

career mobility outlook.

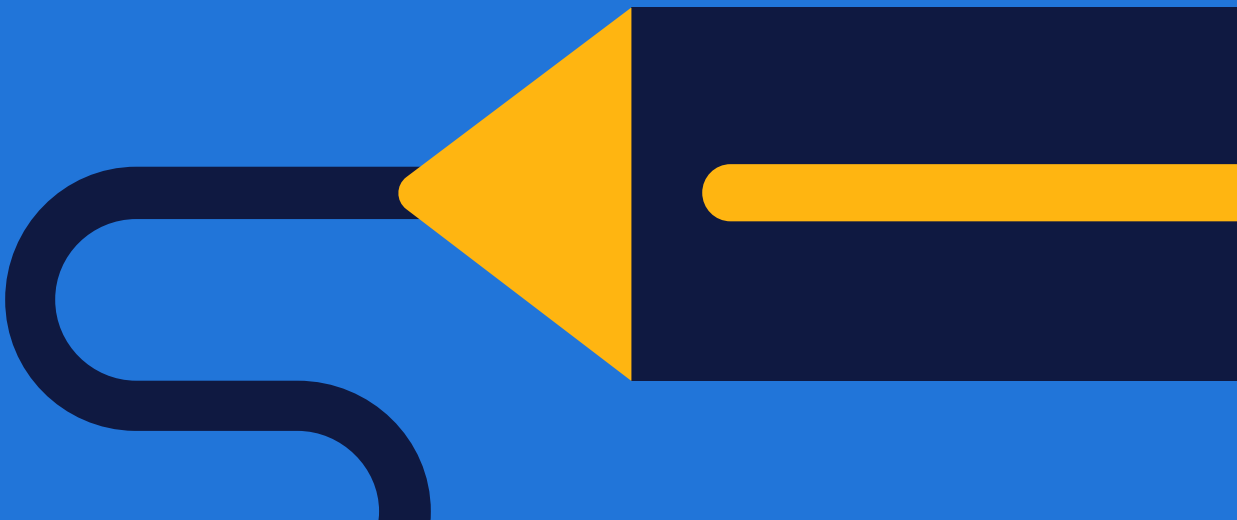
A randstad risesmart report

q3 2021



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introduction.

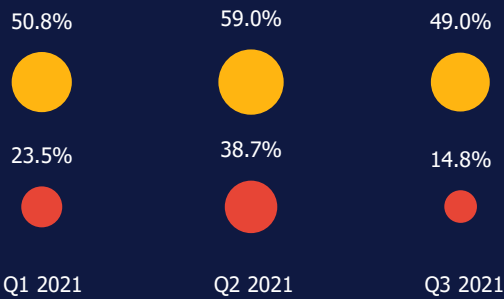


The Randstad RiseSmart Career Mobility Outlook report provides insights from employers (HR professionals) and employees about their expectations on key aspects of the workplace, such as economic sentiment, recruitment trends, internal mobility, job transition behavior and in-demand skills.

The Q3 2021 research was done in the last week of September 2021 and results show an overall worsening of employer and employee sentiment, as well as disconnects between these groups on economic outlook, hiring, internal mobility and skilling opportunities.

report highlights.

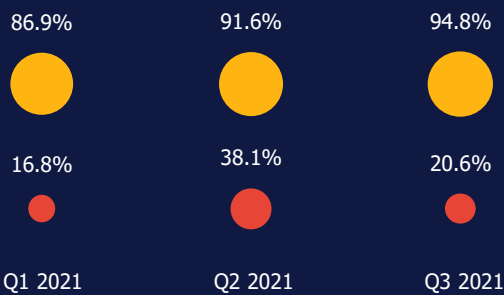
US economic outlook



employers' confidence in the US economy worsened

for employees, it plummeted to 14.8% from 38.7% in Q2 2021

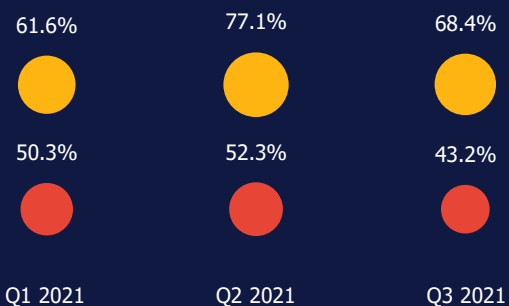
hiring forecast and job transition



hiring forecast further increased in Q3 2021

employee external job-hopping outlook slowed to 20.6% in Q3 2021

internal mobility opportunities



employer perspective on internal mobility remains elevated (68.4%)

workers' sentiment toward internal mobility opportunities at their workplace is at its lowest level





economic
sentiment &

workforce
trends.

economic sentiment.

Overall outlook of the US economy

In the Q3 2021 edition of our economic sentiment analysis, the positive outlook for the US economy plummeted, reaching levels below Q1 2021. The spread of the Delta variant, significant supply-chain bottlenecks and a very tight labor market have significantly impacted employers' and employees' overall optimism.

