Accenture 2013 Skills and Employment Trends Survey: *Perspectives on Training*

Key Findings

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Executive Summary

- The ***Accenture 2013 Skills and Employment Trends Survey: Perspectives on Training*** surveyed 400 executives at large US companies to assess hiring, staffing and training strategies.

- Executives at large US companies confirm that a skills gap persists for their businesses, with nearly half (46 percent) concerned that they won't have the skills they need in the next one to two years.

- In a positive sign, 51 percent of companies expect to increase investments in training over the next two years, and 35 percent of executives whose companies are facing a skills shortage admitted that they have not invested enough in training in the past.

- While nearly three-quarters (72 percent) of executives identified training as one of the top ways for employees to develop new skills, only 52 percent of workers employed by the companies surveyed currently receive company-provided, formal training. By comparison, a previous Accenture survey found that only 21 percent of US workers said they received company-provided formal training between 2006 and 2011.

- The survey also found that businesses are facing big consequences as a result of not fixing their skills gap. Among companies currently facing or anticipating a skills shortage, 66 percent anticipate a loss of business to competitors, 64 percent face a loss of revenue, 59 percent face eroding customer satisfaction and 53 percent say they will face a delay in developing new products or services.

- The inability to train employees with needed new skills, or to hire enough workers with relevant skills, is also causing additional pressure and stress for the majority (87 percent) of companies' existing employees.

Executive Summary (continued)

- For those executives who have or are anticipating a skills shortage, the biggest demand is for IT skills (44 percent) and engineering (36 percent) with R&D (29 percent) and sales (29 percent) close behind; these skills are particularly in demand among manufacturers.

- When looking at hiring overall, the retail, transportation, telecommunications and utilities industries are most in need of leadership, communications, people management and project management skills.

- Overall, nearly one-third (31 percent) of executives surveyed anticipate increasing their workforce over the next one to two years, while 62 percent expect their hiring to remain the same.

- Among those who have or anticipate a skills shortage, 41 percent said it is because they cannot attract candidates with the skills they need to their industry, 38 percent would hire more people if they were getting qualified candidates, 26 percent cannot pay what candidates want and 19 percent did not anticipate the skills they would need.

- Executives are continuing to use new methods of delivering training to employees. The survey found that 42 percent use mobile delivery for training, 35 percent use social media, 27 percent use massive open online courses (MOOCs) and 13 percent use gamification.

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Executive Summary (continued)

Accenture has identified several key strategies for companies tackling the skills gap:
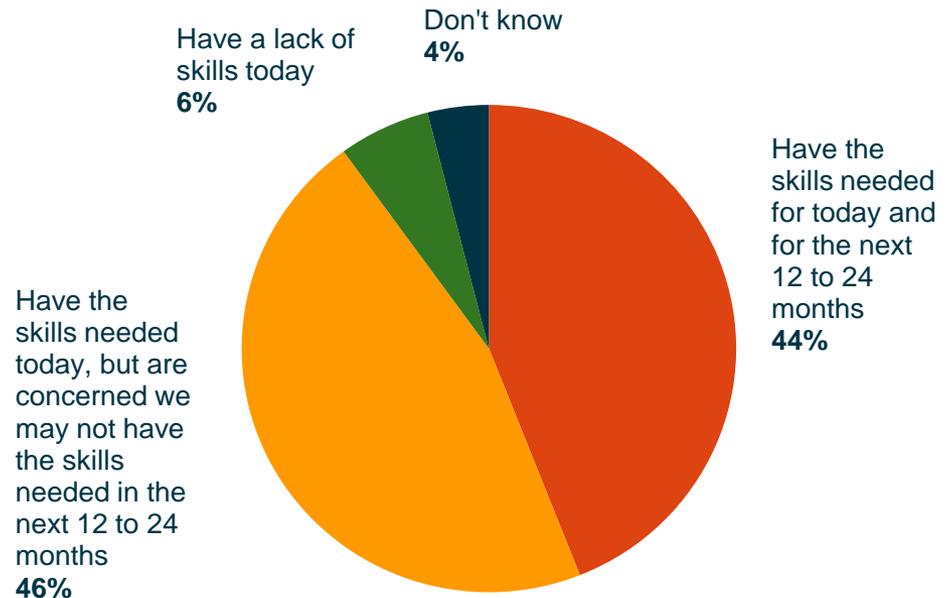
- **Find a balance between formal and informal learning.** As new forms of digital content delivery blur the boundaries between formal training and informal learning, companies should strike a balance between the two approaches and ensure that they work in tandem. For instance, embedding learning in everyday work–shadowing others, mentorships, or learning from peers through online forums or employee-produced podcasts–can help formal online or classroom training become more relevant and more effective.

