

# The Great Resignation, Skill-based Hiring and the Future of Learning

Secretaries Innovation Group

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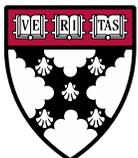
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Harvard Project on Workforce Website: <https://www.pw.hks.harvard.edu/>

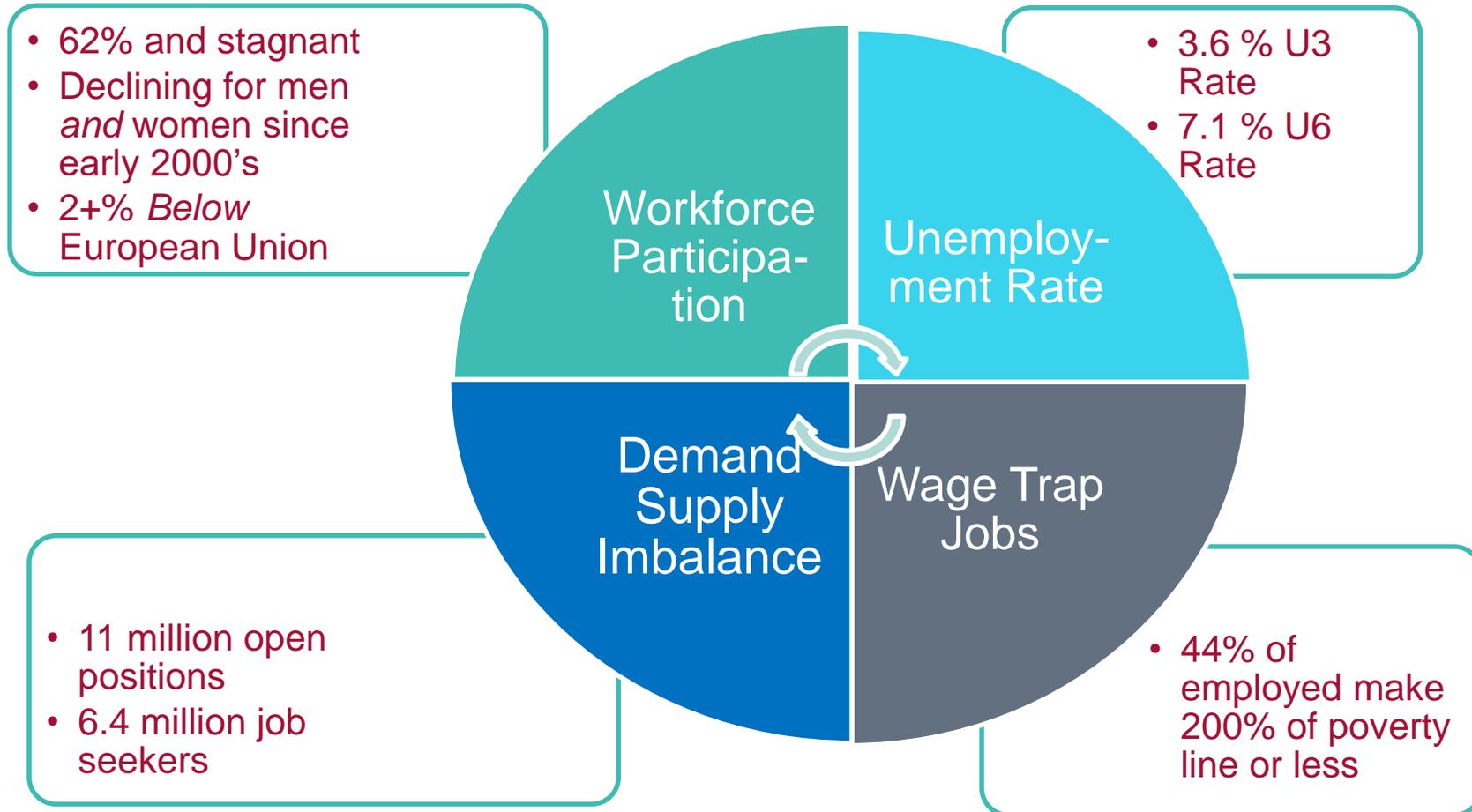


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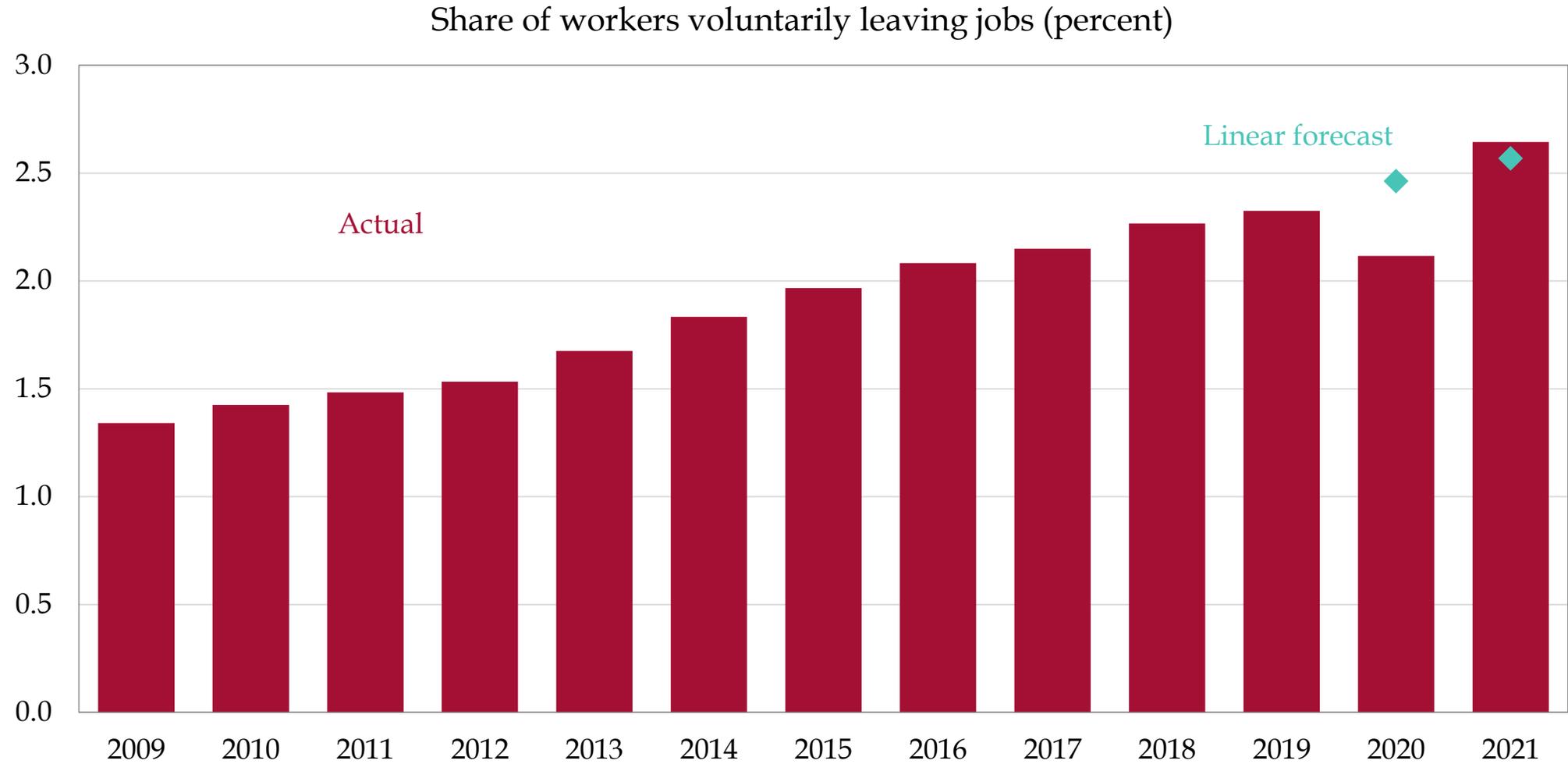
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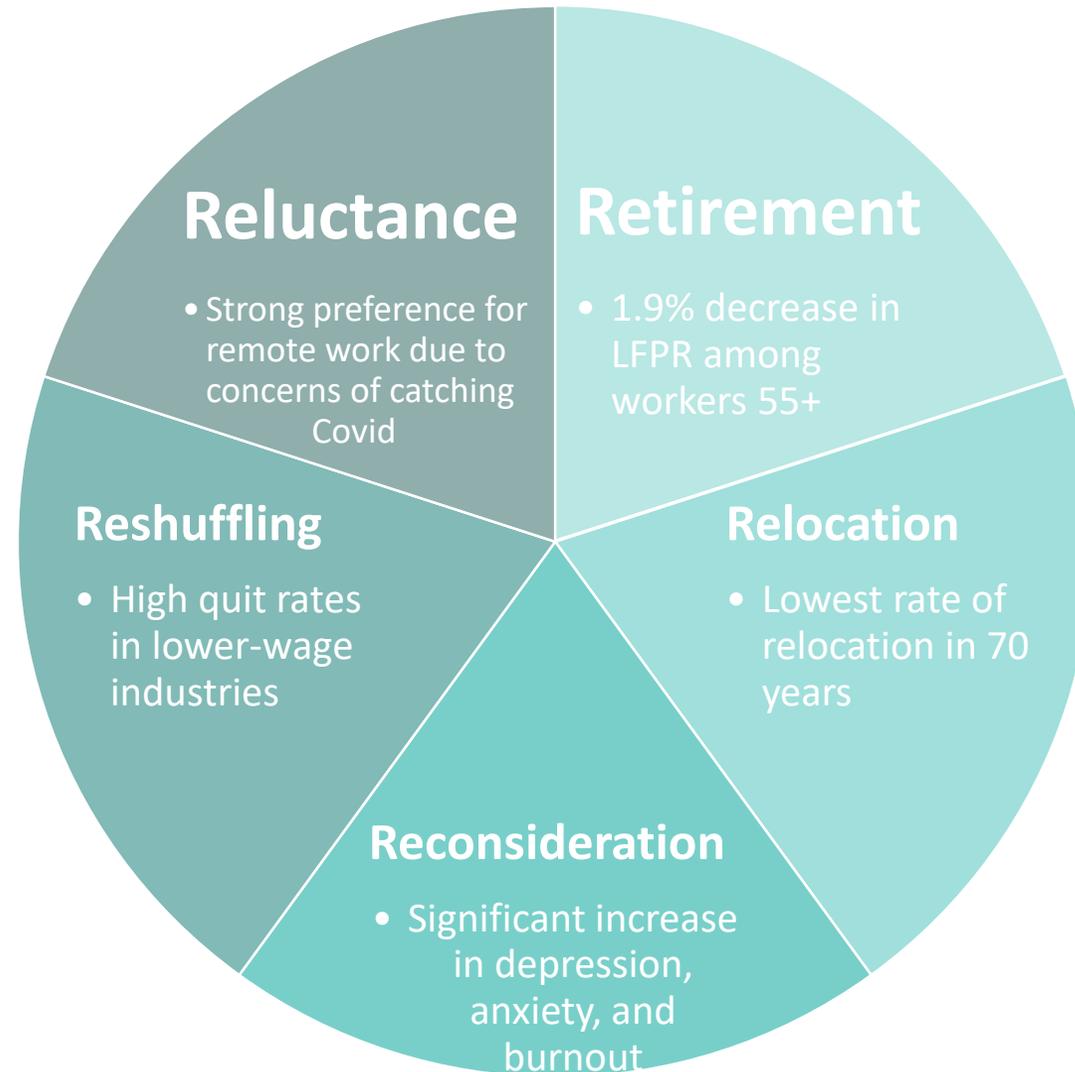
# The Paradoxes of the U.S. Labor Market