Results show that only half of employers (49%) have a positive outlook on the US economy. Employees have an even darker perspective: almost two-thirds (~61%) believe that the US economy will not go in a positive direction.

We can also see a high discrepancy between the optimistic view held by employers versus employees. The difference between the two groups is very high (34.2 pps.), showing an apparent disconnect within the economy. In the case of the latter group, the downswing in Q3 2021 is quite spectacular. It is clear that employees feel the brunt of various economic issues and are more insecure about their futures. One good example is the financial services industry, where 85.7% of employers have an optimistic view of the economy. Still, none of the respondents from the employee group provided a positive outlook.

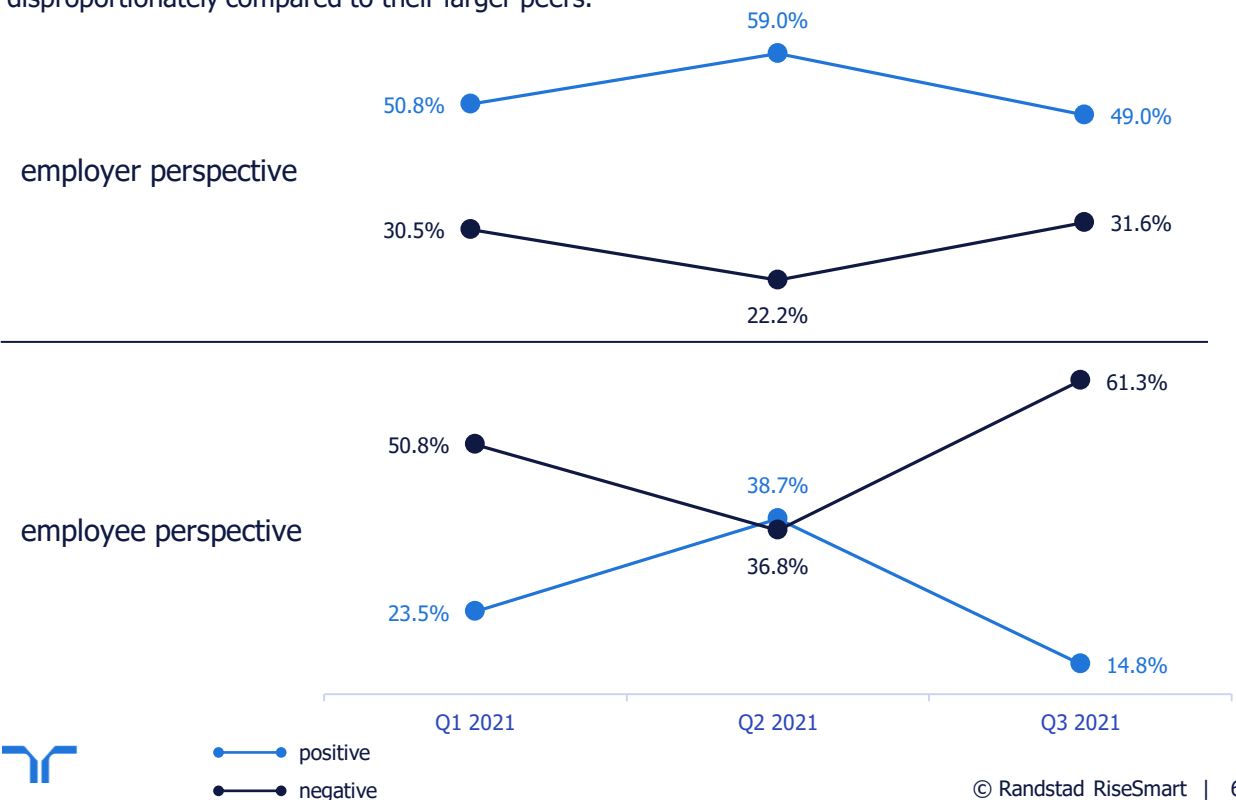
We can observe a similar disconnect between large and small companies by looking at the employers' options: the positive outlook of SMEs dwindled in Q3 2021 (down 12.5% from 42.5% in Q2 2021). It shows the severity of problems small businesses (mainly in the services sector) have faced in Q3 2021, affecting them disproportionately compared to their larger peers.

19.4%
of employers believe the US economy has a stable outlook (vs. 23.9% of employees).

68.3%
of large employers are more optimistic compared to their smaller counterparts (36.8%).

85.7%
of financial services employers have a very high level of optimism (vs. 0% of employees).

stable outlook = a low likelihood of an economic change over the medium term.
positive or negative outlook = a higher likelihood of an economic change over the medium term.



● positive
● negative

economic sentiment.

Overall outlook – sector views

20.6%

of employers believe their sector has a stable outlook (vs. 36.1% of employees).

91.7%

of large employers have a positive outlook about their sector (vs. 60% of their smaller counterparts).

75%

of employees in the technology sector are confident about their industry's outlook (the highest of any sector).