- **Embrace new ways to develop skills.** Other recent developments that are scalable are promising to help training become more relevant such as social media tools that facilitate and encourage collaboration and knowledge sharing, gamification that immerses employees in virtual, first-hand scenarios, and mobile training delivery that allows learning to take place at the point of need wherever an employee happens to be.

- **Expand your candidate pool.** Given the reported difficulty of finding qualified candidates, companies should drop the notion of finding the "perfect" candidate based on a lengthy list of highly specific skills, education or experience. Instead, they should look for more generalist skills from candidates–even those outside of their industry, in other geographies, or with adjacent or overlapping skill sets–that can easily be developed to perform the job.

- **Screen talent based on newly emerging data sources.** Instead of screening potential candidates based on key words in a resume, exploit new data sources to get fuller and more predictive insights into future performance. For example, emerging websites offer a variety of information: samples of a candidate's work; assessments that gauge a person's cultural fit and motivations; and social media contributions that can reveal a candidate's interests.

- **Invest earlier in the talent supply chain.** Leading companies are partnering with colleges and universities to review curriculum and provide ideas for revising them, so students will acquire the needed skills for their industry as part of their degree programs. Some companies are even setting up open access training programs to ensure that more people have the skills they need in specific regions. Once trained, the first right of employment is with the company that trained them.

Current Skills Profile and The Skills Gap

Availability of Skills in U.S. Companies

Of the following statements, please select the one that best describes the availability of skills in your company, as a whole?

- Executives at large U.S. companies confirm that a skills gap persists for their businesses, with nearly half (46 percent) concerned that they won't have the skills they need in the next one to two years.

Have a lack of skills today
6%

Don't know
4%

Have the skills needed for today and for the next 12 to 24 months
44%

Have the skills needed today, but are concerned we may not have the skills needed in the next 12 to 24 months
46%

Base: Total respondents (n=400)

Reasons for Company Skills Shortage

What is your level of agreement with each of the following statements about potential reasons for this (anticipated) skills shortage in your company.

- 35 percent of executives admitted that they have not invested enough in training to develop the skills they need.

Reason	% Agree
It's difficult to attract candidates with the skills we need to our industry	41%
We would hire more people if there were more qualified candidates	38%
We have not invested enough in training to develop the skills we need	35%
We can't pay what candidates demand	26%
Our current training programs are not effective in developing the skills we need in our employees	22%
We have not effectively anticipated the skills we need	19%
We do not have the ability to track and measure the skills that exist in our existing employee base	17%
The skills we need tend to be mostly located in regions of the US outside of where they are needed	14%
The skills we need tend to be mostly located outside of US	5%

Base: Company currently lacks skills / anticipates shortage in next two years (n=103)

Projected Training Investment

Which of the following best describes your company's projected investment in training over the next two years?

- 51 percent of executives expect their company to increase training investments over the next two years.

- 43 percent expect their current investment in training to remain the same.