# The Great Resignation is not an anomaly

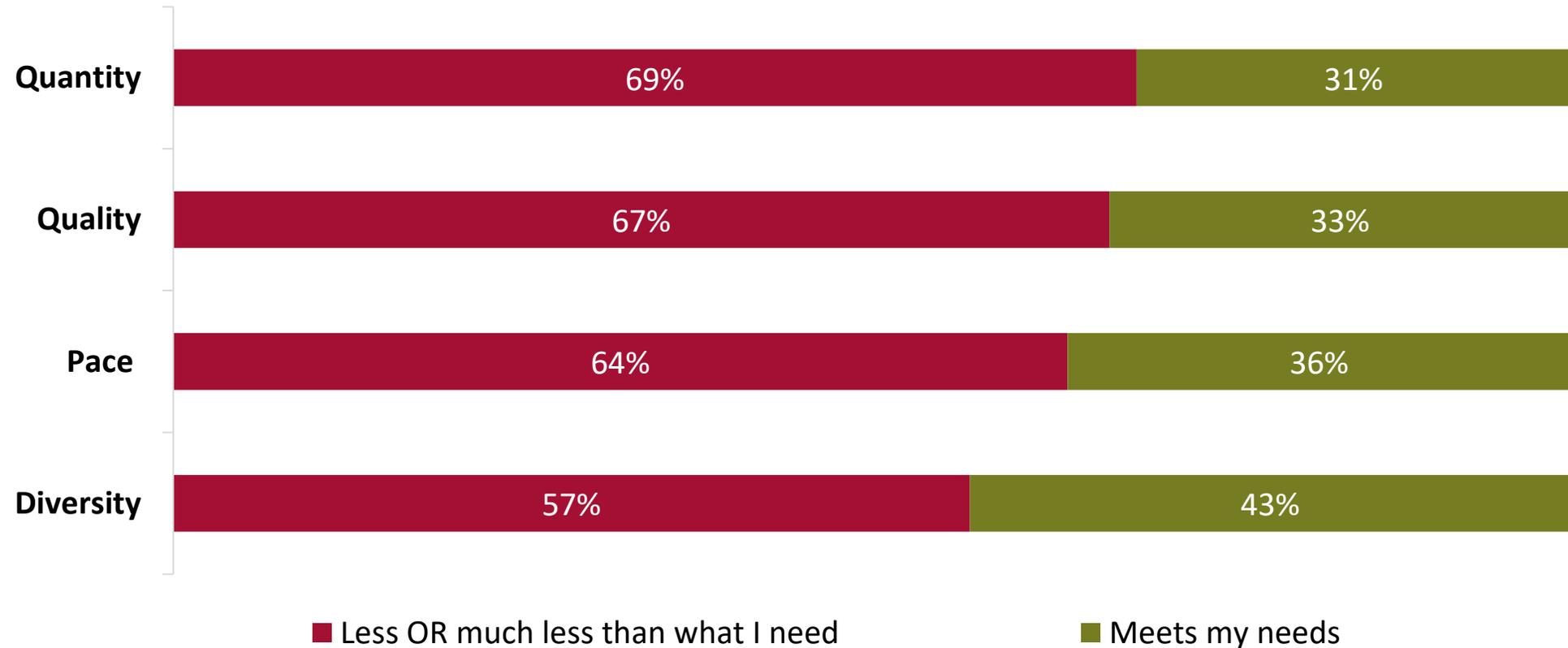


# The Reality of the “Great Resignation”



# Employers cannot find the right talent

*Can you find the quantity/quality/pace/diversity of candidates your organization needs to ensure the success of your business?*



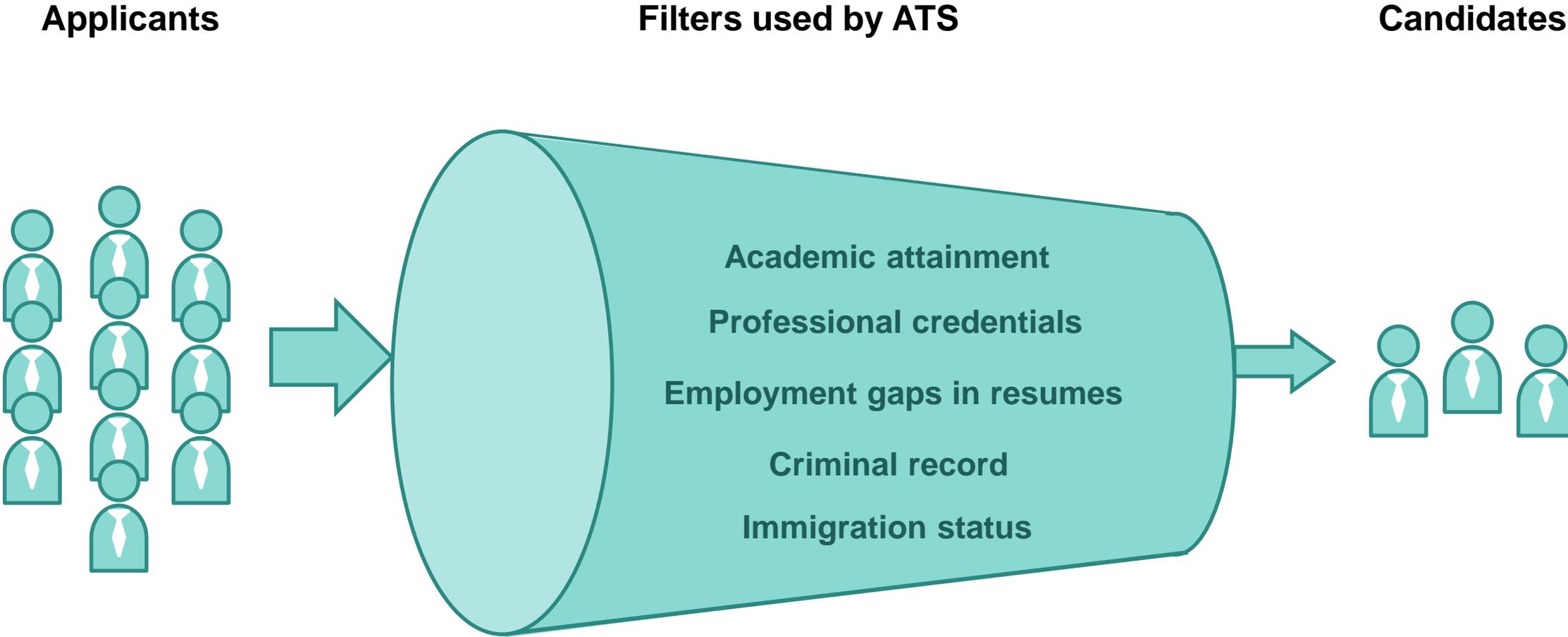
Note: Only those who indicated that their organization uses a recruitment management system to initially rank or filter middle skills or high skills candidates were shown this question.

Source: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January-February 2020

