



The Year Ahead: 4 Key Staffing Trends for 2022

Employers must be more strategic in 2022



In 2021, UK businesses faced incredible challenges - from lockdown and limited trading to the worst labour shortage since 1997.¹ But with ongoing supply chain issues, the continued fallout from Brexit and uncertainty around the impact of new COVID-19 mutations, 2022 is unlikely to be a smooth ride either.

Now more than ever, employers will be defined by their ability to adapt strategically to the talent market. But to do that, they need to understand what's coming in the next 12 months.

That is why we have put together this report: to help employers prepare for the challenges that will define 2022, and provide some much needed clarity on how they can respond.

¹<https://www.theguardian.com/business/2021/jul/08/uk-employers-struggle-with-worst-labour-shortage-since-1997>

1

A candidate driven market

As demand exceeds supply, workers will define the terms of engagement in 2022

Throughout 2021, we have seen a drastic shift in the dynamics of recruitment. Many businesses were left reeling from the loss of a huge number of EU workers to Brexit, and the so-called “great resignation” saw native workers increasingly uninterested in low-skilled, low-paid work.

The result has been wide-spread staffing shortages, which have resulted in candidates commanding greater power in job negotiations. In response, many companies have made clear they are willing to increase wages to combat shortages² - with some offering sizable signing-on bonuses. But the message is clear: businesses will have to offer a lot more than they have been in order to attract reliable, high-quality workers.

In 2022, we will see the candidate driven market mature.

As workers realise that they now set the terms of engagement, the bar for recruitment will be pushed even higher - forcing employers to approach the problem in more creative ways.



²<https://www.ft.com/content/865ffa54-5ed1-4a0e-ae33-8e3bbdf1b212>

How businesses can respond:

1

Employer branding

Businesses can improve their recruitment efforts by improving their reputation as an employer. This will involve engaging more actively on social media and job review websites like Glassdoors; developing content and collateral that essentially 'markets' their business to candidates; and offering unique benefits that differentiate them from the crowd.

75% of candidates research a brand before even considering applying³

2

Increase retention

Where staffing needs cannot be fully met, businesses should pivot to a focus on retention. This will involve rewarding loyalty and giving more recognition to individual contributions. And by improving the employee experience of their existing workers, businesses will also increase their appeal to new workers.

The average employee exit costs 33% of their annual salary⁴

3

Use temporary talent

With workers' increasing desire for flexibility and control, there has been a rise in interest in temporary staffing. If businesses can develop their capabilities to utilise this growing talent pool, they will be able to bypass many of the challenges of recruiting full-time employees from a candidate driven market.

There are now over 1.6 million temporary workers in the UK⁵

³https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

⁴https://www.benefitnews.com/news/avoidable-turnover-costing-employers-big?brief=00000152-14a7-d1cc-a5fa-7cfcfc0000&utm_content=socialflow&utm_campaign=ebnmagazine&utm_source=twitter&utm_medium=social

⁵<https://www.statista.com/statistics/530216/temporary-workers-in-the-uk/>

2

Skill-based hiring

With increasing skill shortages holding businesses back, we will see recruitment shift its focus away from 'roles' - and onto specific skills

According to Gartner, the number one priority for businesses in 2022 will be building critical skills and competencies.⁶ And this makes sense, because there has been a widely-publicised 'skill shortage' across virtually every industry in the previous few years.

The number of skills employees need has increased by an average of 6.3% each year since 2018. And perhaps more problematically, nearly 1 in 3 skills needed for a job in 2018 will no longer be needed in 2022.⁷

In 2022, businesses will focus on hiring specific skills rather than filling preconceived roles.

This will enable more flexible and strategic operation, as staffing efforts focus exclusively on the value a candidate brings to the business - not whether they fit a traditional set of expectations.



⁶<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-priorities-for-hr-leaders-2022.pdf>

⁷<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-priorities-for-hr-leaders-2022.pdf>



How businesses can do this:

1. Reimagine the interview process

Many businesses will focus on credentials when looking for specific skill sets. But this risks missing out on candidates who may have exceptional skills - but not yet the experience to show it. The interview process should therefore be reimagined to give candidates the opportunity to demonstrate specific skills - including competency tests and problem solving tasks.

Google reports that it takes them four interviews to make a hiring decision with 86% confidence.⁸

2. Find underutilised talent pools

Shifting to a skill-based hiring system is a prime opportunity for employers to widen their recruitment net. By looking at talent pools which are traditionally not considered - such as students or retired people - businesses may be able to find highly-skilled labour which is more flexible and cheaper.

There are nearly 1.5 million people in 'underemployment' in the UK⁹

3. Embrace short-term workers

Skill-based hiring often leads to inefficient hires, because the candidate is brought in for a particular skill which may not actually be needed 40% of the time. To combat this, businesses can bring in temporary talent with very specific skills on a flexible basis, in order to plug their skills gaps without committing to a full-time hire.

There are over 2 million skilled freelancers in the UK¹⁰

⁸<https://rework.withgoogle.com/blog/google-rule-of-four/>

⁹<https://www.statista.com/statistics/280383/unemployment-figures-in-the-united-kingdom-uk/>

¹⁰<https://dontdisappoint.me.uk/resources/lifestyle/freelancing-statistics-uk/>

3

Increased upskilling efforts

Another response to skill shortages will be rapid investment in upskilling existing employees

Another popular solution to skill shortages will be to develop existing workers internally. Not only will this help plug the skills gap - it will also increase retention and loyalty. And for many, it will be the only realistic solution in the short-term.

