

2022 TALENT OUTLOOK

TRENDS & UNCERTAINTIES: A LOCAL PERSPECTIVE



Pnet.

P. INTRODUCTION

In this white paper, we highlight the latest information and findings from our sister-company Universum – a global leader in Employer Branding and also part of the StepStone group. On 8 February 2022, Universum's Global Head of Strategy, Richard Mosley, hosted a webinar to cover the key global challenges and trends Employer Branding and talent acquisition experts should pay attention to in 2022. Here we dive into these findings from a South African viewpoint.

We will cover the following topics:

- Hiring outlook: How the recruitment bounce-back is gathering pace
- Hybrid working: Universum's latest global survey results on the new normal
- Flexibility culture: Going beyond the hybrid working model
- Diversity & Inclusion: Beyond the hype, what's really changing to democratise career opportunities
- Wellbeing: Why mental and physical wellbeing is likely to take centre stage in 2022

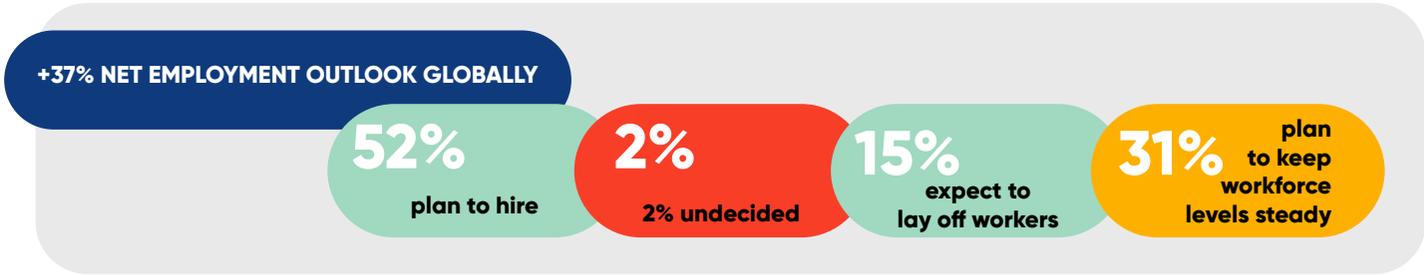
In the world of work, there is a revolution in the air on many fronts. Whether you are a recruitment specialist at a large corporate, or an HR practitioner at an SME, the expert perspectives and data provided here will help you navigate what many expect to be a highly turbulent year. We encourage you to use the insights provided to develop and/or focus on as part of your Employer Value Proposition (EVP), so that you can make your business more attractive to top candidates in a shrinking market of talent.



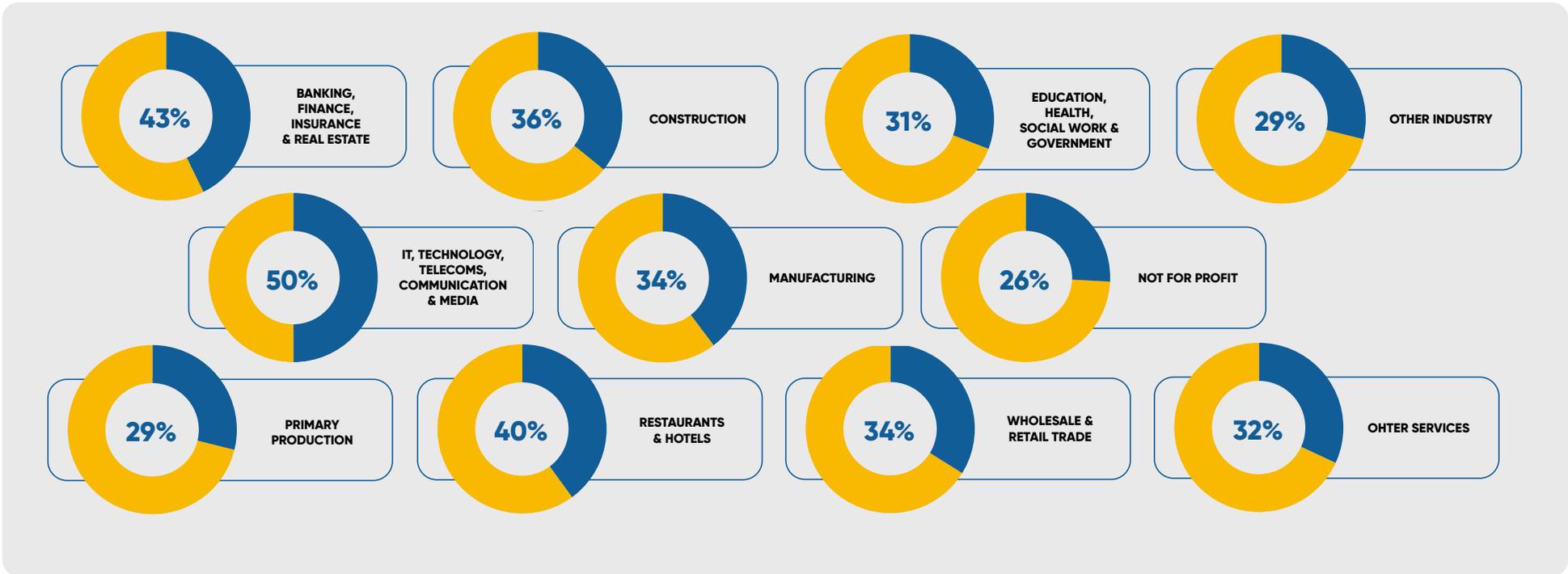
P. HIRING OUTLOOK

Within the employment landscape, although AI continues to be part of the conversation, hybrid/remote working is fast becoming dubbed "the Revolution of 2022". Globally, this phenomenon is shifting from what has been a growing 'trend' over the past two years to a more permanent working model for many businesses.