# Why are employers struggling to find the right talent?

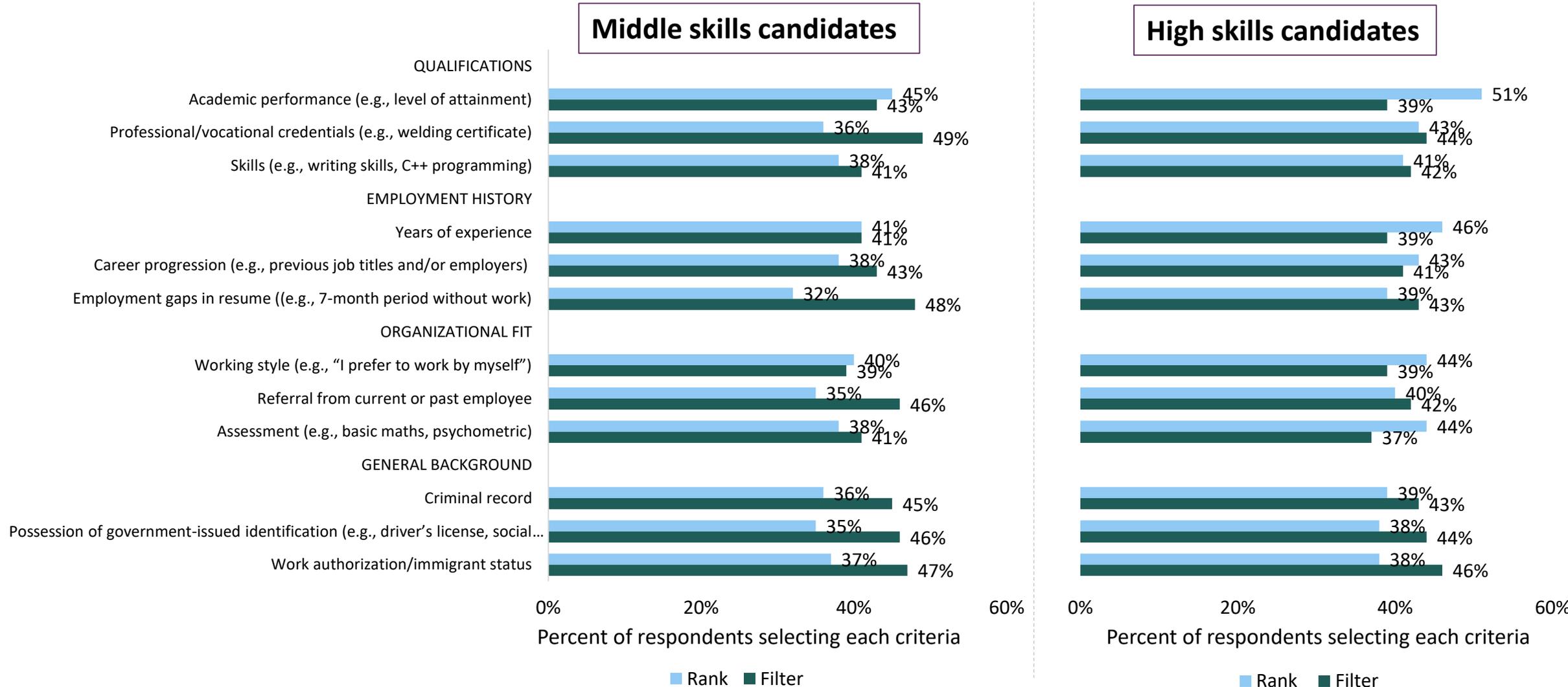
- Employer hiring processes systematically filter out qualified workers
- Workers face numerous barriers to employment, including caregiving
- Low-wage workers are trapped in high turnover, poverty jobs
- Alternative to traditional employment are proliferating

# 90+% Employ Applicant Tracking System Technology in Hiring



# Employers use many criteria to rank and filter candidates

*For each criteria listed below, please indicate if your organization's recruitment management system uses it to rank or filter out prospective candidates during the initial screening process.*

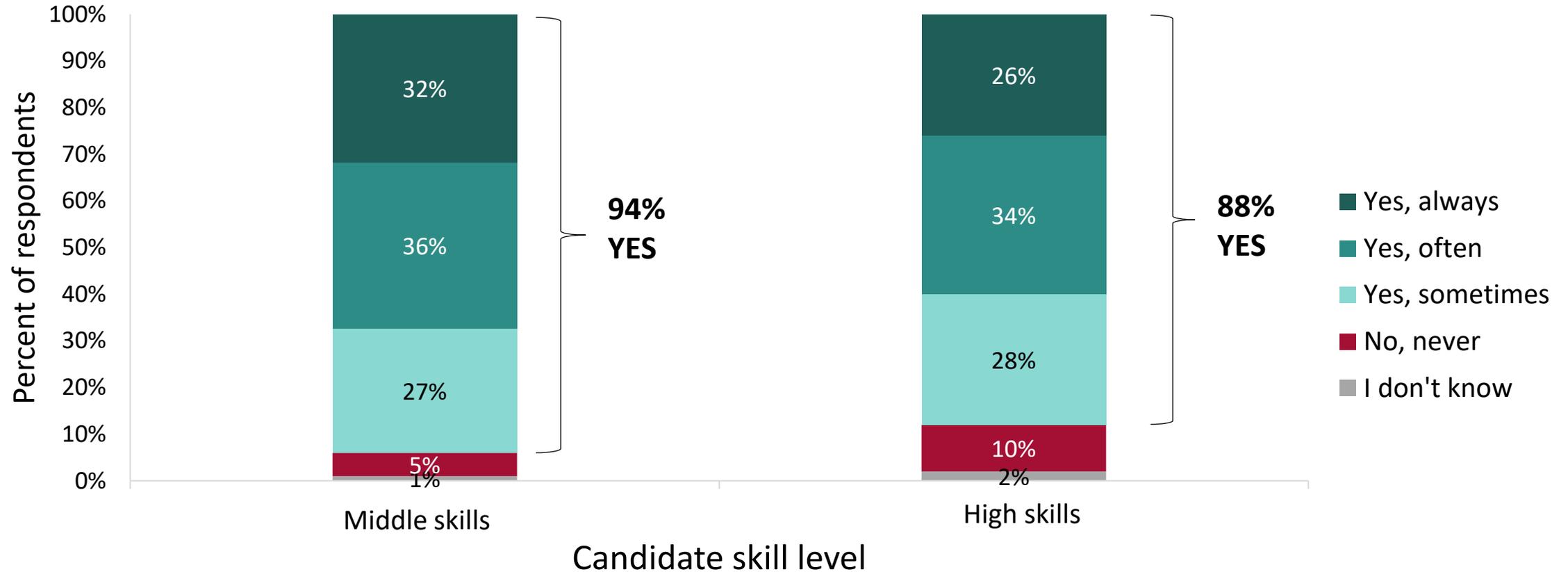


Note: Only those who indicated that their organization uses a recruitment management system to initially rank or filter middle skills or high skills candidates were shown this question.

Source: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January-February 2020 © Joseph Fuller, 2021

# Employers know their systems filter out qualified candidates

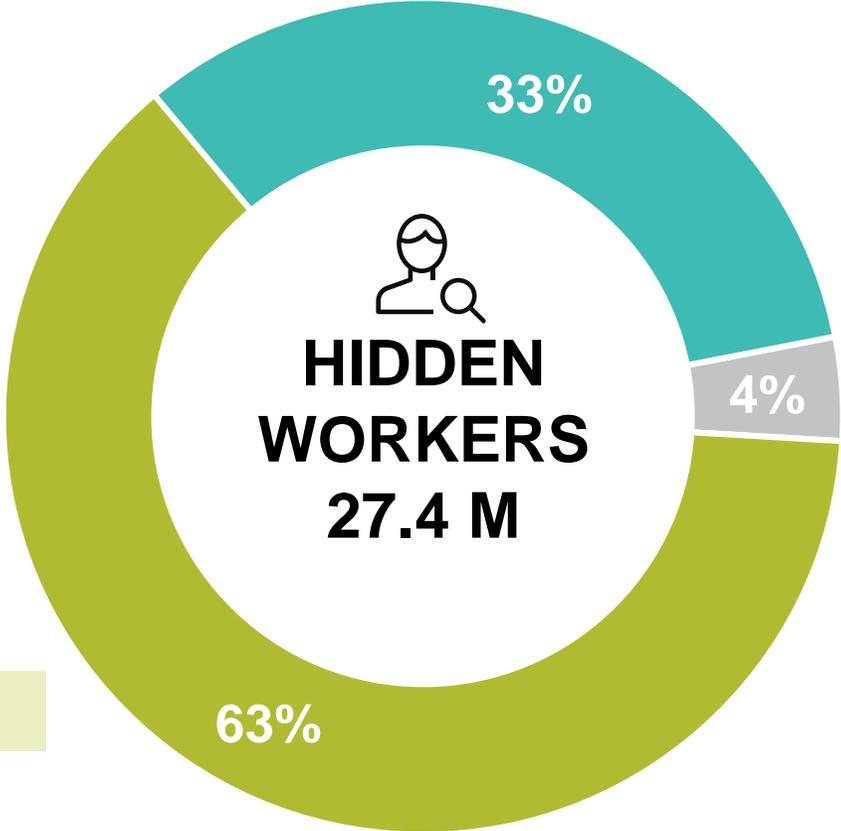
*Do you think your organization's hiring system filters out potential low-and-middle skills hires or high skills hires who could successfully perform the job, but don't fit the exact criteria in the job description? (e.g., lacks professional experience)?*



Note: Percentages may not sum to 100 due to rounding.

Sources: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January-February 2020

# Composition of the U.S. hidden workforce, March 2020



## MISSING HOURS



- Economic reasons
- Non-economic reasons - child/family care
- Non-economic reasons - health/retired
- Non-economic reasons - others

## MISSING FROM WORKFORCE



- Inactive retired
- Inactive others
- Want to work

## MISSING FROM WORK



- Long-term unemployment
- Very long-term unemployment

Note: The “missing hours” group consists of people who are working one or more part-time jobs, but could or would like to work full-time; the “missing from work” group consists of those who have been unemployed for a long time but are still seeking employment; the “missing from the workforce” group consists of those who are currently not working and are not actively seeking employment, but who could be working under the right circumstances.

Source: Accenture Research based on IPUMS CPS data from March 2020 combined with economic modeling results (based on data for 2015-2020).