Decrease over the next two years, 3%

Don't know, 3%

Increase in the next two years, 51%

Remain flat over the next two years, 43%

55% Manufacturing

Base: Total respondents (n=400)
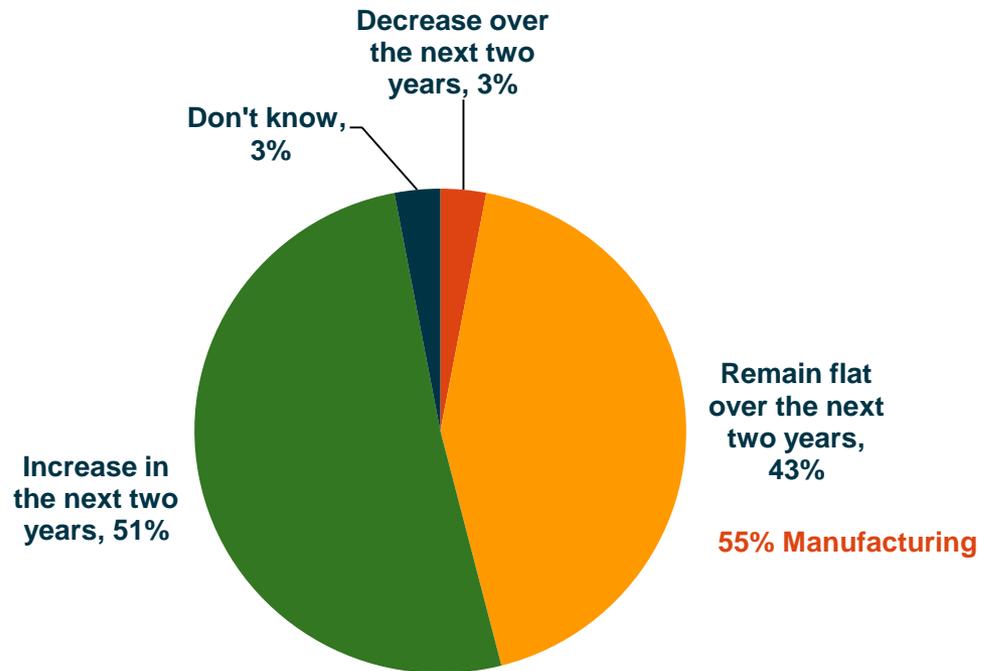
Impact of Skills Shortage

What impact do/may these anticipated skills shortages have on your company? *(Choose all that apply)*

- Among companies currently facing or anticipating a skills shortage, 66 percent anticipate a loss of business to competitors, 64 percent face a loss of revenue, 59 percent face eroding customer satisfaction and 53 percent say they will face a delay in developing new products or services.

- The inability to train employees with needed new skills, or to hire enough workers with relevant skills, is also causing additional pressure and stress to the majority (87 percent) of companies' existing employees.

Impact	% Agree
Increased stress on existing employees	87%
Increased operating costs	69%
Loss of business to competitors	66%
Loss of revenues	64%
Difficulty reaching revenue growth objectives	64%
Difficulties meeting quality objectives	61%
Eroded customer satisfaction	59%
Delays in developing new products or services	53%

Base: Company currently lacks skills / anticipates shortage in next two years (n=103)

Company Functions Lacking Skilled Workers

Please tell me the functions at your company in which you believe there (is/may be) a shortage of people with the required skills (in the next 12-24 months)? *(Choose all that apply.)*

- For those executives who have or are anticipating a skills shortage, the biggest demand is for IT skills (44 percent) and engineering (36 percent) with R&D (29 percent) and sales (29 percent) close behind; these skills are particularly in demand among manufacturers.

Function	% Agree
Information Technology	44%
Engineering	36%
Research & Development	29%
Sales	29%
Manufacturing / Production	25%
Marketing	23%
Risk and Regulatory	22%
Human Resources	18%
Legal	15%
Finance	13%
Other functions	20%
None of the above	9%

55% Manufacturing

50% Manufacturing

Base: Company currently lacks skills / anticipates shortage in next two years (n=103)

Company Skills Needed Most

Which of the following skill sets do you believe your company needs most in employees? *(Choose all that apply)*

Skill	Percentage	Additional data
Problem solving	78%	
Leadership	75%	92% Retail
Communication	73%	88% Retail
Technology	73%	89% Transportation/ Communication/ Utilities
People or team management	71%	88% Retail / 82% Finance/ Insurance/ Real Estate
Industry-specific knowledge and experience	71%	
Creative thinking	69%	
Analytical	66%	80% Retail
Project management	59%	71% Transportation/ Communication/ Utilities
Functional knowledge	58%	
None of the above	1%	
Don't know	1%	

Base: Total respondents (n=400)

Strategies to Address Skills Shortage

Which of the following strategies, if any, (is your company currently employing or might your company employ) to address its skills shortage? *(Choose all that apply)*