This new working model has led to greater hiring opportunities. According to the Manpower Hiring Outlook report for Q1 2022, which entailed a study of 40 countries, the employment outlook is positive for the first time since the Covid pandemic began.



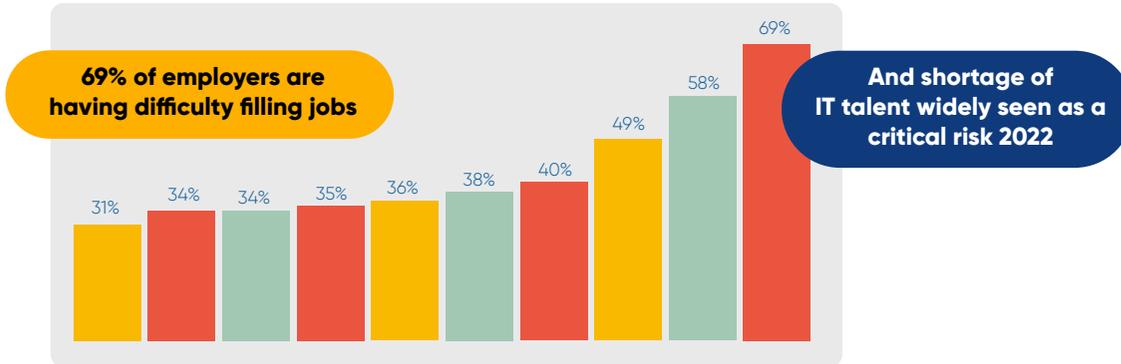
In fact, worldwide growth in hiring is expected across all 11 industries in 2022, as shown below.



P. HIRING OUTLOOK

The South African job market on the whole is also improving. Pnet findings reveal that although job listings were down in 2021 by 18%, compared to 2019, recovery is happening rapidly and Q4 2021 job levels were 2% higher than they were in Q4 of 2019.

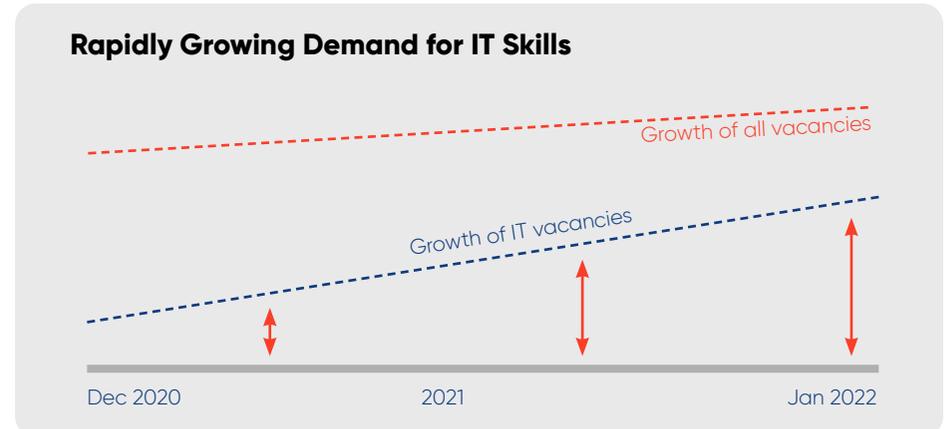
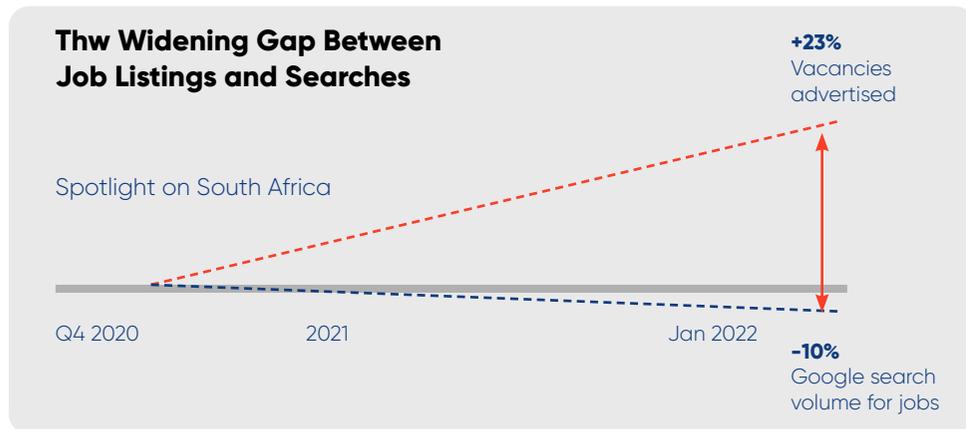
Despite the fact that we've reached the point where we are outperforming 2019, the talent shortage is at a 15-year high globally, meaning that it is not currently easy to get the talent that you're looking for.