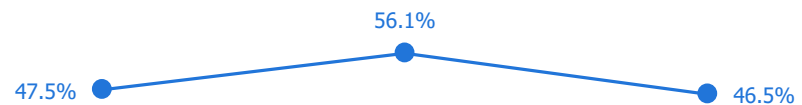
Compared to the overall US economic outlook, both employers and employees are more confident about the prospect in their sector. Results for Q3 2021 show the positive outlook slightly increased for employers (72.3%) compared to Q2 2021. On the employee side, the overall majority are optimistic (46.5%), but their number suffered a downward revision and is far lower than that of employers.

From an employer perspective, companies with a larger workforce are more confident about their future because they have more resources to plan, invest and counter any looming risks to their business. On the other hand, small and medium enterprises (<1,000 employees) are the least confident (53.1%), reflecting their limited resources. The Q3 2021 WSJ/Vistage [CEO Confidence Index](#), which surveys the pulse of CEOs from SMEs across the US, dropped by more than 10 points, reaching 97.1 from 108.8 a quarter earlier. Interestingly, from an employee perspective, the most confident workers are those from large enterprises (>50,000 employees – 56.3%), followed by employees in small companies (50%).

The most confident employers come from industries such as financial services (95.2%), manufacturing (80%) and healthcare (76.9%), which fared very well in the last quarter and were not affected disproportionately by the surge of the Delta variant.



employer perspective



employee perspective



● positive
● negative

workforce trends.

Job transition behavior

Job change appetite was one of the main highlights of the Q2 2021 report, indicating an increase in the number of people who would leave their jobs in the next three months. The US BLS confirmed our findings, which showed people quitting their jobs in historical record numbers during Q3 2021.

This quarter's edition also reveals that many people who would opt for an internal or external job change moderated their career mobility outlook. Only one-third (30.3%) are likely to opt for an internal job change, while those who were likely to make an external job change dropped even further to one-fifth (20.6%) of all respondents.

There is a higher probability of internal job movements within manufacturing and technology (both with 37.5%). In comparison, attrition risk is higher within sectors that continue to offer lower salaries (retail – 29.4% and hospitality – 27.3%) or frontline sectors such as healthcare (21.4%).

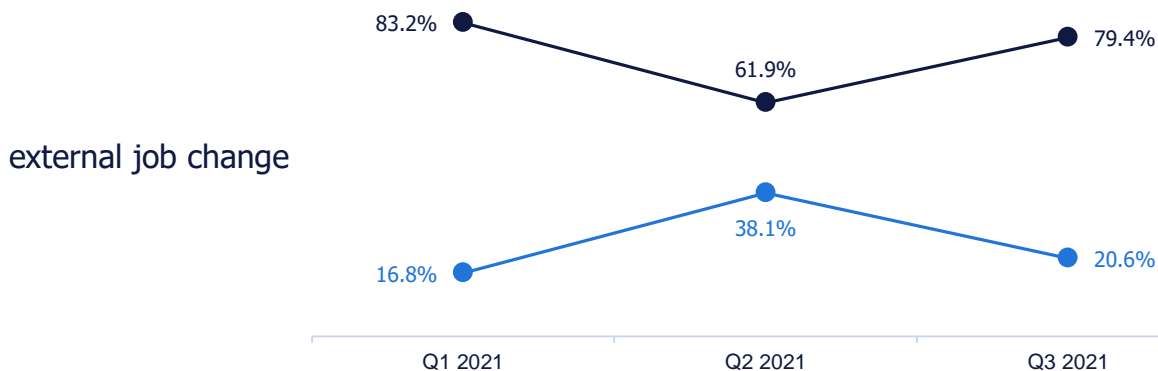
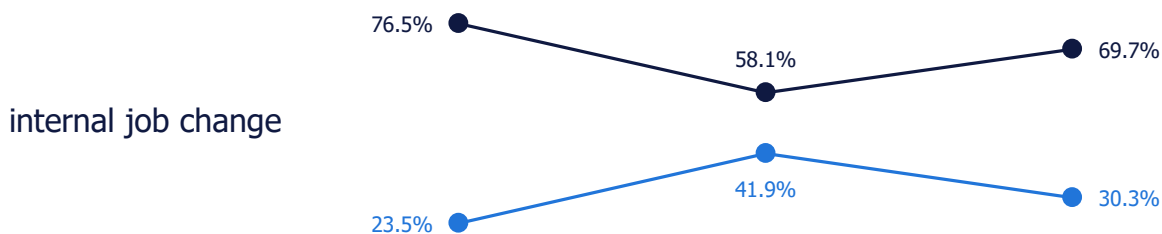
People are leaving their jobs in troves for multiple reasons. The most recent [Randstad Workmonitor](#) report shows that almost half (49.4%) of all Americans feel undervalued, and about the same number (50.6%) feel more stressed since the pandemic started. According to the [Work Institute](#), a better work-life balance or prioritizing health and family are also among the main reasons for job-hopping. Finally, a more intrinsic complex reassessment of work itself might play a considerable role, as people are looking for more flexibility and purposefulness ([Fortune](#)).