# Barriers faced by hidden worker groups

Barrier groupings

■ Barrier applies ■ Most important barrier

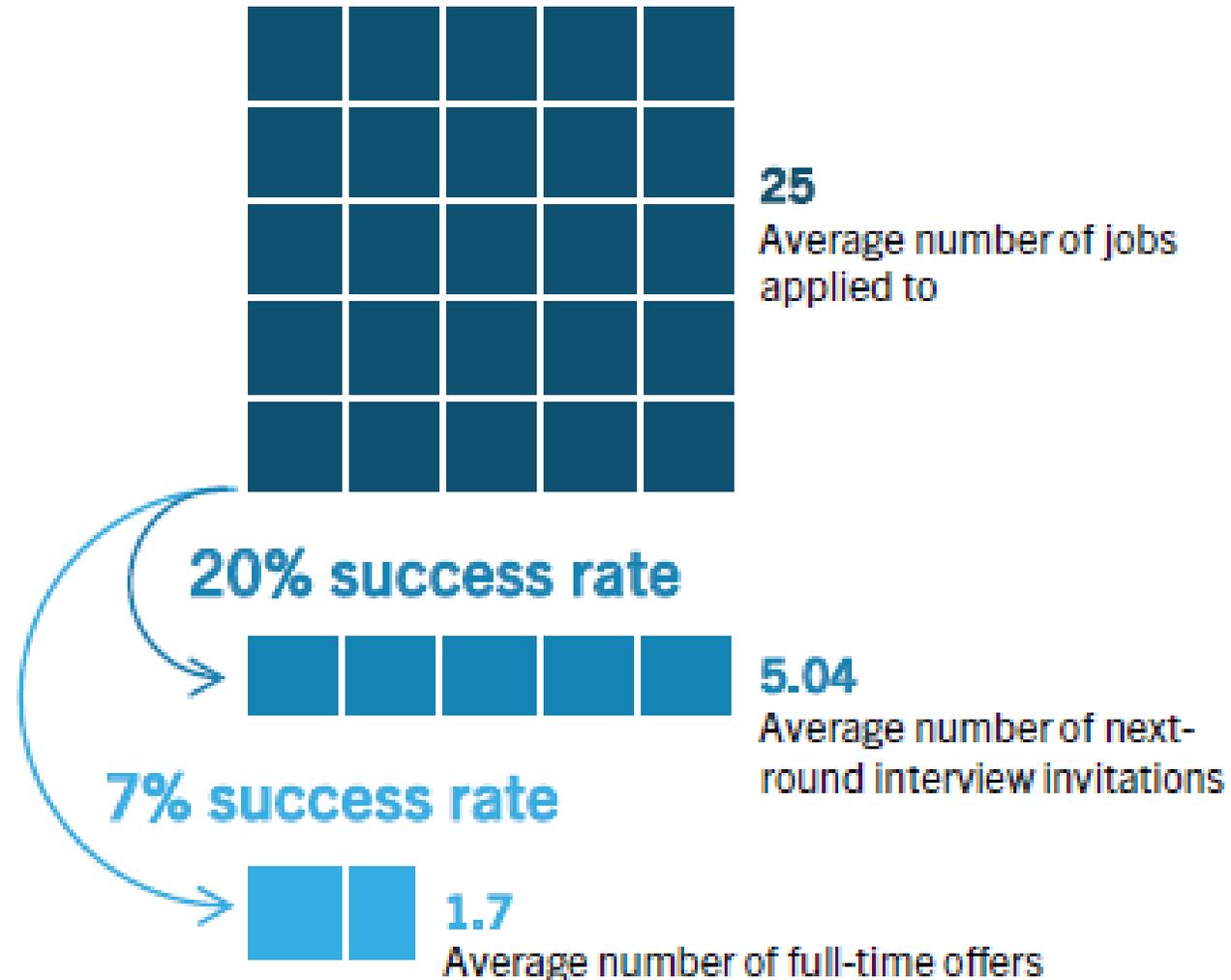
Hidden Worker Segment	Caregiving Frictions	Health Issues	Employer Accommodation	Qualifications & Skills	Mindset	Mismatch	Wrong Fit	Information & Resources	Government Policy
No Traditional Education									
Health Issues									
Relocated									
Caregivers									
Veterans									
No Work Experience									
Retired									
Less-Advantaged									

Note: The above is based on a likelihood model that each type of hidden worker would cite each barrier as being relevant. Background controls include age, gender, educational attainment, country, ethnicity, and household income. The green cells indicate that each type of hidden worker is likely to cite each barrier group as relevant, and this conclusion is statistically significant at the 5% level. Among all the significant barrier groups for each type of hidden worker, the red cells indicates the one that is cited most strongly.

Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020

# Hidden workers experience low application success rates

*How many jobs have you applied for in the past 5 years? Out of these jobs you applied to, roughly how many invited you for at least one further round of evaluation? Roughly how many offered you a full-time job?*

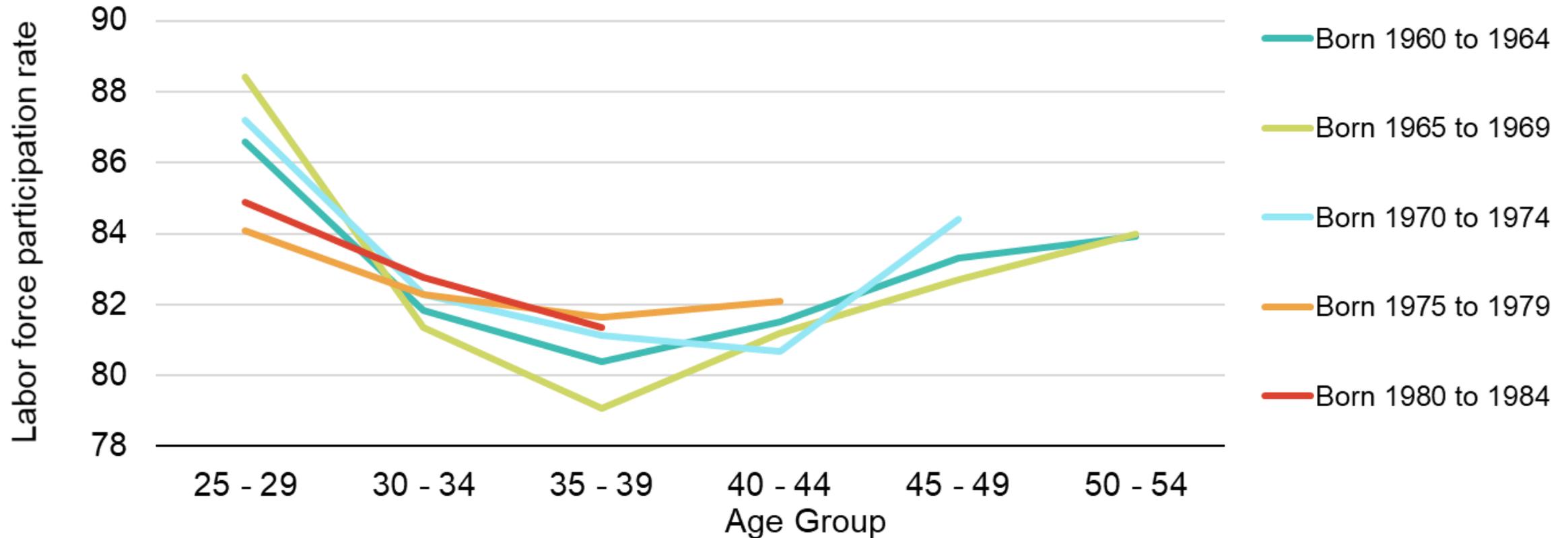


Note: Only those who indicated that they have applied to any job in the last 5 years answered these questions.

Source: "Hidden Worker – Worker Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, May-June 2020

# Women exit the labor force during key career-building years. This trend has persisted for decades

**Labor force participation of college-educated women by age cohort**  
Percentage, United States



Source: Sandra E. Black, Diane Whitmore Schanzenbach, and Ryan Nunn, in "The Recent Decline in Women's Labor Force Participation," *The 51%: Driving Growth through Women's Economic Participation*, edited by Diane Whitmore Schanzenbach, and Ryan Nunn (Washington D.C.: Brookings Institute, 2017), p. 4.

# Caregiving is a major barrier for workers, but employers are unaware of the impact

## Key findings from survey of employers

*Statement: “Caregiving responsibilities have no impact on employee performance at my organization”*

**69% agreed**

*Do you collect data on the caregiving responsibilities of your employees?*

**52% said NO**

## Key findings from survey of caregiving employees

*Have you ever left a job because of caregiving responsibilities?*

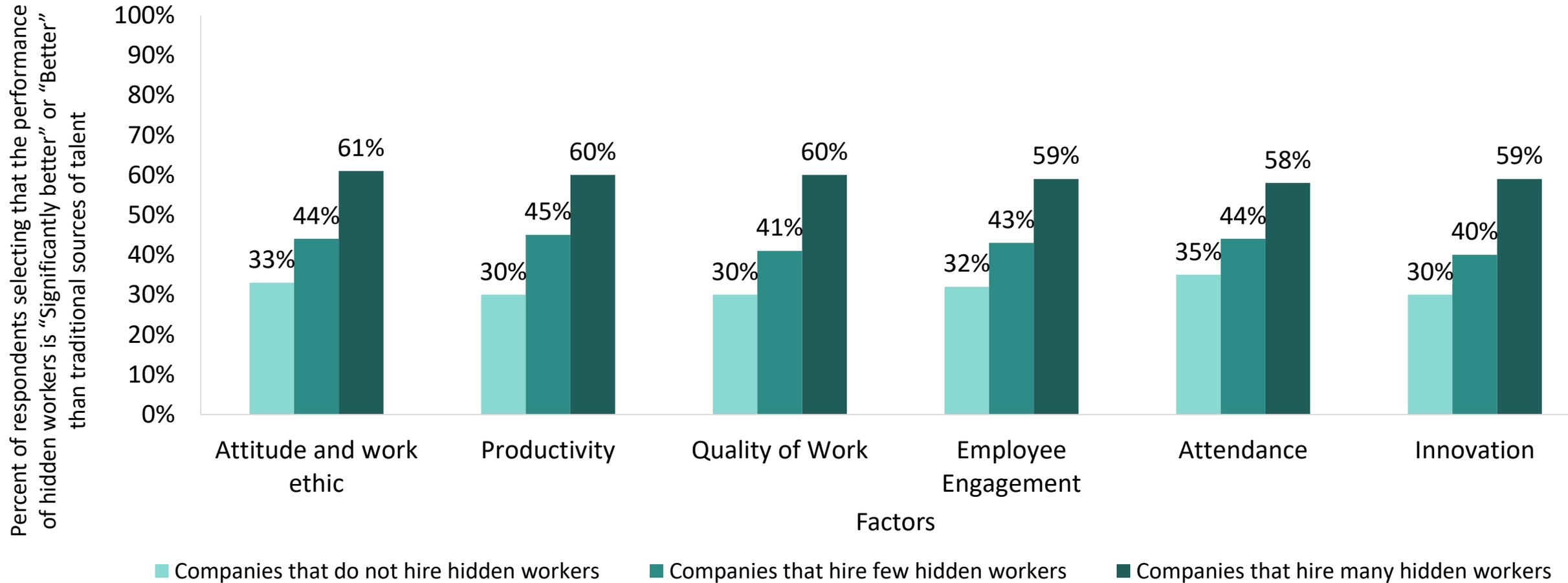
**32% said YES**

*Has caregiving affected your ability to perform your best at work?*

**82% said YES**

# Employers who hire hidden workers reap the benefits

***Relative to traditional sources of talent, how would you compare the performance of workers from untapped talent pools on the following factors?***



Note: "Companies that do not hire hidden workers" are companies who reported that they hired 0 hidden workers over the past year. "Companies that hire few hidden workers" are companies who reported that they hired between 1 and 10 hidden workers over the past year. "Companies that hire many hidden workers" are companies who reported that they hired more than 40 hidden workers over the past year.