Mind the gap

In addition to the talent shortage, there is also a widening gap between job listings and searches. According to StepStone in Germany, their market is showing a 48% increase in open positions on StepStone platforms, but the Google search volume for jobs is down by 27%. This gap is even more evident in terms of the Tech industry.

South Africa is following this trend, and it's interesting to note that existing skill shortages within the IT professions are becoming more critical with the rapidly growing demand for IT skills.



According to the Universum findings, we can expect one of two scenarios for the talent market in 2022:

1. The slowing economy will take the steam out of the talent market and rebalance supply and demand; or
2. The war for talent will continue through 2022-23 because:
 - The significant skills gap (especially in IT) is not going to be closed anytime soon.
 - AI transformation is unlikely to reduce talent requirements anytime soon.
 - The working population across most major economies has entered a period of long-term decline.

The worldwide shortage of IT skills is not 'big' news for recruiters and HR professionals, and South African businesses are facing very similar challenges when recruiting for IT candidates. Pnet identified major local skill gaps for the following IT professions:

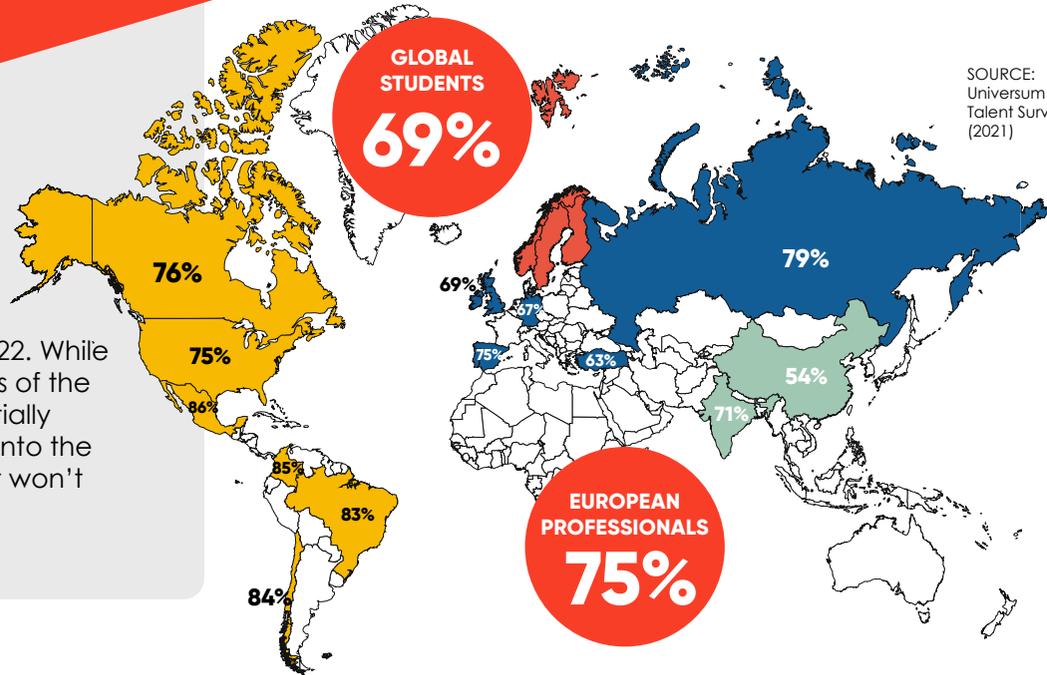
- Software Development
- Technical / Business Architecture
- Systems Analysis
- Data Analysis / Data Warehousing
- Business Analysis
- Database Design / Development / Administration
- IT Project Administration / Management

This hiring outlook data reveals the impact of job application numbers on remote work opportunities, clearly demonstrating the importance of companies adapting to changing ways of work if they are to attract and retain the best talent. This trend may not be purely a change in talent search behaviour, but also indicative of smarter recruitment tech that is matching skills and alerting job seekers to the right jobs more accurately. In other words, job seekers don't have to go and search for jobs. The right jobs are finding them.



P. HYBRID WORKING

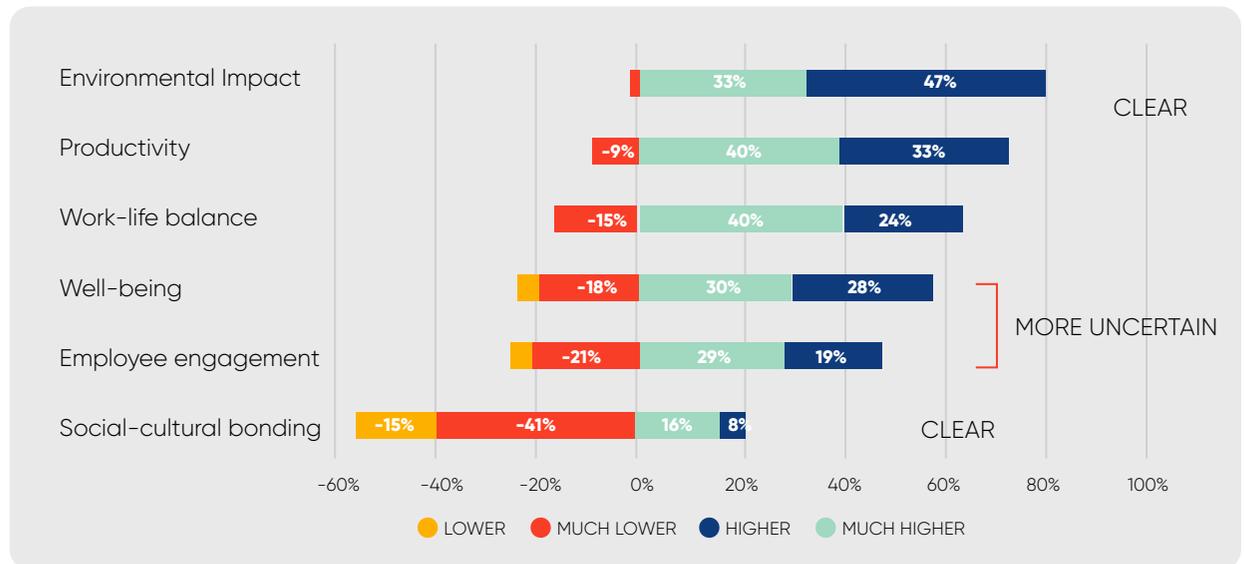
This is the biggest shift and the main theme for 2022. While there has been much talk over the past two years of the “future of work”, with the Covid pandemic essentially acting as the “pilot episode”, we are now going into the long-running series of hybrid/remote work – and it won't be without plot twists and turns.