13.5%

of employees opted for either an internal or external job change in Q3 2021 (vs. 29% in Q2 2021).

39.6%

of employees from companies with a national US presence are likely to switch jobs internally while another 24.5% would opt for an external job.



—●— positive
—●— negative

workforce trends.

Recruitment trends

94.8%

of employers anticipate hiring more people (up from 87% in Q1 2021 and 91.6% in Q2 2021).

65.2%

of employers aim to increase their workforce by at least 5% (the same level as in Q2 2021, but up from 51.9% in Q1 2021).

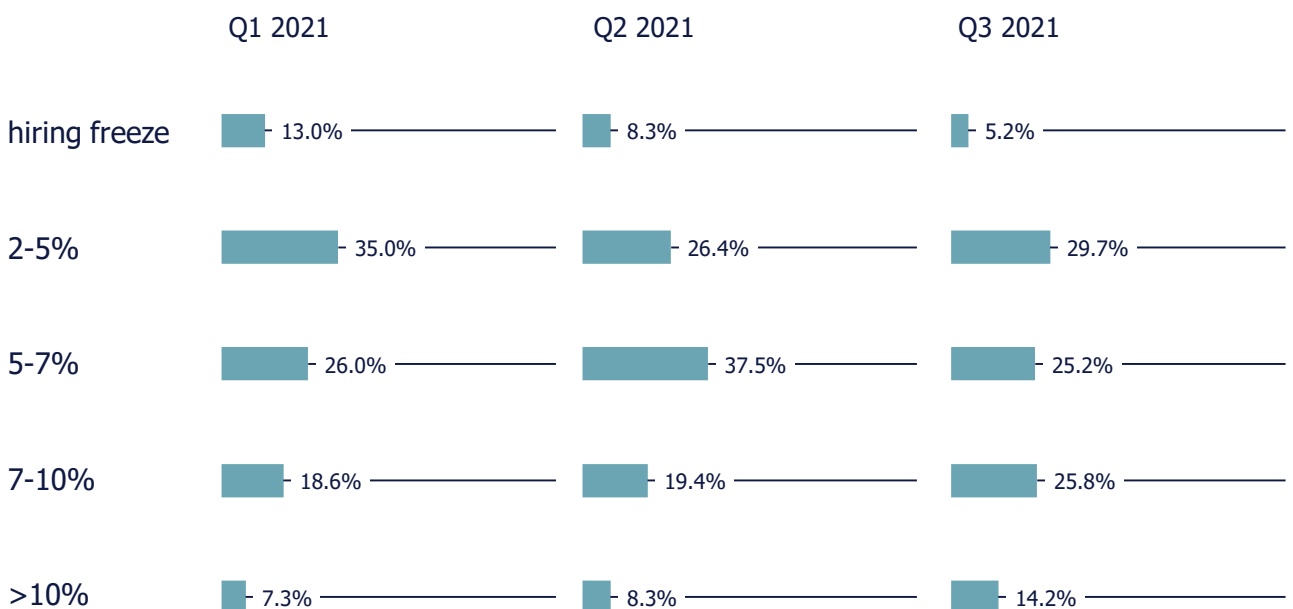
18.8%

of SMEs have a hiring freeze in place (vs. 17.5% in Q2 2021 and 14.5% in Q1 2021).

Even if the overall economic growth cooled off in Q3 2021, the appetite to hire more people continued to increase. As our survey results show, the hiring freeze dropped significantly compared to Q1 2021 (5.2% vs. 13%), while companies willing to hire more people totaling more than 10% of their current workforce almost doubled (14.2% vs. 7.3%).

Companies with an international presence have the highest hiring appetite: there is no hiring freeze, and 26.1% of them look to increase their headcount by at least 10% (almost doubling from Q2 2021 – 14.7%). Moreover, 35.7% of employers with staff over 50K stated they would want at least a 10% increase in their headcount. From an industry perspective, financial services (90.5%), retail (68.8%) and technology (66.7%) companies aim to increase their headcount by more than 5%. For example, Amazon, Walmart and Fidelity Investments announced hiring plans for 100K jobs ([Forbes](#)).

However, apart from their willingness to increase headcount, employers face numerous obstacles like talent scarcity and a tight labor market. A high number of quits characterizes the latter, along with an excess of job openings that go unfilled and a still higher-than-normal unemployment rate. For some employers, mainly in the services sector, the employment conundrum leads them to offer more material benefits, increased work flexibility and extended career advancement opportunities.





skills &

internal mobility.



internal mobility

Internal hiring trends

One of the best options employers have to attract and retain talent is to use internal mobility, either lateral or upward. Of course, internal mobility will not replace the need for external recruits, but considering the current labor market situation, it can help companies move forward with their plans. Internal mobility is least costly, reduces onboarding time, enhances employer branding and, most importantly, increases employee engagement and productivity.

