

The Great Potential

Global Workforce of the Future

Workers are staying put, but they're not thrilled about it. Now is the time for employers to make retention strategies a priority.



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Introduction



Gaëlle de la Fosse,
President, LHH

While global uncertainty is causing workers to stay put in the short-term, it's clear that the majority are still eager for new opportunities and are prepared to change jobs to make the most of their potential. A significant 'passive talent pool' in need of a nudge has emerged. Now is the time for companies to invest in their talent, or risk falling behind, burdened with disengaged employees or those lacking the skills for the future of the business.

Not too long ago, employers were experiencing the largest employee resignation spike on record. Workers felt empowered to reject certain jobs based on pay levels and working conditions — and increasingly pursued new endeavours that more closely aligned with their work-life priorities. While this 'Great Resignation' has quietly passed, questions around what the new normal looks like are still prevalent.

Are employees suddenly happy?

Not exactly.

Amid rising prices, international conflict, and the emergence of AI, professional workers are in search of more control over their future. And these employees — especially high performers — are hungry for skilled leadership, more training, and more opportunities. In 2024, learning on the job is the new perk. That much is clear in our annual survey of 30,000 workers in 23 countries about their jobs, skills, employers, and potential.

To realize this 'Great Potential' and meet the biggest business challenges of the next decade, companies must invest in developing stronger leaders, skills training, internal mobility for existing staff, and non-linear career pathing that can help workers find their footing in today's constantly evolving job market. **By investing in their workforce, companies can turn their holistic talent acquisition and retention strategies into their biggest competitive advantage.**



Stay or go? Workers seek stability, skills, and fulfillment

If one thing has changed in the past few years, it's that workers feel a lot less control than they did at the height of the Great Resignation when workers were leaving their jobs in droves. Instead of making big decisions about their careers, they're taking stock of the changes roiling the workplace worldwide. **More than half of workers point to external factors (52%) and a “fear of the unknown” (51%) as holding them back in their careers.** They cite barriers such as the economic climate (23%), age (22%), and limited opportunities within their own industries at the moment (20%). One bright spot is digitalization, with two-thirds of workers saying it will have a positive impact on their job. This represents significantly warmer sentiment than we saw in our research in 2022, when 37% were concerned about it disrupting their careers.

Instability is making workers stay put — for now

The broader sense of unease is shared across geographies and industries, including workers in Australia (65%) and the USA (57%) who feel external factors have more control over their careers than they do themselves. In these two countries, employees are less likely to quit for salary reasons than because they want to start their own businesses, showing that they just want to feel empowered. At the other end of the scale, smaller proportions reported a lack of control over their careers in Japan (41%), France (45%), and Germany (47%). This variation suggests that national-level policies and behaviors play a role, but we feel compelled to point out that even at the low end, we have at least two in five workers who feel that their careers are not something they control. These workers will be attracted to prospective employers that can empower them to drive their own career progression.

Some industries see workers more uneasy than in others — particularly those working in marketing (57%), finance (57%), accounting (56%), and IT (56%), ones that are perceived to be at risk of disruption by digitalization, automation, and AI. **This overwhelming sense of uncertainty means that nearly three in four workers (73%) plan to stay in their jobs.**

For these workers, stability and certainty are the priority, and they expect their employers to help them get their mojo back through upskilling and career mobility. Half of employees say that their employer is responsible for helping them understand the changing nature of jobs, and 42% say that companies are responsible for making sure their skills are relevant for the future. With that expectation, 61% of employees are confident their skills will be transferable to other industries. For employers, this means **talent retention strategies need to be rooted in mobility, skills and growth.**