SOURCE: Universum Talent Survey (2021)

From a company perspective, the response to hybrid/remote work has been mostly positive, as shown here. (Q: What do you believe was the overall effect of home working during the pandemic on the following factors?):

The Universum Talent Survey (Europe), completed in April 2021, gave us a clear indication that most students and professionals are looking for some form of remote working. From a talent perspective, students had a few more concerns (in terms of social inclusion, trying to integrate into an organisation and feel a sense of belonging, finding mentors, and so on.). European professionals already established in their careers, and seeking greater work-life balance, were more open to remote working/hybrid working as part of the job mix. Locally, we suspect the findings will be similar, and we've seen much more content about this subject being shared to guide South African businesses through the process – how to manage remote teams; how to manage your workplace culture with teams working remotely; managing productivity of remote workers etc.



SOURCE: Universum-INSEAD Global Remote Working Survey (2022-01)

Employers felt that productivity improved, despite their initial doubts in this regard. This was largely attributed to employees spending less time commuting and more time devoted to the tasks at hand, while organisations began placing more emphasis on results/outcomes rather than on actual time spent in the office. Managers have had to shift their thinking – trust people, empower people and focus on outputs.

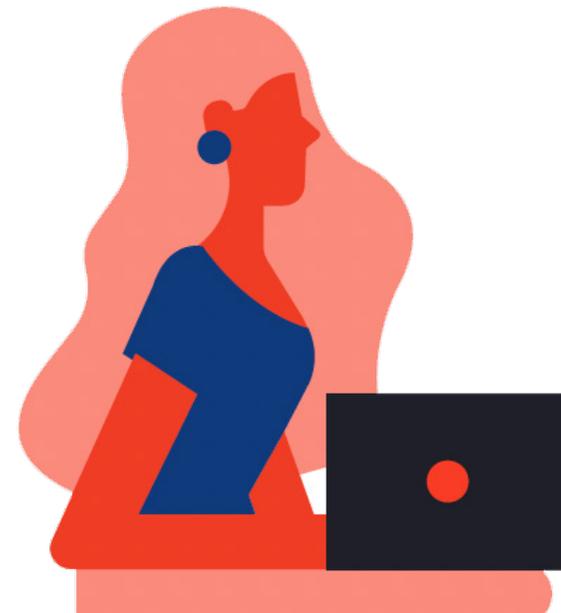
An unexpected positive environmental impact was also noted as a result of fewer people travelling for work, leading to a reduced carbon footprint.

The biggest concern or 'negative' for most companies was in terms of social-cultural bonding. Grey/uncertain areas included 'wellbeing' and employee engagement: Are employees going to get the same sense of social cohesion in the new hybrid/remote world of work? Is there going to be less loyalty from employees as a result of the new ways of work? Hot-desking has further implications for social engagement, as not being in a regular space around the same people could undermine the building of team relationships and fostering of meaningful collaboration among colleagues.

Future home working policy

The Universum findings, unsurprisingly, show a huge change in the way people will work going forward. Pre-Covid, only 32% of companies enabled working from home at least some days each week. Post-Covid, this percentage has grown to 80%.