In London, for example, there is a continuing decrease in the number of available candidates - but there is also an extreme skill shortage. 7 out of 10 executives in the city say their company is currently affected by skill shortages, and 22% go as far as saying a shortage of skilled workers will be the single biggest hurdle they face in the next five years.¹¹

In 2022, upskilling opportunities will be key to appeal to candidates.

Employees now expect more from their employers, and that includes progression and a sense that their work is 'leading' somewhere.



¹¹<https://www.cityam.com/london-bosses-say-skills-shortages-at-crisis-and-could-go-on-for-five-years/>



How to scale your upskilling:

1

Create a learning community

Many upskilling efforts fail because they expect learning to occur in a bubble. But most people develop skills better when they feel part of a team or community - and can share the journey with others. Businesses should connect individuals within their business to others who are learning a particular skill, to encourage collaboration and help - as well as little friendly competition.

'Self-directed' learning initiatives generally achieve very poor uptake¹²

2

Offer a real career path

Businesses must make clear to their employees how exactly a particular skill is going to impact their long-term prospects. Rather than simply asking workers to learn to code or develop management skills, the upskilling process should always be tied to a tangible reward in order to motivate employees to invest more effort.

48% of employees would switch to a new job if skills training opportunities were provided¹³

3

Locate overlapping skills

Unfortunately, many of the skills businesses need an employee to learn in 2022 will not be tied to any clear progression within the company. In such cases, employers must find ways to demonstrate that upskilling will still benefit the employee by providing them with transferable skills that will help them in the long-run.

The skills required of a secretary are ideal building blocks to becoming an IT business analyst, architect or systems designer¹⁴

¹²<https://hbr.org/2019/05/your-approach-to-hiring-is-all-wrong>

¹³<https://www.prnewswire.com/news-releases/new-gallup--amazon-upskilling-study-finds-that-48-of-american-workers-would-switch-to-a-new-job-if-offered-skills-training-opportunities-301372643.html>

¹⁴<https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-rethinking-skills-to-tackle-the-uks-looming-talent-shortage>

4

Data-driven recruitment

Data and analytics will be a vital advantage for recruiters - especially when the market for top talent is so competitive

While areas like marketing and sales have developed robust data capabilities in the last decade, recruitment and staffing have lagged far behind. But as businesses increasingly use technology for their recruitment and HR, valuable information is being harvested all the time.

Finding uses for this will give businesses a huge advantage, allowing them to locate patterns in successful hires; planning in advance for staffing shortages; and develop more effective benefits packages based on past results.

In 2022, businesses that are able to action this data will gain an unassailable lead. Such systems cannot be developed overnight, and amassing high-quality data will require careful coordination internally. But the rewards will be more than worth it.





How to go data-driven in 2022:

1. Track every part of the recruitment process

Businesses should invest in systems that capture data at every step of the hiring and onboarding process - from the effectiveness of different ad campaigns to the length of the interview processes. This means leaders must identify holes in their current data capture strategy - and urgently fill them.

50% of employers do not use applicant tracking software¹⁵

2. Partner with quality tech providers

A growing number of recruitment and tech solutions have hit the market in recent years. But most do not offer high-level data capture or analysis to their users. Businesses should ensure they only partner with providers that can offer robust data, and understand the true value of that data.

74% of businesses plan on increasing their investment in HR and recruitment technology¹⁶

3. Make the data easily accessible

Data is only as powerful as your ability to use it. Every person who will benefit from your staffing data should have easy access to it, as well as training in exactly how to use it. This will help integrate the use of data into your existing processes and ensure your people start making data-driven decisions faster.

Companies spend an average of 18 hours each month modifying, consolidating, correcting and updating information manually - Diligent¹⁷

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¹⁵<https://www.g2.com/articles/recruitment-statistics>

¹⁶<https://learning.linkedin.com/resources/workplace-learning-report>

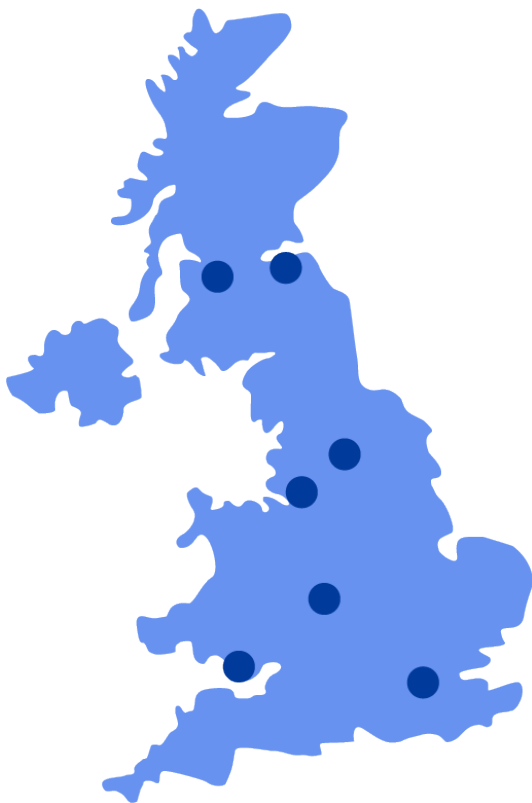
¹⁷<https://insights.diligent.com/compliance/risks-tracking-compliance-manually>

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