In Q3 2021, companies continued their drive to promote or move people internally: four-fifths of respondents plan to use internal mobility as a strategy to fill in their job openings. For example, compared to Q2 2021, about the same number of companies (34.2% versus 34.7%) plan to move people internally to fill in 25-50% of their vacancies. Large companies (>50K employees) with international activities are leading the pack as they usually have the necessary internal human capabilities (50% compared to 15.6% of SMEs).

On the other side, small businesses are generally more reliant on external hiring, so they have become the victims of the current situation in the US labor market. They are disproportionately affected by the increasing quits; they face challenges filling their job openings, and hiring trends are lagging compared to large companies ([Quartz](#), [NFIB](#)).

83.9%

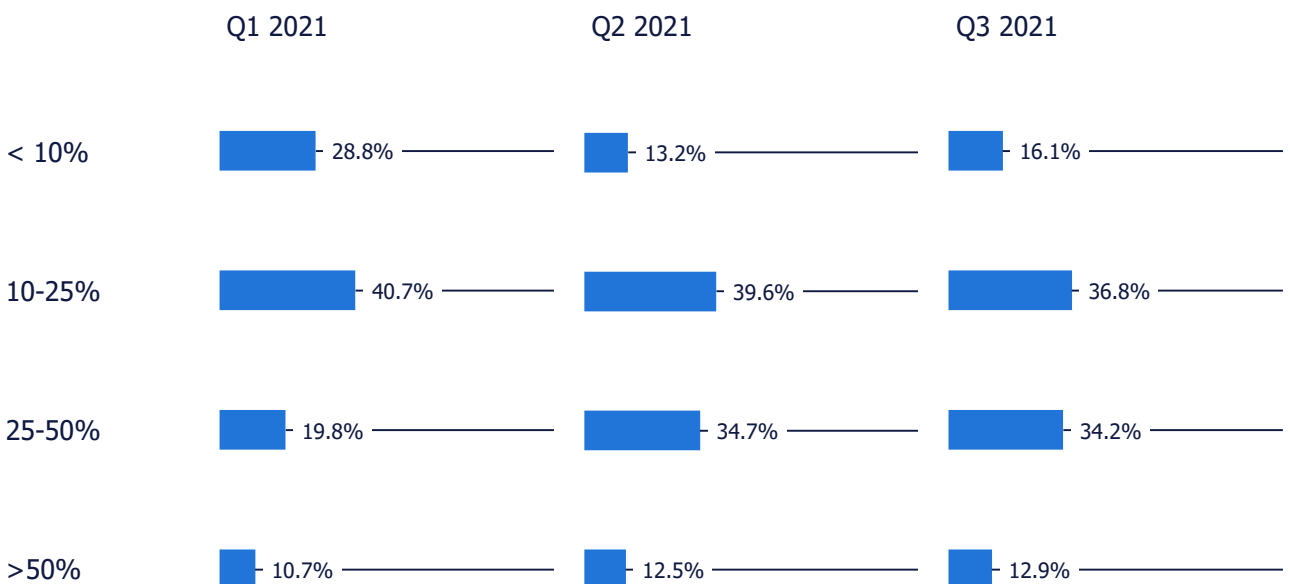
of employers will use internal mobility to fill in at least 10% of their vacancies (vs. 86.8% in Q2 2021 and 71.2% in Q1 2021).

25%

of companies with more than 50K employees are willing to use internal mobility (vs. 12.5% for SMEs).

46.9%

of SMEs are willing to look internally to fill less than 10% of their openings; about double what it was in Q2 2021 (22.5%).



internal mobility.