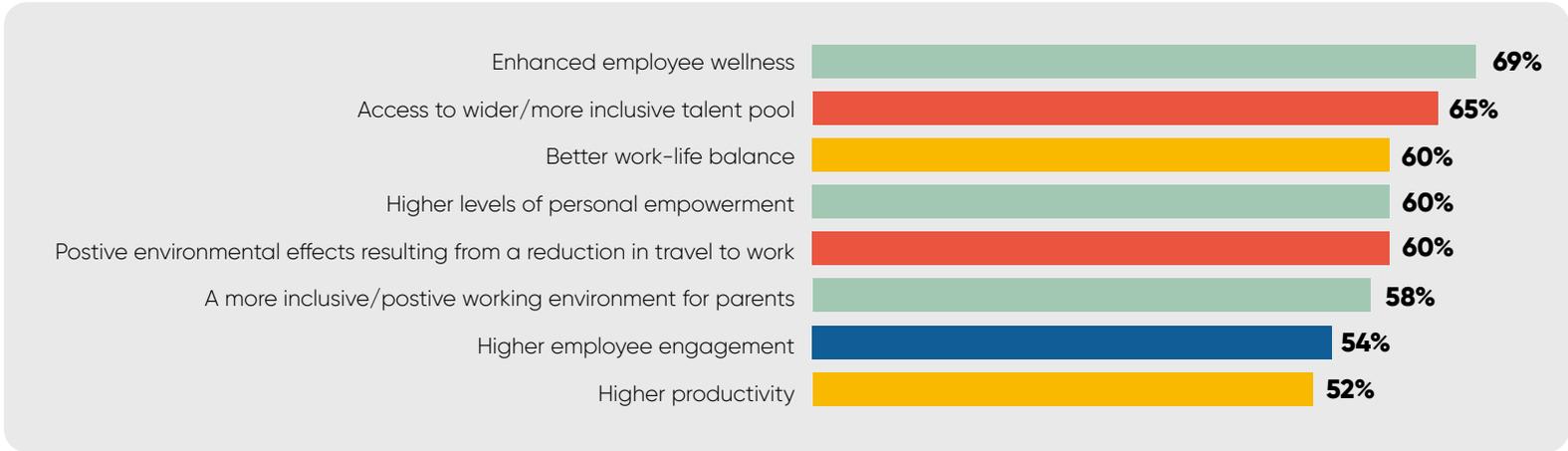
In South Africa, Microsoft recently conducted a survey of 610 leaders and employees in large enterprises, to understand people's experiences from the start of the pandemic. Almost nine out of 10 leaders (88%) at large enterprises expected to adopt a more hybrid way of working permanently. One such enterprise is LexisNexis South Africa (LNSA), which has introduced a hybrid work arrangement that includes two to three days in the office every week. LNSA CEO and Chairperson of the Board, Videsha Proothveerajh, said, "Our purpose is to provide an ideal working environment to support both the business and our employees. We believe the hybrid model we're implementing officially from 1 March 2022 aligns perfectly with our company culture based on trust, empowerment and innovation. By providing more freedom over where and how our employees work some of the time and reducing the time they spend commuting, we believe this arrangement will promote better work-life balance for our people."



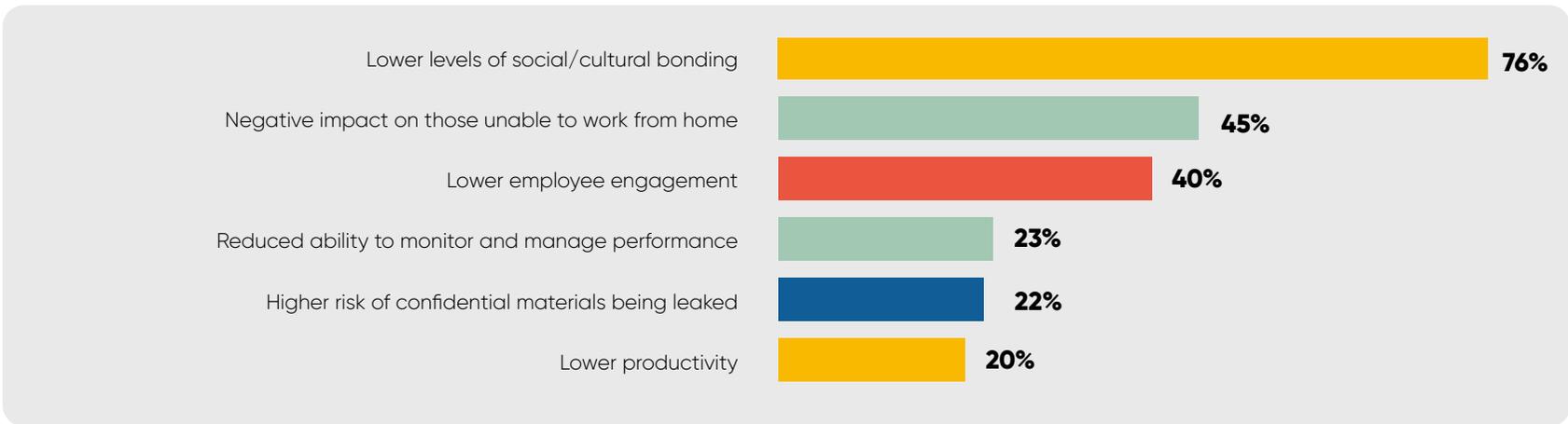
Expected effects of the hybrid model

In terms of the expected effects of a more hybrid model, enhanced employee wellness was foreseen to be the most positive outcome (69%), while lower levels of social/cultural bonding were the greatest concern (76%).