Source: "Hidden Worker – Employer Survey," Accenture and Harvard Business School's Project on Managing the Future of Work, January-February 2020

# The Vicious Cycle of High Turnover Jobs



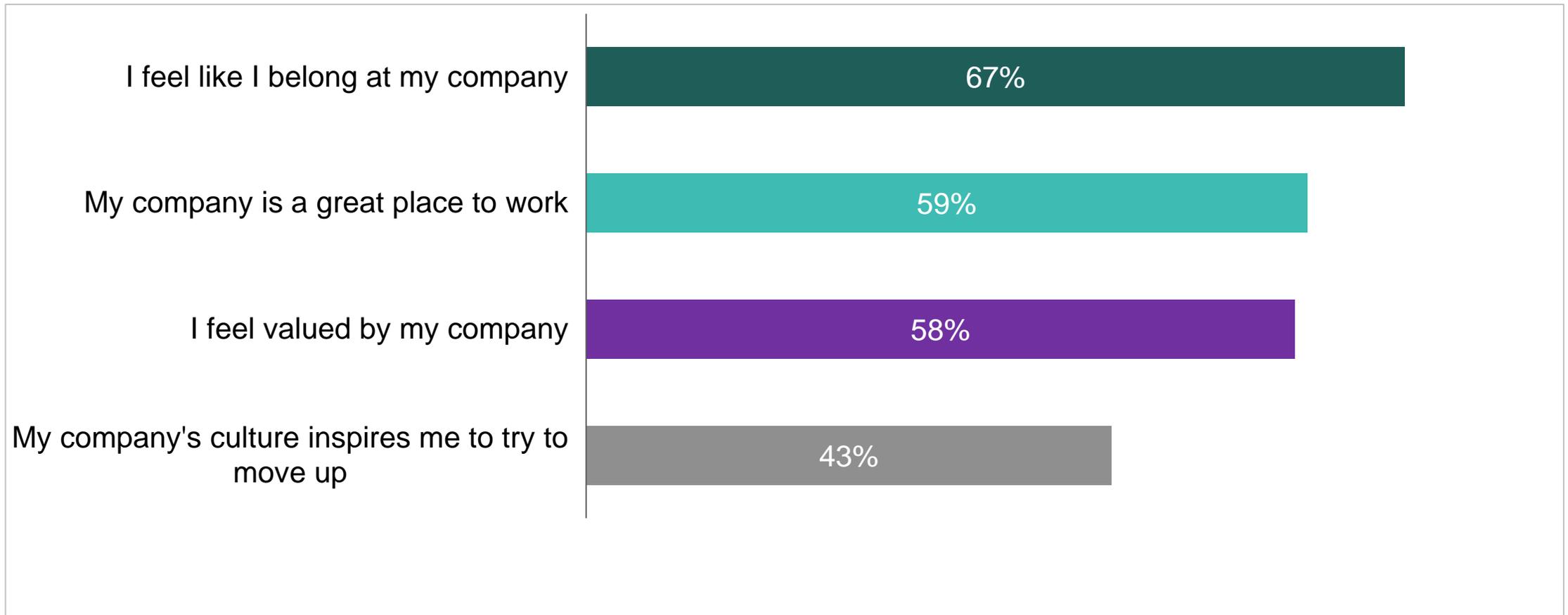
# Workers want to move up in their company

71%

of workers believe they are *most responsible* for their upward mobility

62%

want to stay at their company if offered *more pay, training, or responsibility*



# But few know what is necessary in order to move up

*Does your company describe the **skills, training, certification, and experience needed** to get to the next role level in performance reviews?*

**32%** said ALWAYS or OFTEN

**37%** said RARELY or NEVER

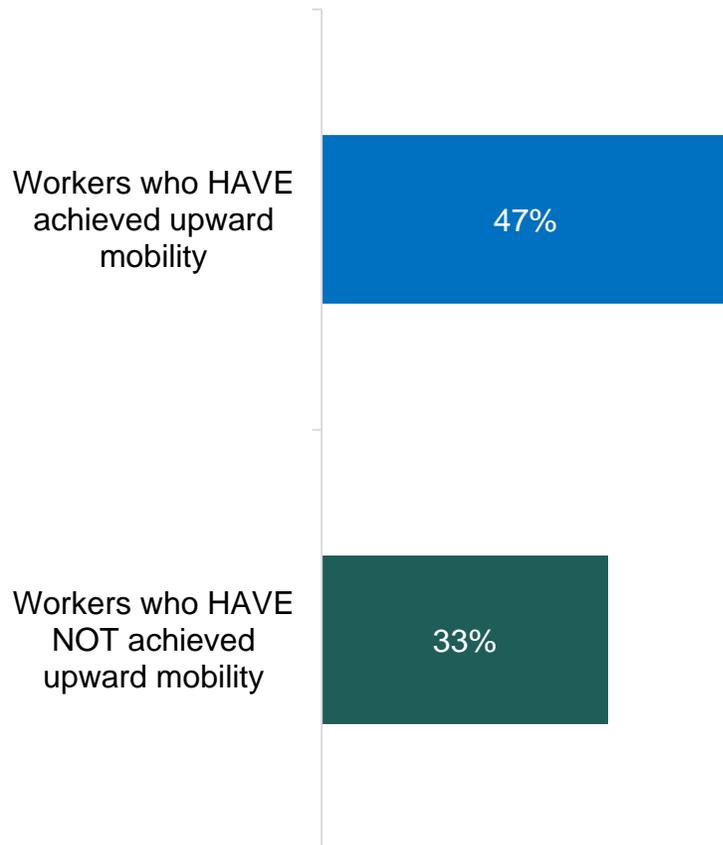


33%

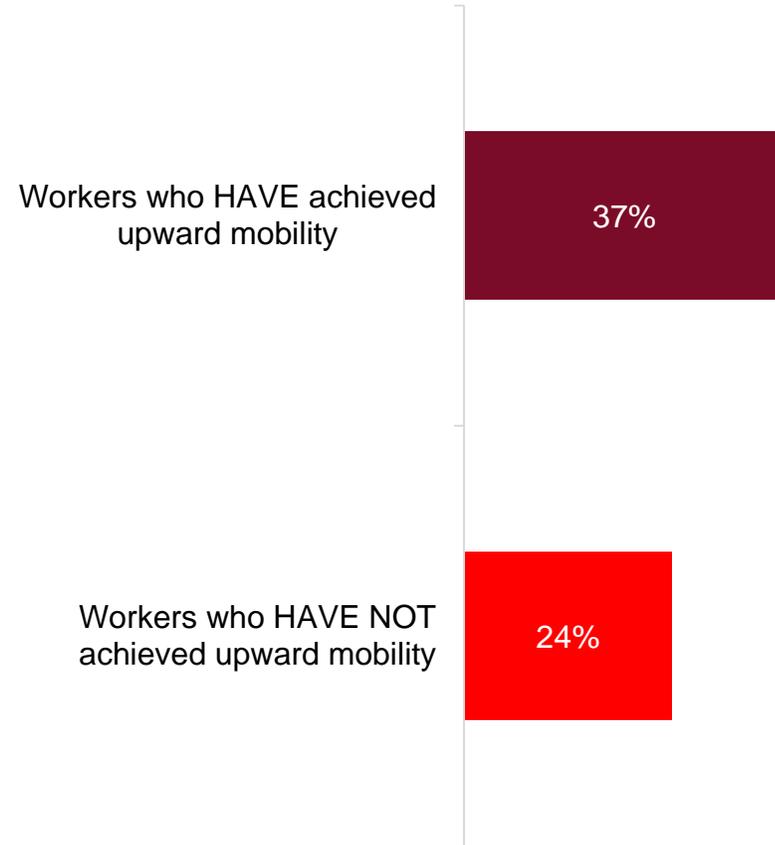
of workers saw **no** opportunities to move upward in their organization

# Workers who moved up experienced mentorship, training, and communication about career pathways

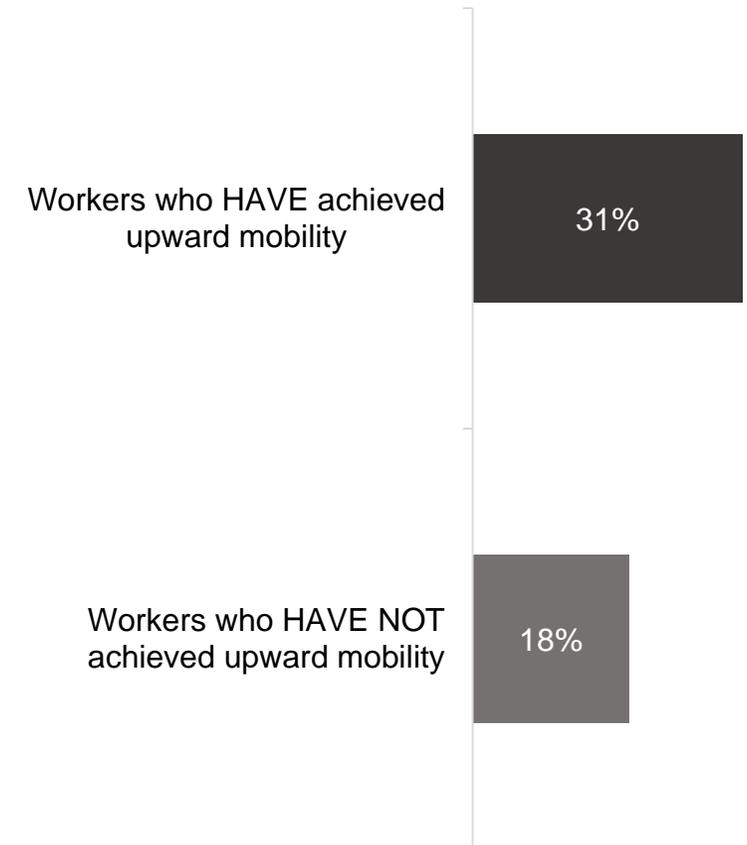
Do you have a **supervisor or mentor who holds performance reviews** with you at regular intervals?  
*% responding Always or Often*