Strategy	% Agree
Make learning new skills an integrated component of employees' jobs	84%
Increased investment in training	83%
Provide employees better information about the required skills in various roles	81%
Define job requirements according to the functional skills required to perform the job	78%
Make employment with your company more attractive to prospective employees to improve pipeline of candidates with required skills	78%
Redeploy employees to new roles where their skills are more needed	72%
Partner with educational institutions to ensure that programs develop candidates who are competent in required skills	71%
Expand talent pool by screening candidates using broad criteria rather than focusing strictly on experience and education listed in a resume	67%
Implement new analytical tools to gain a more detailed understanding of employees skills	58%
Target underutilized or new talent pools, for example, retirees, stay-at-home moms, disabled, people in other industries	48%
Hire more contingent workers, including temps, contractors, and freelancers	42%
Redesign jobs to change the required skills	39%

Base: Company currently lacks skills / anticipates shortage in next two years (n=103)

Top Three Ways Employees Acquire Skills

What are the top three ways your employees acquire new skills?

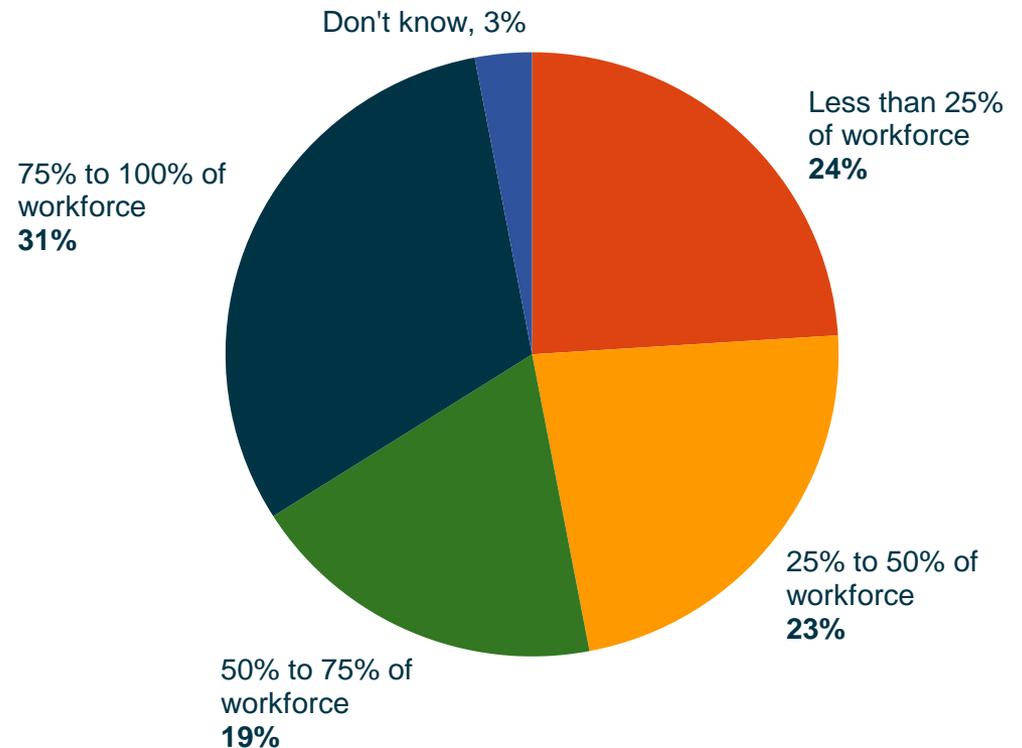| Way	Percentage
On the job experience	74%
Company-provided formal training	72%
Shadowing and observing others	58%
Attending training on their own outside of work	31%
Informal means, for example, reading articles and books, watching a video, speaking with colleagues or friends, etc.	31%

Base: Total respondents (n=400)

Receipt of Company-Provided Formal Training

What percentage of your workforce receives company-provided formal training to keep skills up to date?

- Only 52 percent of workers employed by the companies surveyed receive formal training.

- By comparison, a previous Accenture survey of US workers found that only 21 percent said they received company-provided formal training between 2006 and 2011.