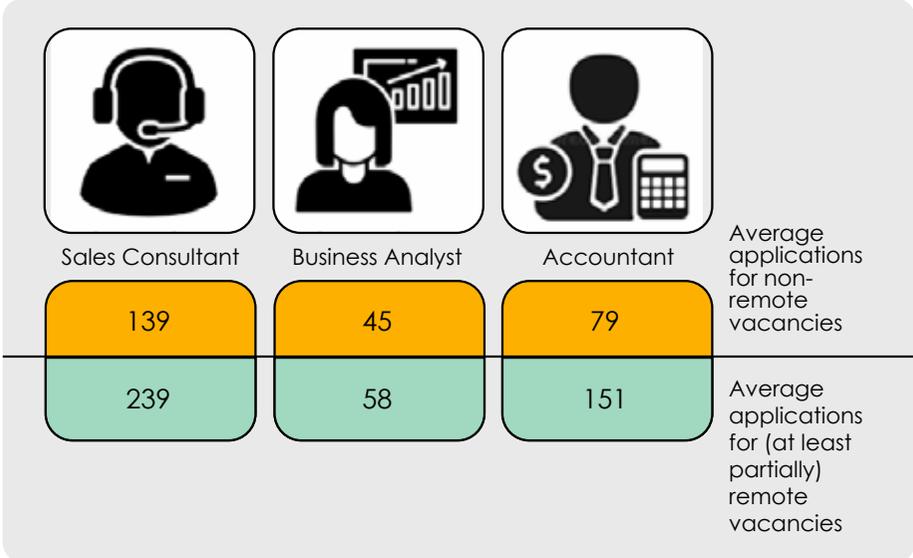
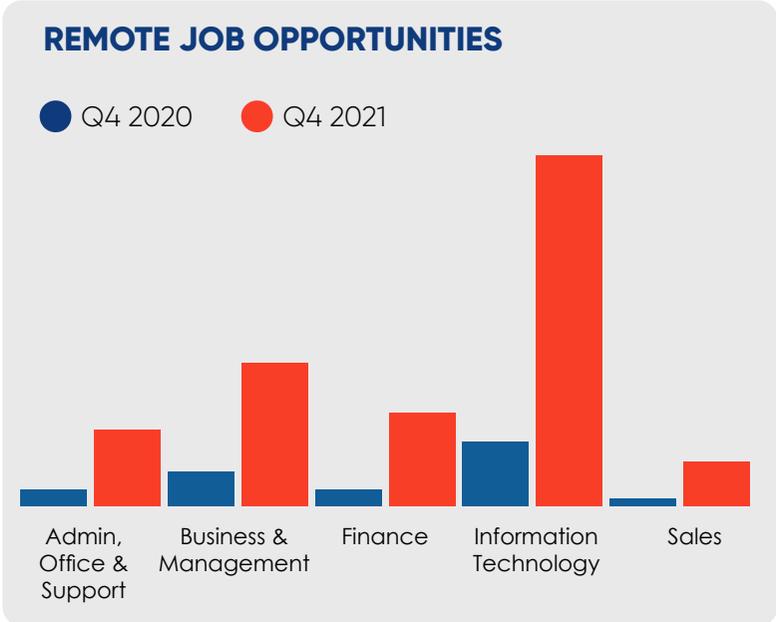
HOPES Hybrid/remote work allows for more balance and flexibility



CONCERNS Concern around limited social engagement as a permanent aspect of hybrid/remote work.



In South Africa, Pnet's research suggests that remote job opportunities are on the rise, and that job seekers seem to prefer (at least partially) remote working options:



So, what does all this mean for attracting and retaining talent in the future?

The Universum findings reveal that 94% of employers believe that offering some level of home-based work has become a crucial factor in attracting and retaining talent. 23% of employers confirmed that home working was already part of their employer proposition pre-Covid, while 42% of employers have incorporated home working into their employer proposition since the start of the pandemic.

Around two-thirds of companies have already made significant progress in implementing their work from home policies. If you're part of that one-third you need to play catch up and focus on getting this done.

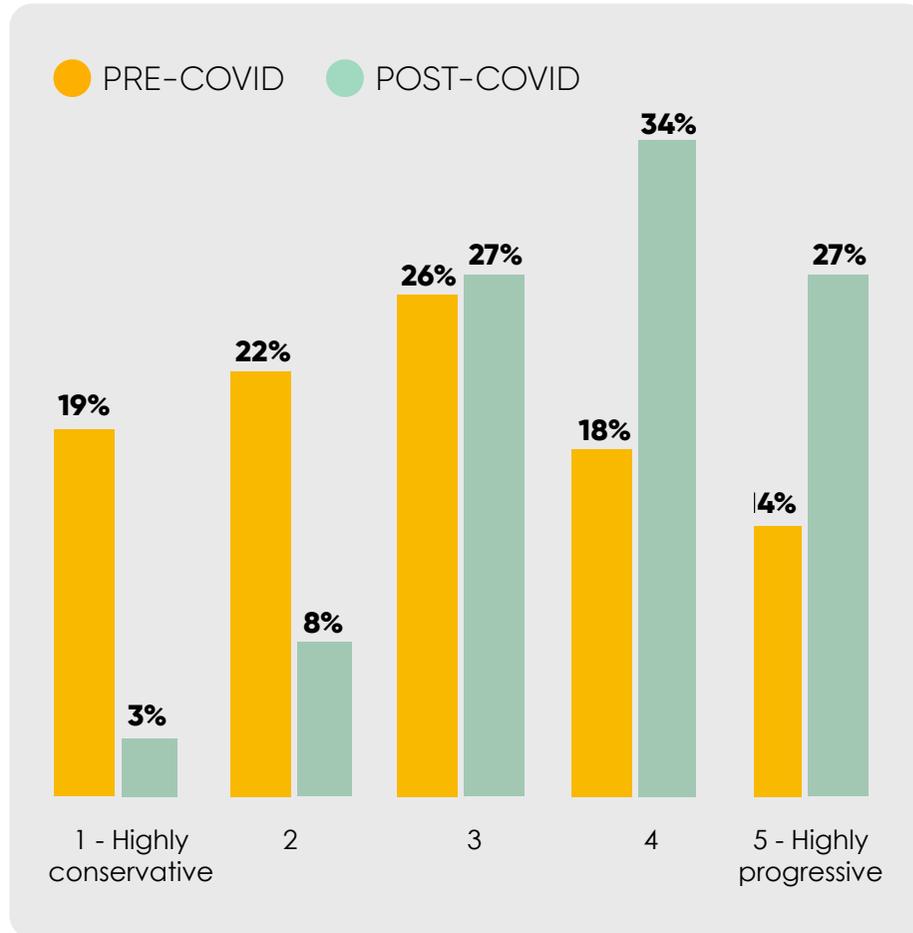
When attracting and retaining talent, having a clear view on how your company will incorporate hybrid/remote working is going to be critical in terms of your EVP.