Does your company **describe the skills, training, certification, and experience needed** to get to the next role level in performance reviews?  
*% responding Always or Often*



Does your company **offer training programs that teach soft skills** required to move up?  
*% responding Always or Often*



# What should employers do?

Recognize low-wage employees as critical assets

Make retention the cornerstone of strategy

Create a diverse workforce bottom-up

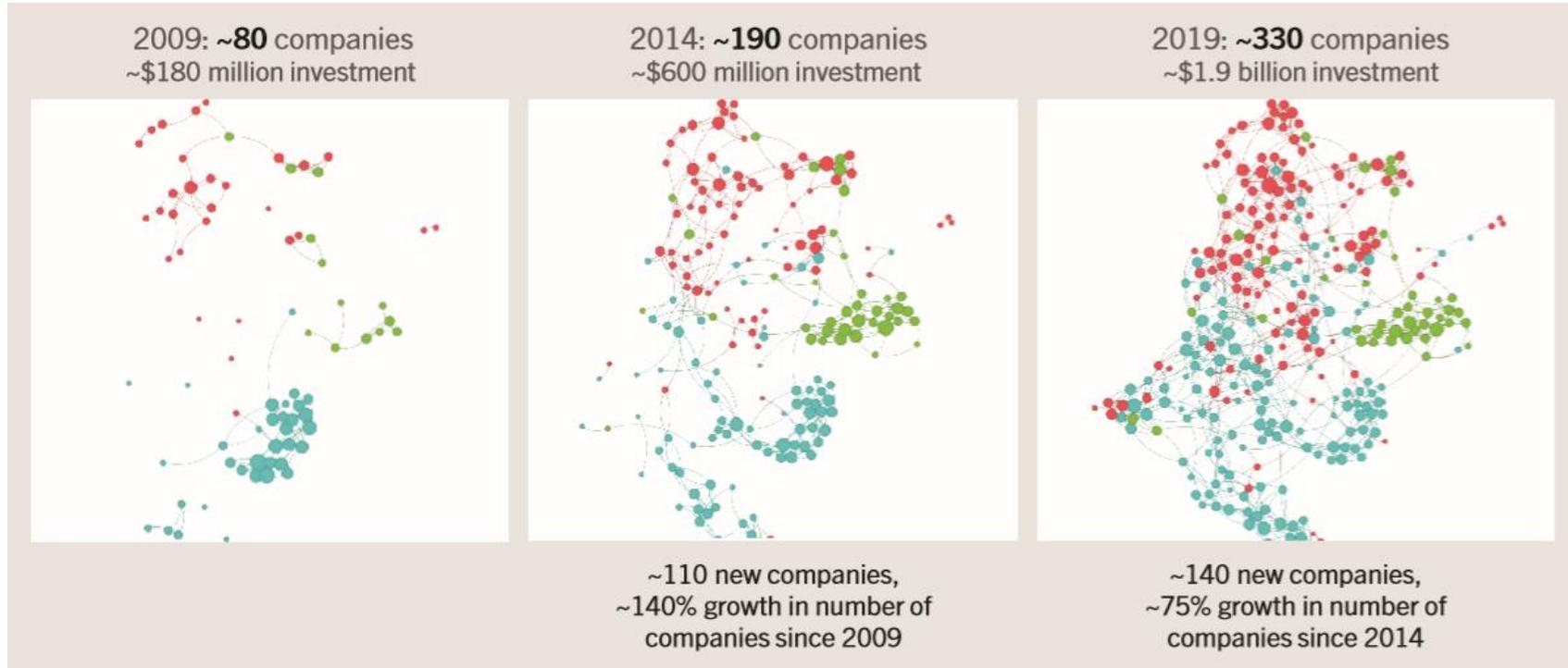
Invest in mentorship, career pathways, learning and development

Use metrics to assess implementation rigorously

Understand the external implications of upward mobility

# The digital talent platform ecosystem has grown significantly since 2009

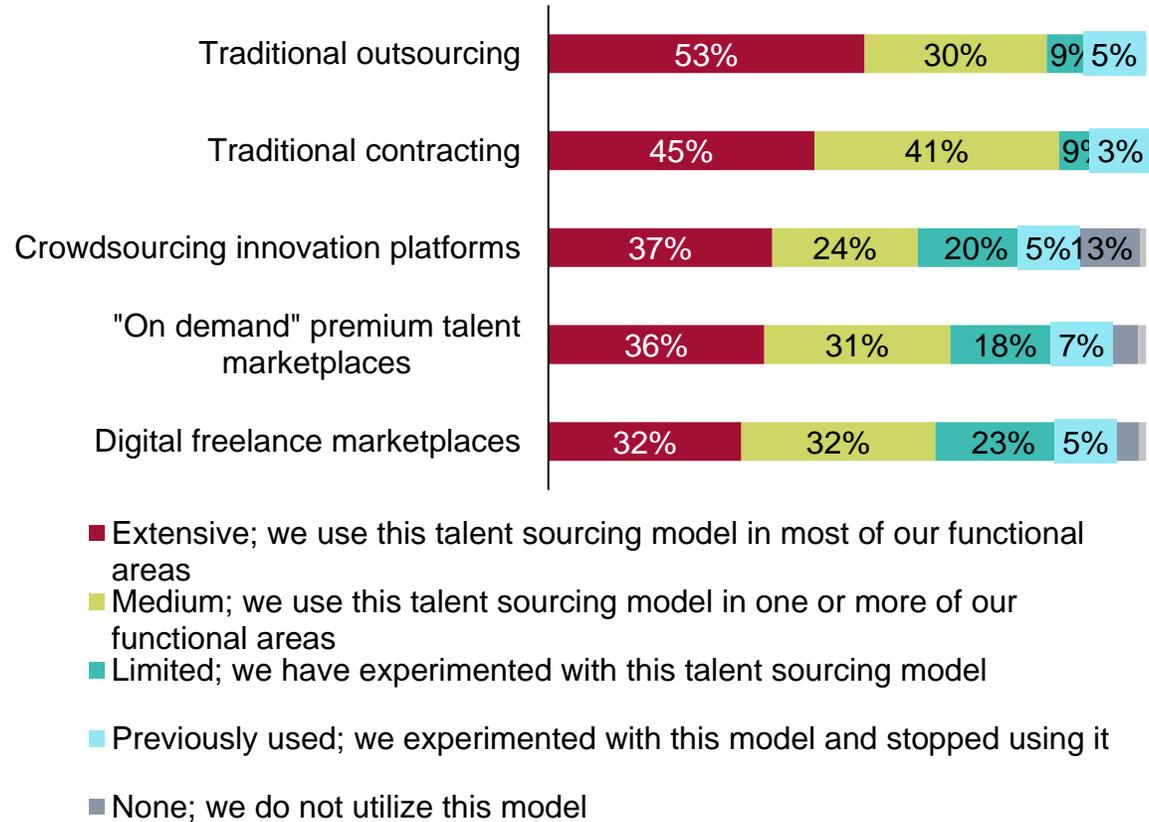
## Growth of the digital talent platform ecosystem



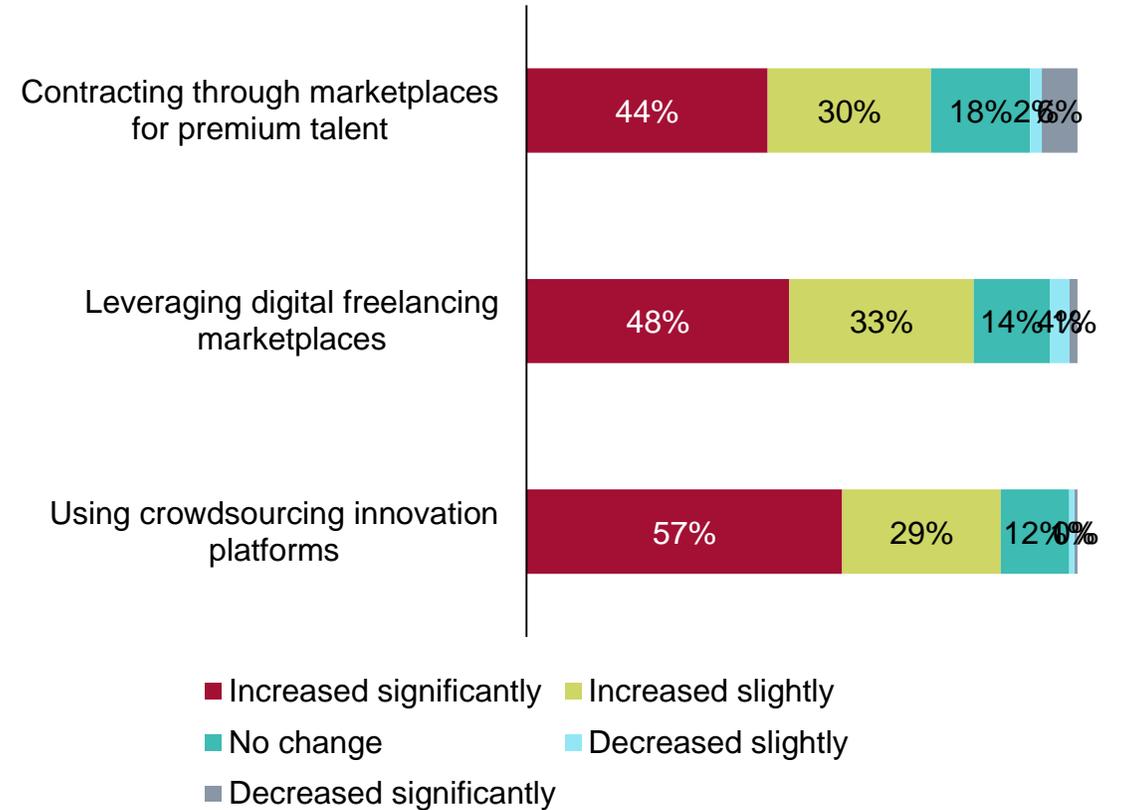
- Digital freelancing marketplaces
- Crowdsourcing innovation platforms
- Marketplaces for premium talent