Average % of Workforce that Receives Formal Training: 52%

Don't know, 3%

Less than 25% of workforce
24%

75% to 100% of workforce
31%

25% to 50% of workforce
23%

50% to 75% of workforce
19%

Use of Recent Training Strategies

Which of the following recent developments in training, if any, is your company currently leveraging? *(Choose all that apply)*

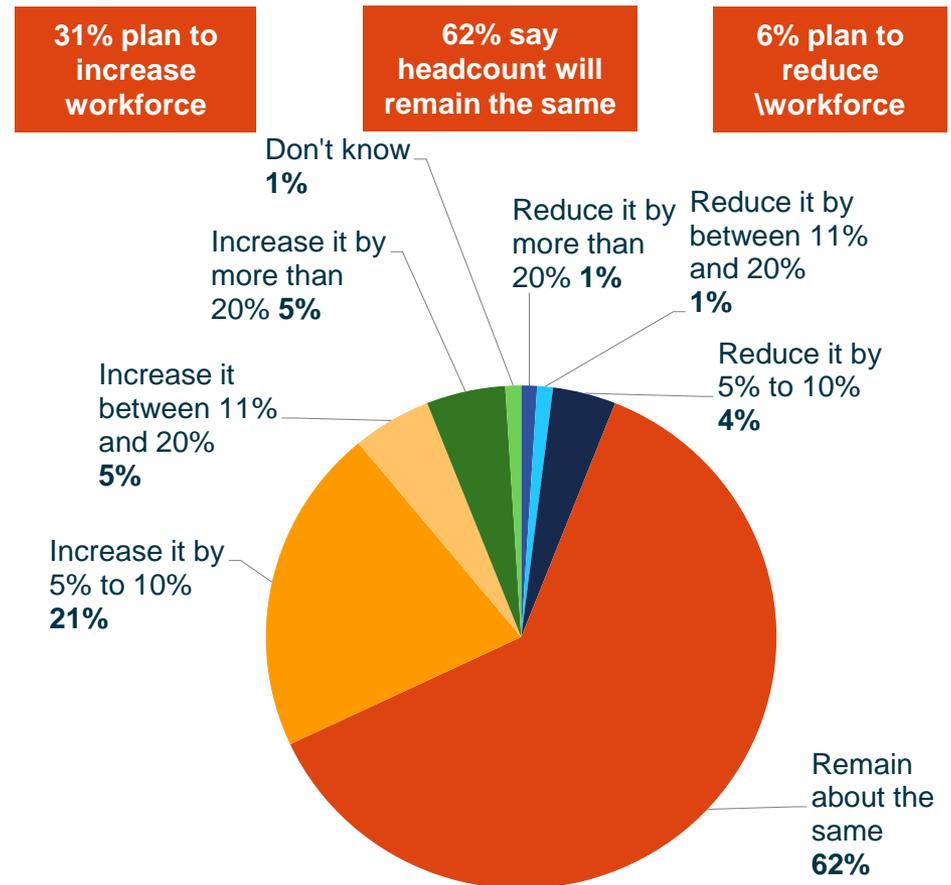| Strategy	Percentage
Mobile delivery of training	42%
Social media tools for training	35%
Massively open online courses provided by universities	27%
Gamification of training	13%
None of the above	26%
Don't know	3%

