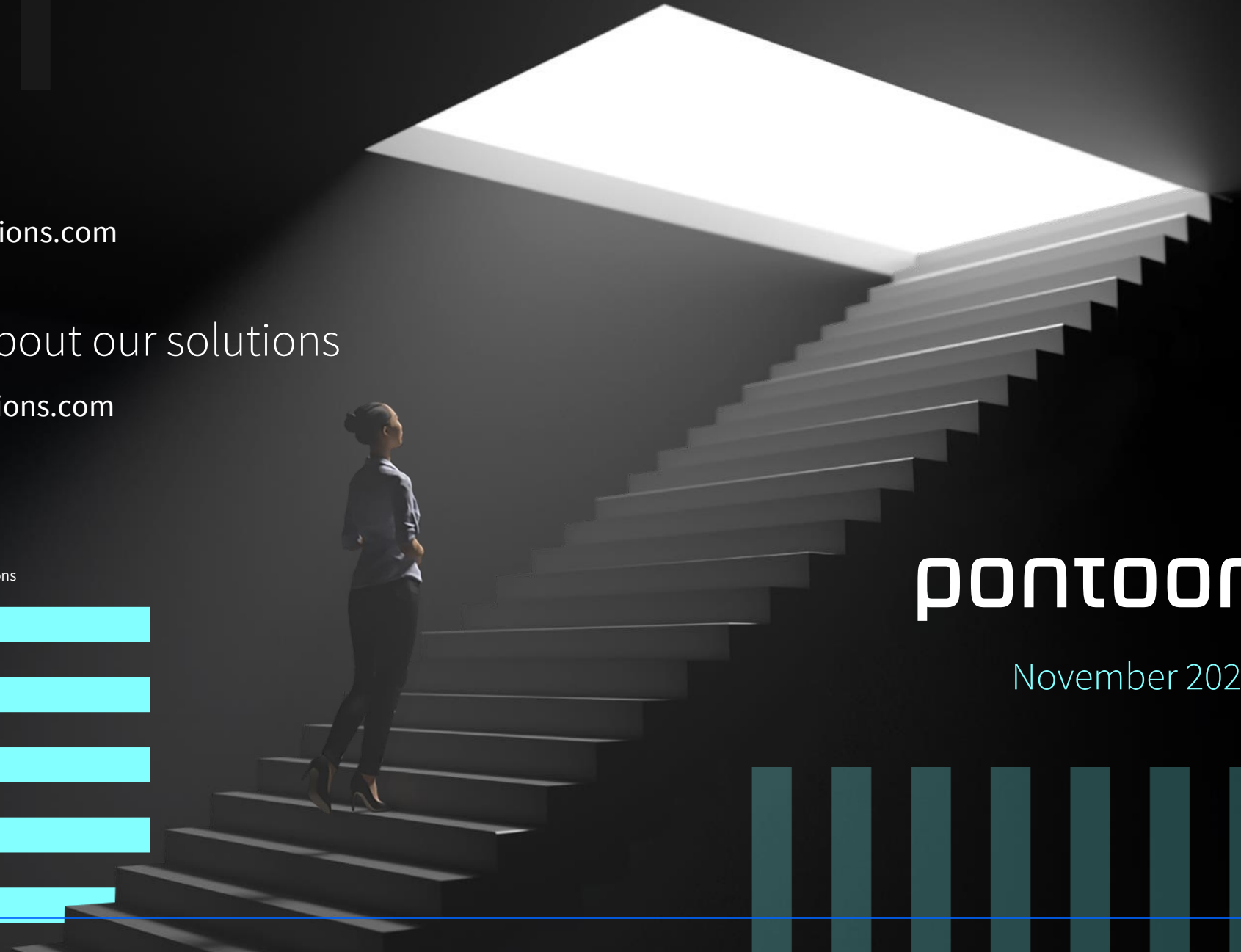
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