Availability and manager openness to internal mobility opportunities

90%

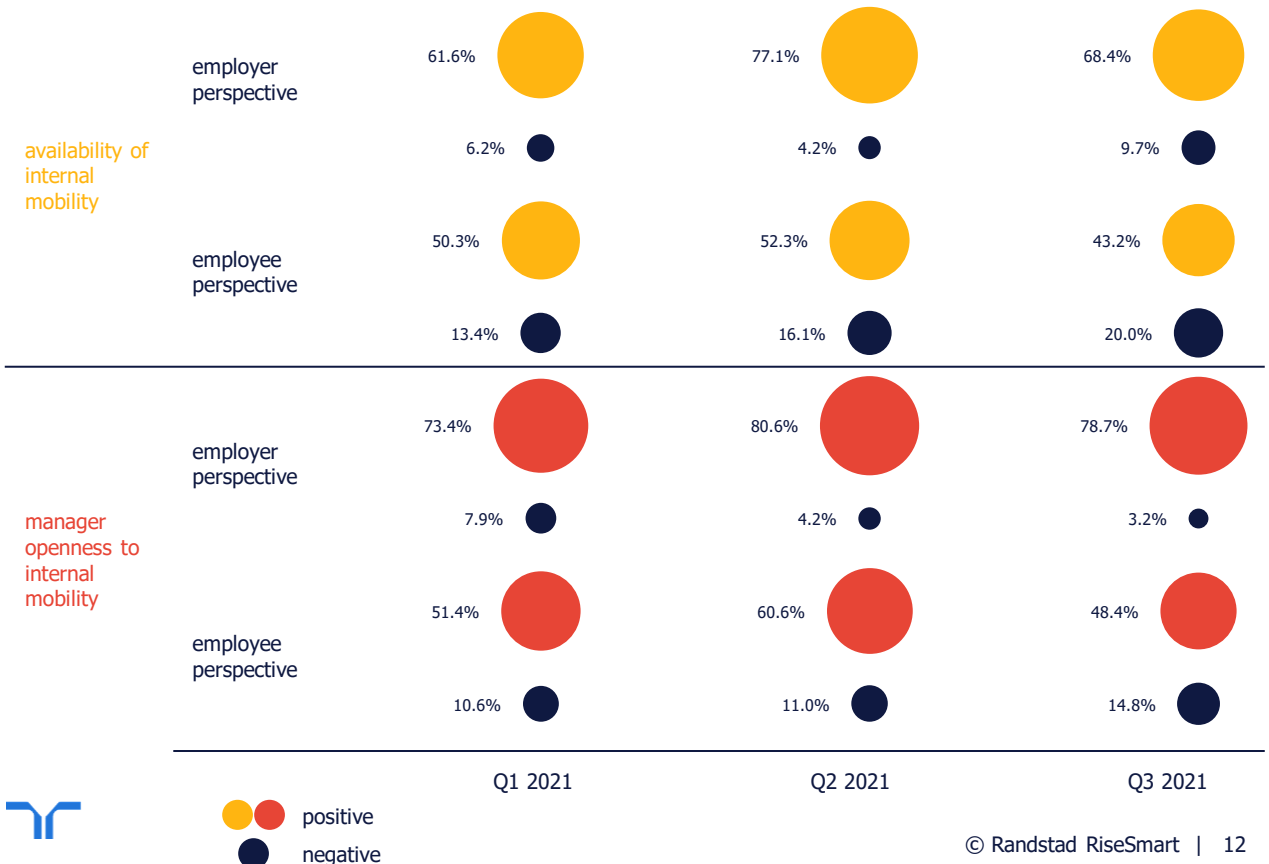
of large employers believe there are sufficient internal mobility opportunities (vs. 54.7% for small companies).

93.3%

of large employers consider managers to be open to internal mobility.

According to a [Bain & Company](#) survey, more than 60% of a company's future roles can be filled by current employees if adequate programs are in place. The difficulty of hiring from external talent pools pushes companies to remove any challenges and smooth internal job transitions. One of the most critical challenges is managers acting as talent hoarders instead of talent enablers.

Q2 2021 results showed an increased adoption of internal mobility opportunities, but the new economic situation in Q3 2021 moderated those attitudes. Employees became more pessimistic about their chances to job hop internally (43.2% - versus 52.3% in Q2 2021), while the proportion of them who believe their managers are open to internal mobility dropped to 48.4% (from 60.6% in Q2 2021). If we compare these results with the employer perspective, we can observe a significant discrepancy between employers' and employees' attitudes. Interestingly, managers in smaller companies seem to be the most open to their team members moving to different roles – 68.8%.



positive
negative

assessment of skills.

Employee readiness versus preparedness

When managing talent, one essential aspect for every company is identifying the right skill sets that will help the organization achieve its business objectives. In today's environment, when talent migration and talent scarcity are high, companies need to be aware of their internal human capital capabilities.

Our survey results show that employer and employee perspectives are pretty much aligned concerning skills assessment: 75% of employers consider their workforce ready to meet their business challenges, while on the employee side, 71% consider themselves prepared to help their company achieve its business goals.

Industries with a high employee readiness coefficient – meaning companies believe their employees are properly skilled – are manufacturing (86.7%), financial services (85.7%) and healthcare (84.6%). Employees are more confident about their preparedness in sectors such as technology (87.5%) and retail (82.4%).

89.3%

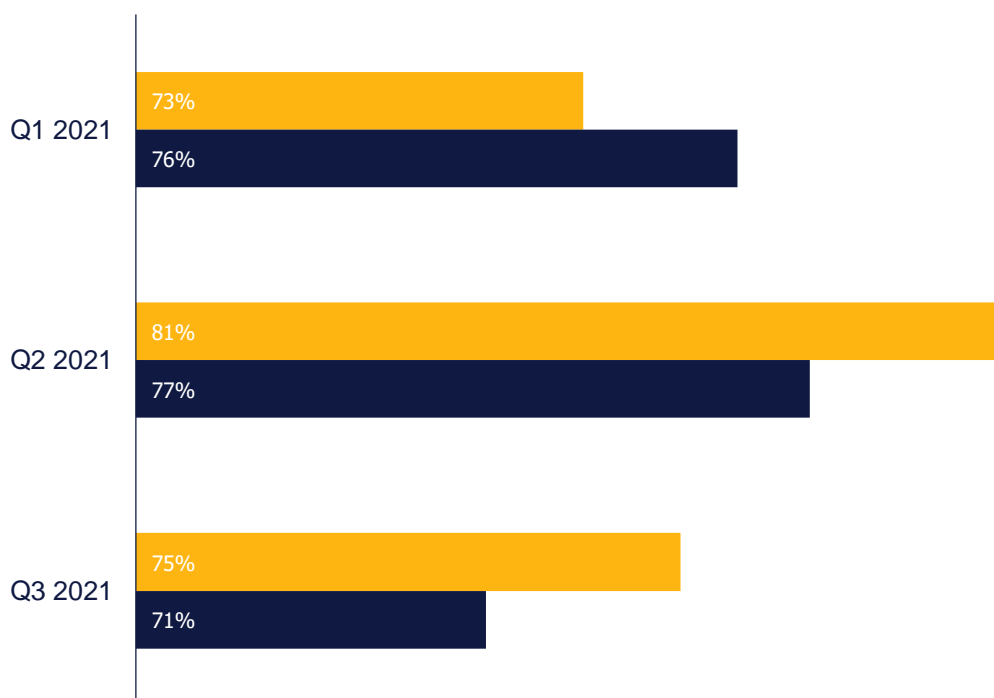
of employers with more than 50K staff believe that their workforce has the right skill set.