Base: Total respondents (n=400)
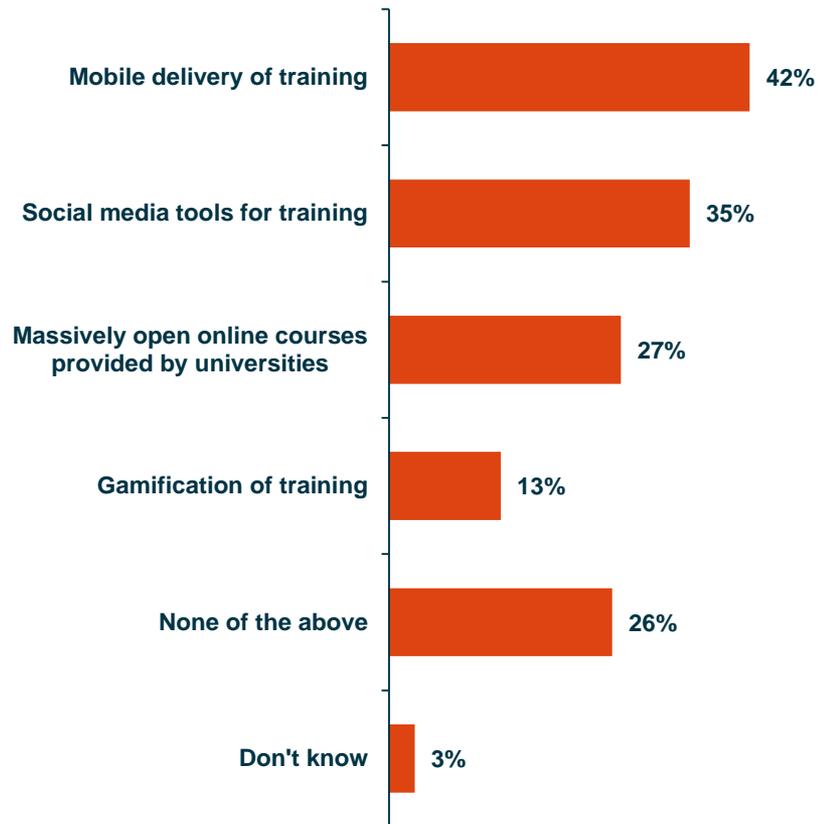
Hiring Plans

Workforce Plans

Thinking about your employees, which of the following best describes your plans for your workforce in the next 12-24 months?

- 62 percent of executives surveyed expect their full-time employee headcount to remain the same over the next 12 to 24 months, while 31 percent expect it to grow and 6 percent expect to reduce full-time headcount.

- Retail industry executives had the biggest hiring plans – 52 percent plan to increase their workforce over the next 1-2 years.

- 75 percent of manufacturing industry executives say their headcount will remain the same.

31% plan to increase workforce

62% say headcount will remain the same

6% plan to reduce \workforce

Don't know **1%**

Increase it by more than 20% **5%**

Increase it between 11% and 20% **5%**

Increase it by 5% to 10% **21%**

Reduce it by more than 20% **1%**

Reduce it by between 11% and 20% **1%**

Reduce it by 5% to 10% **4%**

Remain about the same **62%**

Base: Total respondents (n=400)

Anticipated Hiring Areas in Company

Thinking about your company as a whole, in what areas, if any, do you expect to increase hiring in the next 12 to 24 months? *(Choose all that apply)*

- IT, sales and marketing are the top areas companies are planning to increase their hiring in the next two years.

- 48 percent of retail industry executives plan to increase IT hiring and 40 percent plan to increase hiring in sales.

- 40 percent of transportation/ communication/utilities industry executives expect to increase hiring of engineers.

- 32 percent of manufacturing industry executives expect to increase hiring in finance.