Progressive Flexibility

The employment trend of 'Power to the People', or progressive flexibility, is here to stay – not only in terms of where employees work, but when they work. While businesses are thinking about remote working policies, flexibility has also had to come into their thinking. As indicated in the data shown below, many companies felt they weren't progressive on flexibility in the past, but will become highly progressive going forward as the theory needs to turn into a practical solution.

Q: How would you rate your organisation's more general stance towards flexible working and employee empowerment before the Covid-19 pandemic and going forwards?

Pre-Covid Flexible Working Stance vs Future Stance



BASE: Universum-INSEAD Global Remote Working Survey (2022-01_

The Universum Talent Outlook findings show that an approach of "anytime, anywhere" will be crucial to attracting talent, and that flexibility is already becoming a key value proposition for employers.

Flexibility is becoming a key value proposition for employers.

+83%

increase in job posts mentioning flexibility since 2019

+343%

more mentions of flexibility in company posts since 2019

Employees' happy place is the one they choose.

When employees are satisfied with their companies' time and location flexibility, they are:

2,6x

more likely to report being happy

2,1x

more likely to recommend working for the company



Tech giants like Google, Microsoft and SAP are currently taking the lead when it comes to introducing flexible work policies and embracing a flexible work culture. In South Africa, we are seeing a similar trend, with companies like financial services provider Nedbank announcing a planned shift in its workforce structure. Employees whose jobs do not require them to be in a branch or office will be allowed to work from home on a permanent basis if they choose. Nedbank has also partnered with cloud computing company Citrix Solutions to offer remote working systems and virtual desktops. "Nedbank has been on a journey over the past few years, rethinking its operating model and ways of working to keep up with the changing world and world of work," said Deb Fuller, group executive of Human Resources. "Subsequently, Nedbank has gradually introduced new Ways of Work and incorporated flexible work practices."

Other South African companies are expected to adopt Nedbank's approach. Oz Desai, general manager of Corporate Traveller, says "The Great Resignation has also been referred to as the 'Great Upgrade'. People are examining how they want to work and how they see their career path unfolding. They are hoping to create their ideal position – with plenty of scope for personal growth, balance and travel. Companies looking to attract the right talent will need increasingly progressive policies around hybrid work, working holidays and digital nomadism. Flexibility is now at the top of the agenda."

In essence, what remote work has done – apart from pushing people into a more digital way of working – is to push organisations to think about managing their employees in a more flexible way and adapting their Employment Value Proposition to meet individual needs.



One of the key uncertainties of the new hybrid/remote working model is how it will affect diversity and inclusion (D&I) efforts in the long term. D&I is generally promoted by introducing more flexible policies, and most organisations have indicated that they will make it a key part of their recruitment policy going forward. We saw from Universum's Employer Now Survey (about company practices) that most businesses are now making Inclusion part of their proposition.



Inclusion in the context of these findings refers to flexibility policies that allow for those who previously couldn't/wouldn't work for you because of your employment policies, now being able to apply. In South Africa, Diversity, Equity & Inclusion (DEI) is already a core focus and there's a hope that this opens up a more-inclusive talent pool in businesses.

At Pnet, we're using the Universum Talent Outlook findings and putting them into practice in our own recruitment policies. In recently advertised vacancies which would have historically been office-based positions, we're offering full remote working positions as we understand that we're now competing with much more flexible organisations for these skills, and so we want to be in the running to work with great talent, wherever they may be situated.

The new brand narrative: Purpose, innovation and diversity & inclusion

Most organisations are now recognising that through different perspectives we're able to make a better, positive, impact in the future (Purpose) and that inclusion & diversity is the key to bringing different ideas and perspectives to the table. 2022 will see diversity continuing to drive the employer brand narrative, with many companies deploying a very similar narrative to attract talent:

INCLUSION → INNOVATION → POSITIVE IMPACT.

65% of talent professionals believe remote working will have a positive effect on inclusive hiring, particularly in terms of working parents and women being able to move up into senior ranks as a result of having more work-life balance.

On the other side of the coin, Universum's data on professionals revealed that 44% of employees are concerned that they will be isolated and miss out on social connections with co-workers that they would have had if they had been working more regularly at the office (fears about in-group / out-group bias). In addition, 45% of talent professionals expect a negative impact on those unable to work from home (less work-life balance than their colleagues). Going forward, employers will need to find a way to address these concerns.

Bringing together people from many different backgrounds enables companies to be more innovative. Combining different perspectives allows for better ideas, which ultimately enables organisations to positively impact their clients and society as a whole. As this is the core narrative for a growing number of organisations, it will be important for companies to find additional differentiating factors that set them apart from their competitors.