# Utilization of talent platforms rapidly increasing

Increasing adoption of variety of high-skills digital talent platforms

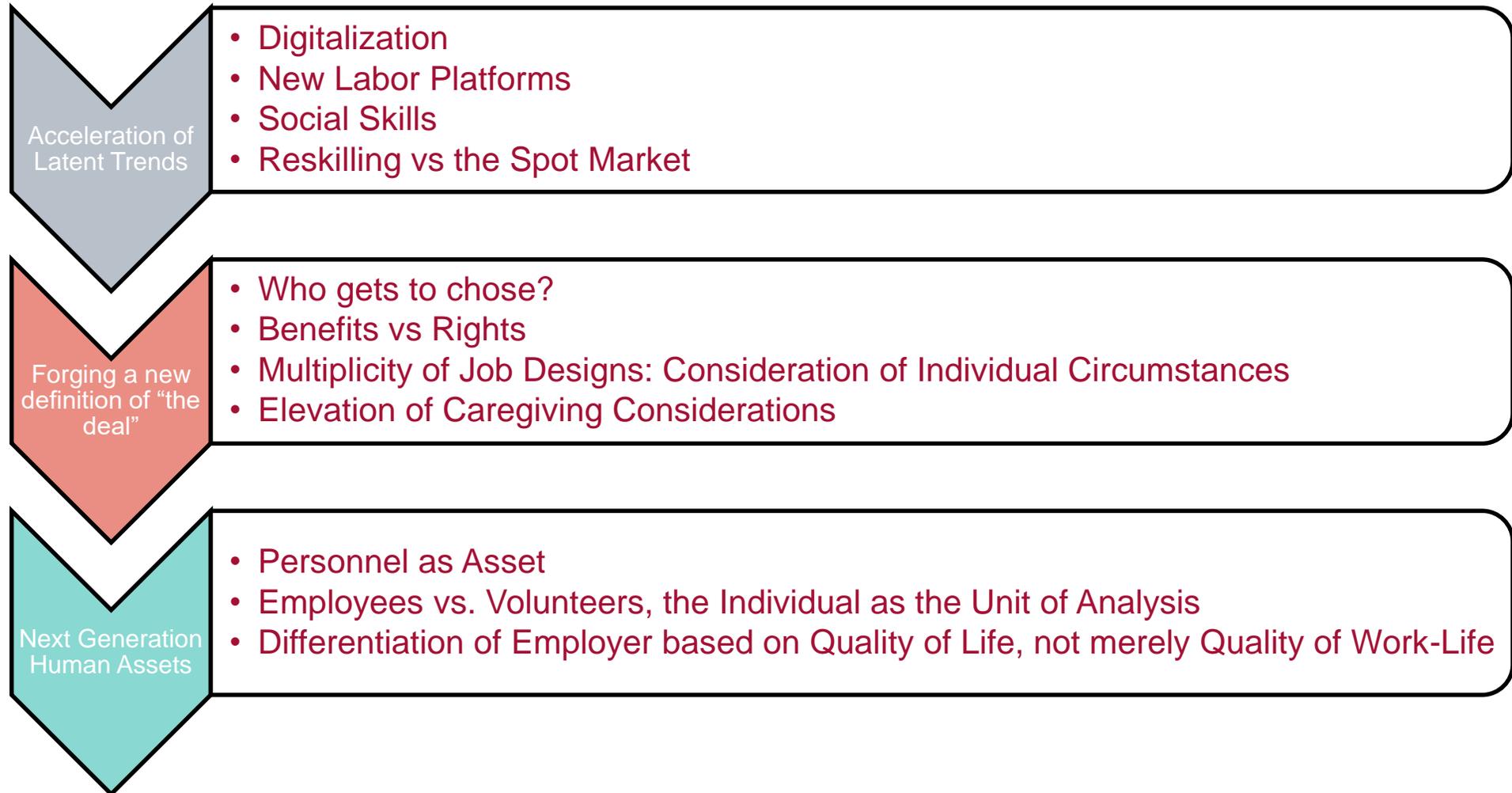


Increased utilization of talent platforms to access high-skills talent



Note: This question was shown to business leaders who indicated they were "moderately" or "extremely" familiar with the area of sourcing talent/talent strategy and "aware" of at least one type of digital talent platform. The results above include 1938 respondents and exclude the choice of "Other," which was selected by 0% of respondents.  
 Source: Fuller, J., Raman, M., Bailey A., Vaduganathan N., et al (November 2020). Building the on-demand workforce.

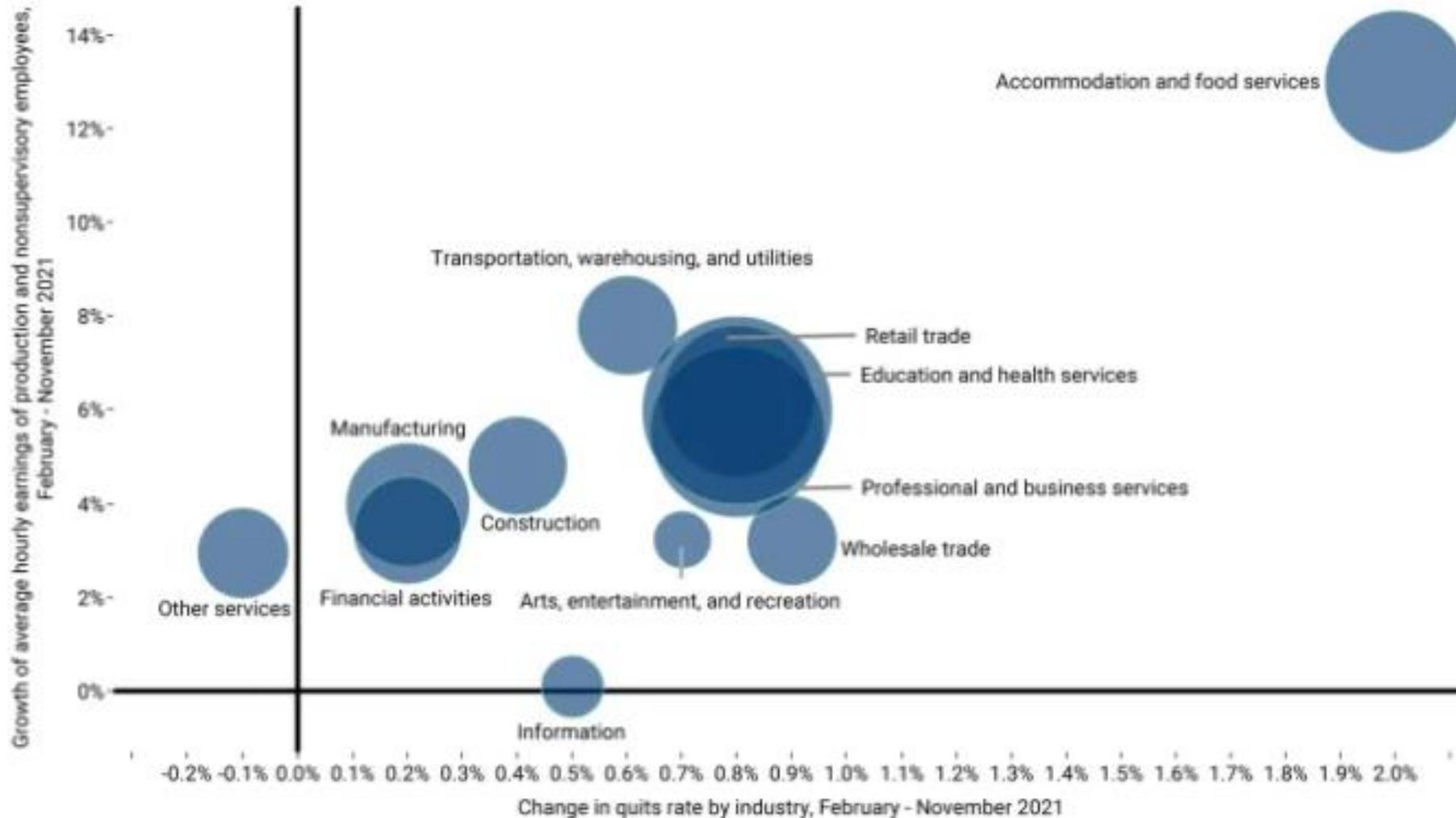
# A “New Normal” vs a “Next Normal”