65.6%

of SMEs are confident about their employees' readiness, a drop from 82.5% in Q2 2021.

89.1%

of international employers agree their workforce is ready, while 90% of employees in international companies believe they are prepared.



readiness = employer perception
preparedness = employee perception

skilling opportunities.

Availability of skilling and career development

90.5%

of employers in financial services believe they're offering the right mix of skilling and career development.

84.8%

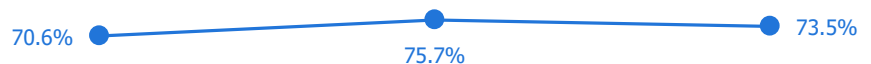
of international employers consider they have the right professional development programs in place (vs. 62.1% of national companies).

A recent [Gallup](#) study shows that career mobility and upskilling are interlinked: 57% of US workers are ready to update their skills, and one of their primary motivations (59%) is career advancement. Moreover, more employees are likely to quit their jobs without having another one lined up, most of them citing the lack of professional growth opportunities ([McKinsey](#)). Therefore, making sure companies have relevant professional development programs in place becomes a priority.

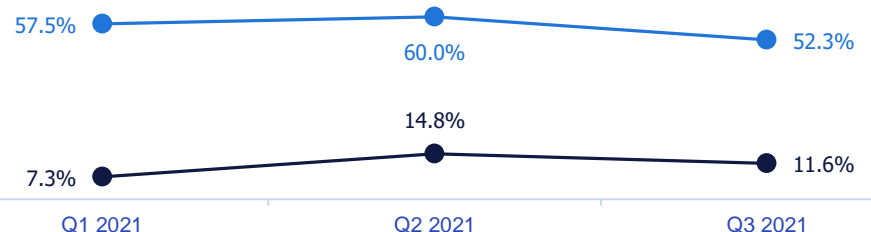
Again, as in most findings from our study, there is a disconnect between employers' and employees' perspectives: 73.5% of employers believe they are offering their employees skilling and career development opportunities. This statement is valid for only 52.3% of employees. The disconnect looks even larger within industries: in financial services, the ratio is 90.5% versus 30%.

Overall employee sentiment on this issue fell below Q1 2021 levels, but in the case of employees from large companies, the drop was quite significant (17.9 pps.) between Q2 and Q3 2021.

employer perspective



employee perspective



—●— positive
—●— negative

skilling opportunities.