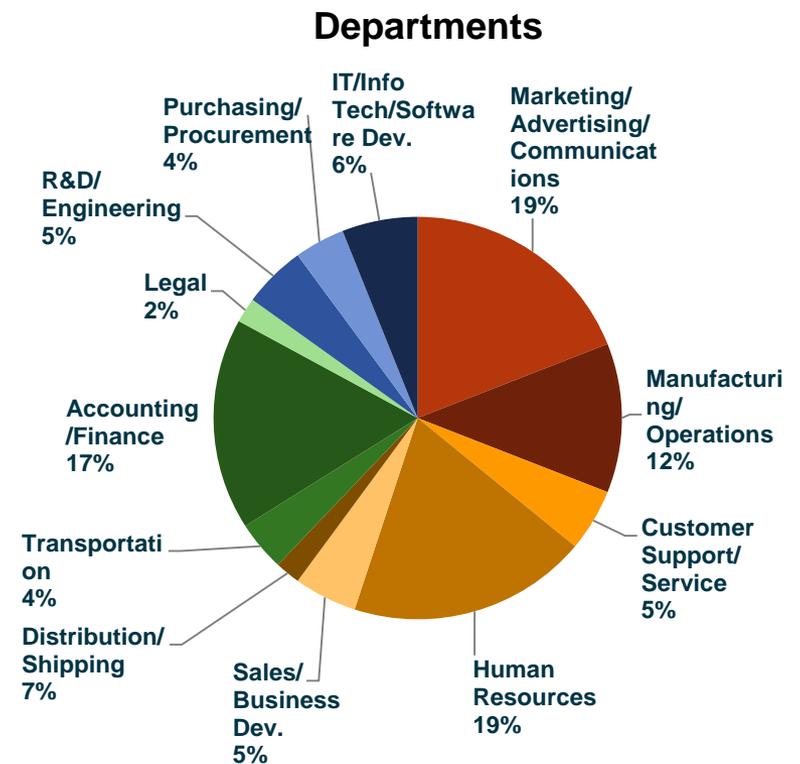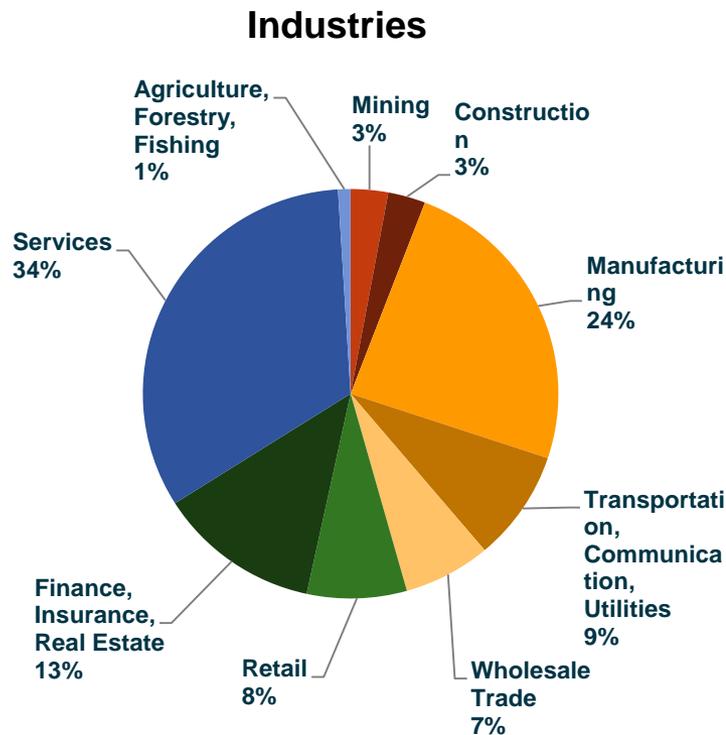| Area	Percent	Callout
Information Technology	27%	**48% Retail**
Sales	26%	**40% Retail**
Marketing	22%	
Engineering	19%	**40% Transportation/ Communication/ Utilities**
Manufacturing/ Production	17%	
Finance	15%	**32% Manufacturing**
R&D and Product Development	13%	
Risk and Regulatory	13%	
Human Resources	12%	
Legal	8%	
Other	14%	
Don't know	5%	

Company / Respondent Profile

Methodology

- The ***2013 Accenture Skills and Employment Trends Survey: Perspectives on the Perspectives on Training*** surveyed 400 executives at large US companies ($250M+ annual revenue) to assess hiring, staffing and training strategies. Executives were surveyed across a broad range of industries from a representative national sample. Departments represented include marketing, human resources, sales, accounting, finance, transportation, legal, R&D, IT, customer service, distribution and manufacturing.

- The survey was conducted by telephone. In order to ensure that each industry surveyed was proportionately represented in the final data set, a sample balancing procedure was employed to weight each industry into proper proportion. The survey was fielded on behalf of Accenture by ICR.

Industries and Departments Represented

Executives were identified from a representative national sample across a broad spectrum of industries and departments

Industries

- Agriculture, Forestry, Fishing 1%
- Mining 3%
- Construction 3%
- Manufacturing 24%
- Transportation, Communication, Utilities 9%
- Wholesale Trade 7%
- Retail 8%
- Finance, Insurance, Real Estate 13%
- Services 34%

Departments

- Purchasing/Procurement 4%
- IT/Info Tech/Software Dev. 6%
- Marketing/Advertising/Communications 19%
- R&D/Engineering 5%
- Legal 2%
- Accounting/Finance 17%
- Transportation 4%
- Distribution/Shipping 7%
- Sales/Business Dev. 5%
- Human Resources 19%
- Manufacturing/Operations 12%
- Customer Support/Service 5%

Base: Total respondents (n=400)

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