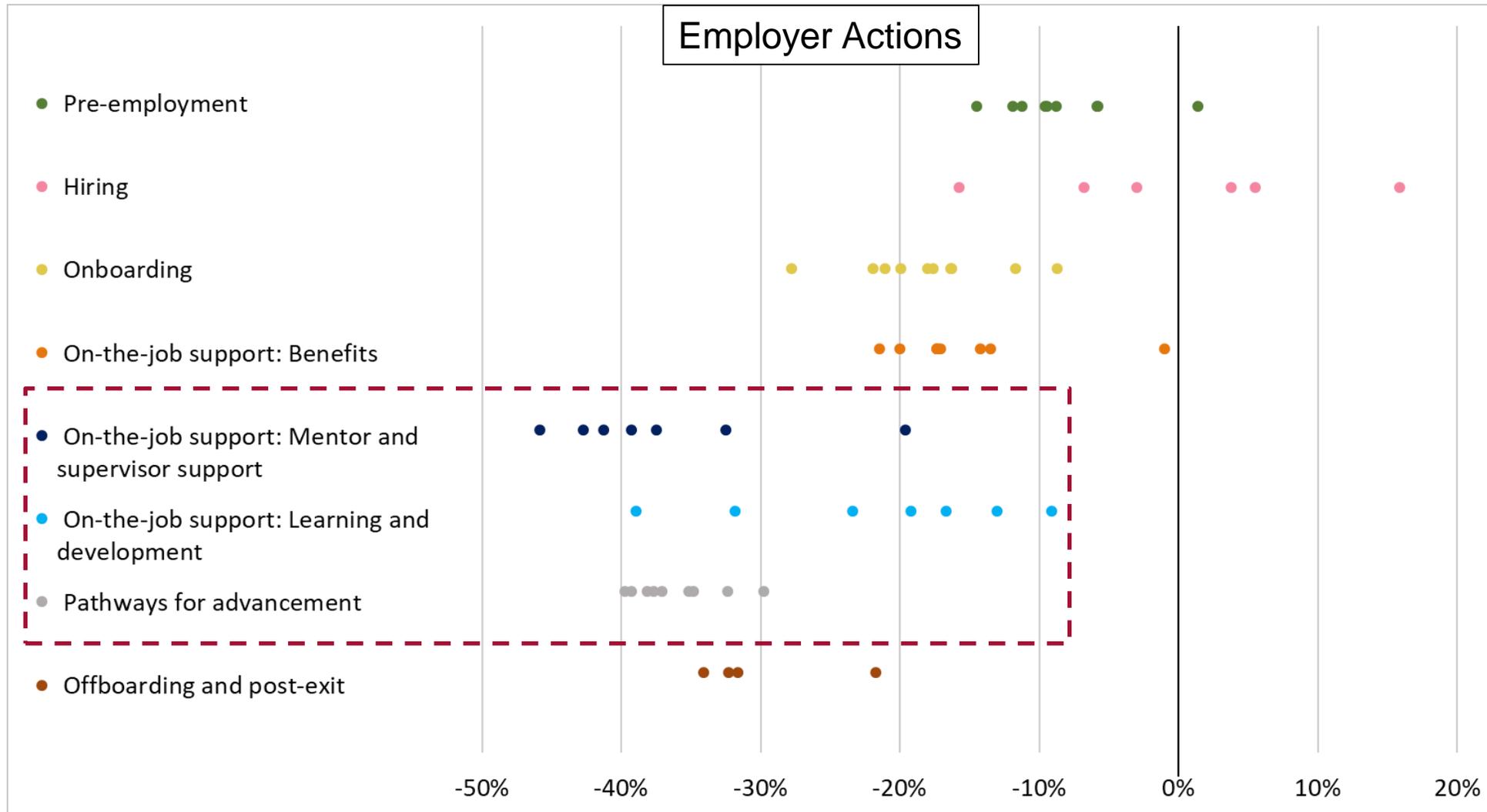
# Backup

# The Great Resignation by industry

Change in quits rate and average hourly earnings growth by industry, February to November 2021



...Particularly in three areas: mentorship & supervisor support, learning & development, and pathways for advancement



(Worker Net Positive Score) – (Employer Net Positive Score)

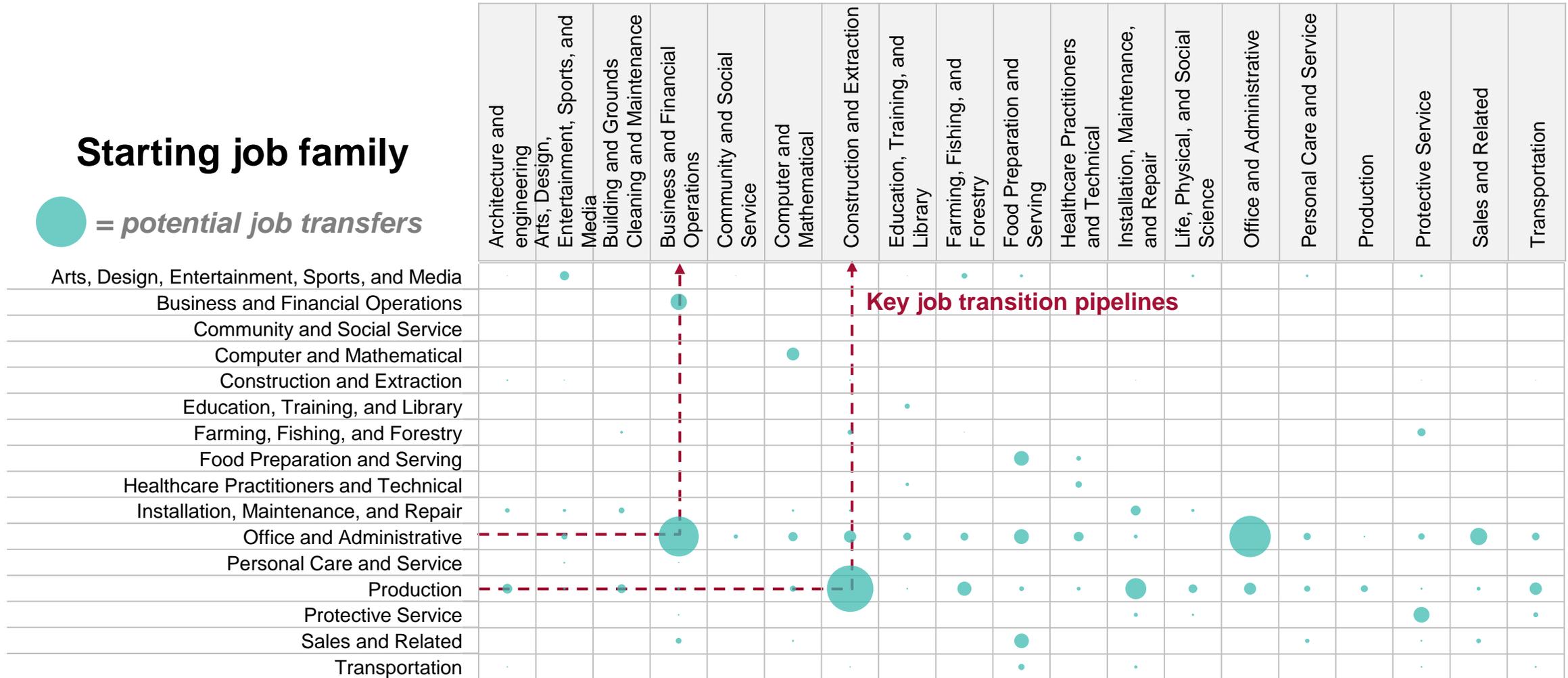
Employer Survey, N=1150

# Developing pathways that draw on existing capabilities

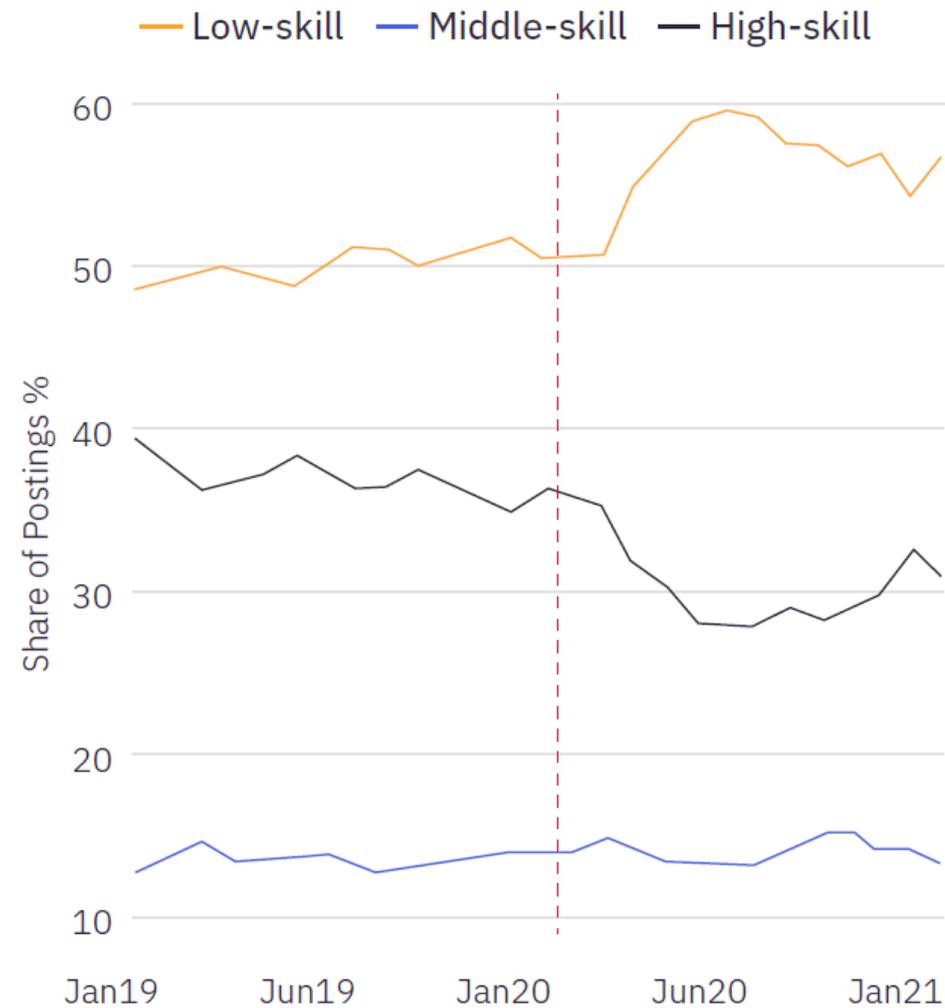
Target job family

Starting job family

 = potential job transfers



# The Covid-19 crisis increased demand for sub-BA jobs



Note: The figure shows the demand for low-, middle- and high-skill workers from January 2019 until March 2021. The red dotted line marks the start of the pandemic. Low-skill occupations are those with a share of bachelor and above (BA+) below 25%, middle-skill below 50%, and high-skill above 50%.

Source: Fuller, Joseph B., Christina Langer, Julia Nitschke, Layla O'Kane, Matthew Sigelman, and Bledi Taska. "The Emerging Degree Reset: How the Shift to Skills-Based Hiring Holds the Keys to Growing the U.S. Workforce at a Time of Talent Shortage." White Paper, Burning Glass Institute, February 2022.