Skills in demand

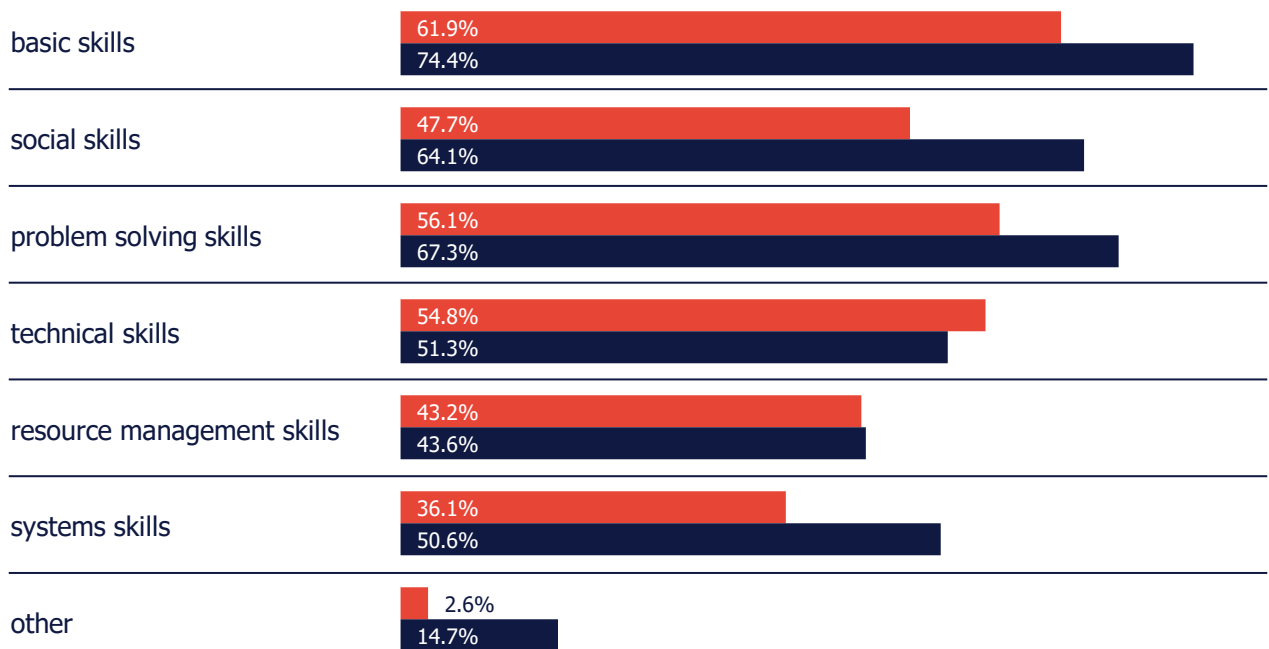
It is already known that most employers complain about an actual or perceived skills gap. Within the current world of work characteristics, the failure to recruit or retain the right talent with the right skill sets can become a matter of life and death for every company's future. Moreover, a recent study from [Gartner](#) showed that even skills that the current workforce possesses will become obsolete: 58% of employees require new skills to get their job done.

When it comes to which are the most in-demand skills, employer and employee viewpoints differ, maintaining trends from the previous quarters. Once more, the most critical in-demand/top skills are basic skills, followed by problem-solving and social skills, but there are differences between what employers are asking for and what employees would like to get a better grasp on.

From a sector perspective, employees value social skills more within hospitality (81.8%) and retail (76.5%), while this is important for technology company employers (52.9%). Resource management skills are highly appreciated by employees within manufacturing (55.6%), while employers in the healthcare (53.8%) and technology (52.9%) sectors have a higher demand for these type of skills.

70%
of financial services employees consider problem solving skills as the most important skills to have, while only 33.3% of their employers consider it a top in-demand skill.

67.6%
of employers in the technology sector consider technical skills as the most in-demand skills (vs. 75% of employees).



For the purpose of the survey, we've used the [OECD skills matrix](#).



- employer = most in-demand skills at your company
- employee = top skills you need to succeed now and in the future

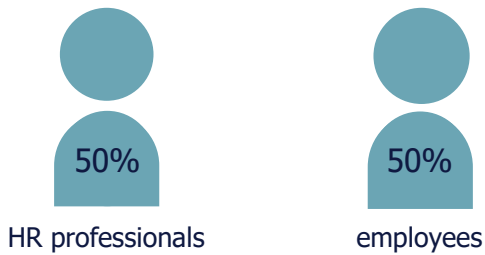


respondent
profile &

sample size.

respondent profile and sample size.

by respondent

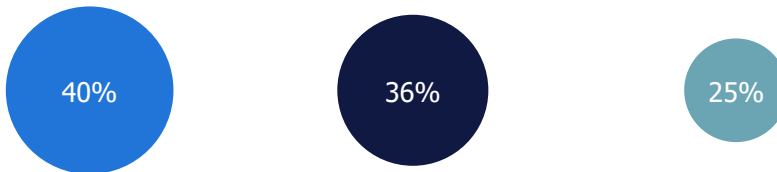


by industry

technology	22.9%
healthcare	13.2%
manufacturing	13.2%
retail	12.3%
financial services	10.6%
professional services	10.0%
hospitality	6.8%
other	22.9%

Sectors with less than 5% of respondents: automotive, telecommunication, oil & gas, pharma/bio, media & entertainment, energy, airlines.

by location



● local US presence ● national US presence ● international presence

by workforce size

< 1,000	20.6%
1,000 – 4,999	20.3%
4,999 – 24,999	20.6%
25,000 – 49,999	19.0%
> 50,000	19.4%

get in touch.

To learn more about how to build a future-fit workforce, contact us today.

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about Randstad RiseSmart.

Randstad RiseSmart is the fastest-growing outplacement and career mobility provider, and an operating company of Randstad N.V., a €20.7 billion global provider of flexible work and human resources services that helps nearly two million candidates find meaningful work every year. Our outplacement, career development, redeployment and contemporary tech-and-touch solutions strengthen employer brands, improve retention and re-engage talent. Employers hire us because we deliver superior outcomes through expert coaching, professional branding, contemporary resources and on-demand analytics. Today, we are a trusted human partner of successful companies in more than 40 industries.

Our passion and dedication to innovation, responsiveness and results have earned us extensive recognition and awards from organizations such as Bersin by Deloitte, Gartner Inc., the Brandon Hall Group and Fortune magazine. For more information, visit www.randstadrisemart.com.

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