P. WELLBEING

+147%

increase in the share of posts that mentioned "wellbeing" since 2019

+73%

increase in company posts about "wellbeing" since 2019

+5%

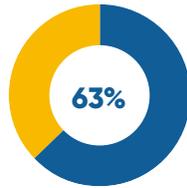
more engagements with posts that mention "wellbeing"

+41%

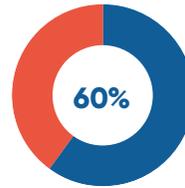
more likely for women to engage with "wellbeing" company posts compared to the average post

The Universum Talent Outlook findings show a very optimistic view in terms of wellness and work-life balance being a positive – for both employees and the employer. This is important in the context of attraction drivers, as work-life balance is seen by most as a really significant aspiration in the current employment landscape ("more important than the money").

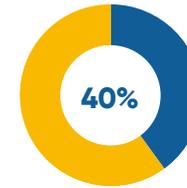
Percentage of professionals selecting these as top priorities when picking a new job:



Worklife balance



Compensation and benefits



Colleagues and culture

Work-life balance has been an aspiration for a long time (from a Candidate and Recruiter perspective). Often this falls by the way-side when it becomes about money/seniority/promotion: "Should I go for work-life balance or for the money?" Nevertheless, it's still a hot topic – and more so since the start of the pandemic. Very connected to "balance" is wellbeing. Universum's ongoing research suggests that if you have balance in your life, you tend to have a more positive outlook and sense of wellness. Just as with flexibility, we see this coming through as a very strong trend in terms of pre- versus post-Covid times:

The findings reveal several pros and cons in terms of the hybrid/remote working model when it comes to work-life balance and wellness. On the one hand, 69% of talent professionals stated improved well-being as a key reason for a more liberal working from home policy and 61% see better work-life balance as a key outcome of working from home.

On the other hand, research reports suggest that home-based employees work longer hours. Research suggests that people are working an extra 1-2 hours a day, which equates to an extra day each week, because of remote-working. To this end, 82% of remote workers experienced physical health issues during the past year and 78% are concerned that they may experience future health issues as a result of an increasingly sedentary lifestyle and not having the right ergonomic home office set-up.

Are we heading towards Digital overload?

The 2021 Microsoft Work Trend Index points to employees experiencing burnout. Between February 2020 and February 2021, there was a 148% increase in meetings (often back-to-back), a massive increase in emails, and a significant uptake of virtual 'chat' replacing face-to-face weekly catch-ups.

148%

MEETINGS

Weekly meeting time has more than doubled for Teams users and is still climbing

40%

EMAIL

Increase in number of emails delivered in February 2021 vs. 2020

45%

CHAT

Weekly Team Chats per person are up 45% and still rising

66%

DOCS

Number of people working on Office documents is up 66% year over year

"The exhaustion many are feeling can be blamed on the speed and urgency of virtual work"

Mary Donohue
Founder of the Digital Wellness Centre

This data shows us that physical and mental wellness are NOT clear-cut. There is a sense of speed and urgency that comes with virtual work, with no break because you're going from one meeting to another and another. Employees may end up feeling more exhausted than if they were in a normal office environment, with coffee breaks etc. in between.

Communicating is also much more difficult in a virtual setting. There are not as many non-verbal cues when employees are working remotely, which makes it harder for them to interpret information or understand whether or not they are getting their own message across to others. Because of this disconnect, work can be more tiring and stressful.

- While a slowing global economy may quell the current recruitment surge, deeper imbalances in the talent market mean the war for talent looks set to continue.
- Hybrid / remote working is undoubtedly here to stay, and is leading to an evaluation of many companies' Employer Value Propositions.
- Many leading companies are super-charging their overall approach to flexibility (over and above hybrid working policies).
- While many positive outcomes are expected from hybrid/remote working, there are also some key uncertainties to bear in mind: Will working from home help inclusion or hinder it? How do we ensure work-life balance for ALL employees – both those who spend the majority of their time working from home and those who are more office-based?

One thing is certain – employers of choice will need to pay active attention as the shift to the hybrid/remote model of work plays out. If you haven't yet incorporated this model into your employment proposition or implemented some clear long-term policies around it, then you would be wise to do so.

[Watch the Universum 2022 Trends & Uncertainties webinar recording](#)



CONCLUSION

ABOUT PNET

Pnet is an industry leading online recruitment website in South Africa. Using one of the world's leading next-generation recruitment platforms, we use AI and smart-matching technologies to disrupt the way talent and businesses of any size connect.

We've helped thousands of small, medium, and large businesses find the right staffing solutions to suit their needs. As a subsidiary of the StepStone Group and sister company to Universum, Pnet is a creator, catalyst and ecosystem for opportunity. Building, amplifying and identifying opportunity is at the heart of our business. Pnet is where recruiters have the opportunity to find the talent to help them flourish, and job seekers are given the opportunities that will help them find purpose, meaning, and joy through their skills.

To find out how Pnet can help you with your recruitment plans, contact us at:

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ABOUT UNIVERSUM

Universum is the most recognised Employer Branding specialist in the world. Part of the StepStone Group, they operate in over 20 countries to ensure employers around the world achieve their goals through data-driven Employer Branding, enabling them to engage the talent they need to succeed.

For over 30 years, Universum has been the trusted partner of many of the world's best-known employers. As a result, its data, insights and guidance have shaped Employer Branding and assisted companies from around the globe in their efforts to attract, recruit and retain the right talent.



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