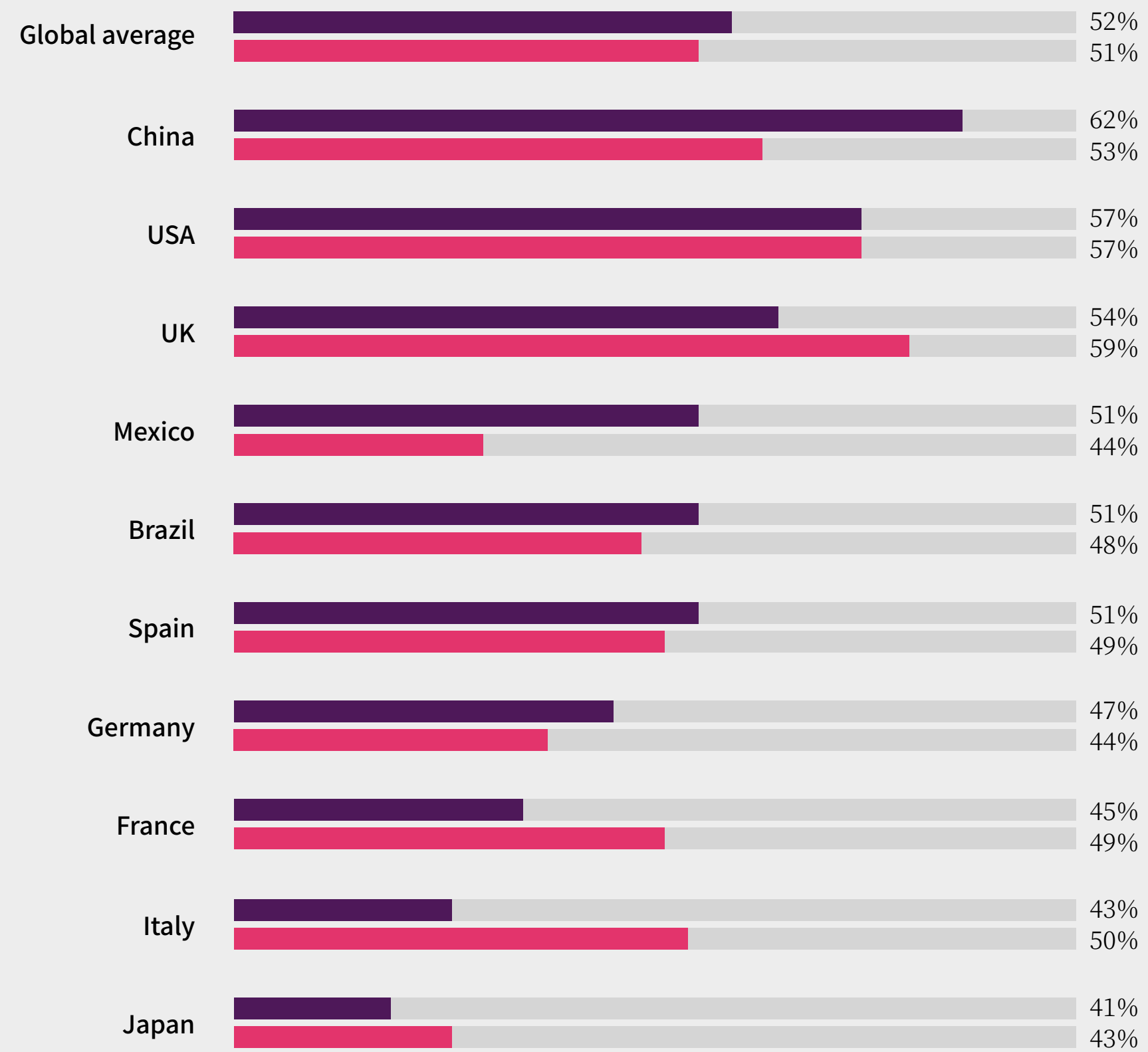
Nearly 3 in 4 workers (73%) plan to stay in their jobs in 2024.

52% of workers feel that external factors (e.g. company strategy/performance, economy) have more control over their career than they do

51% of workers say that the fear of the unknown holds them back when it comes to career change

Crossing borders: Unease is a global feeling among workers

Twin concerns are gripping employees, who have a “fear of the unknown” and blame “external factors” for holding them back.



 I feel that external factors have more control over my career than I do

 When it comes to profession/career change, the fear of unknown holds me back





Workers' desire for stability doesn't imply a lack of career ambition.

Investing in workers is key to creating a sense of stability — for employees and employers alike. Top talent is always a flight risk, and employers should not confuse a yearning for stability with a lack of ambition. Half (51%) of those who have decided to stay in their jobs are doing so under the condition of career progression and upskilling. And they feel confident that if or when they leave, they'll find a new job quickly. In fact, the majority of workers (86%) are confident that they could find a new job within six months, up from 61% in 2022, whether that's through their own networks (74%), an independent job search (71%), or a recruiting firm (68%). This means that employers that don't invest in their top talent are likely to see them decamp for other opportunities once they regain a sense of certainty.

Salary is a tool for attraction but not necessarily for retention.

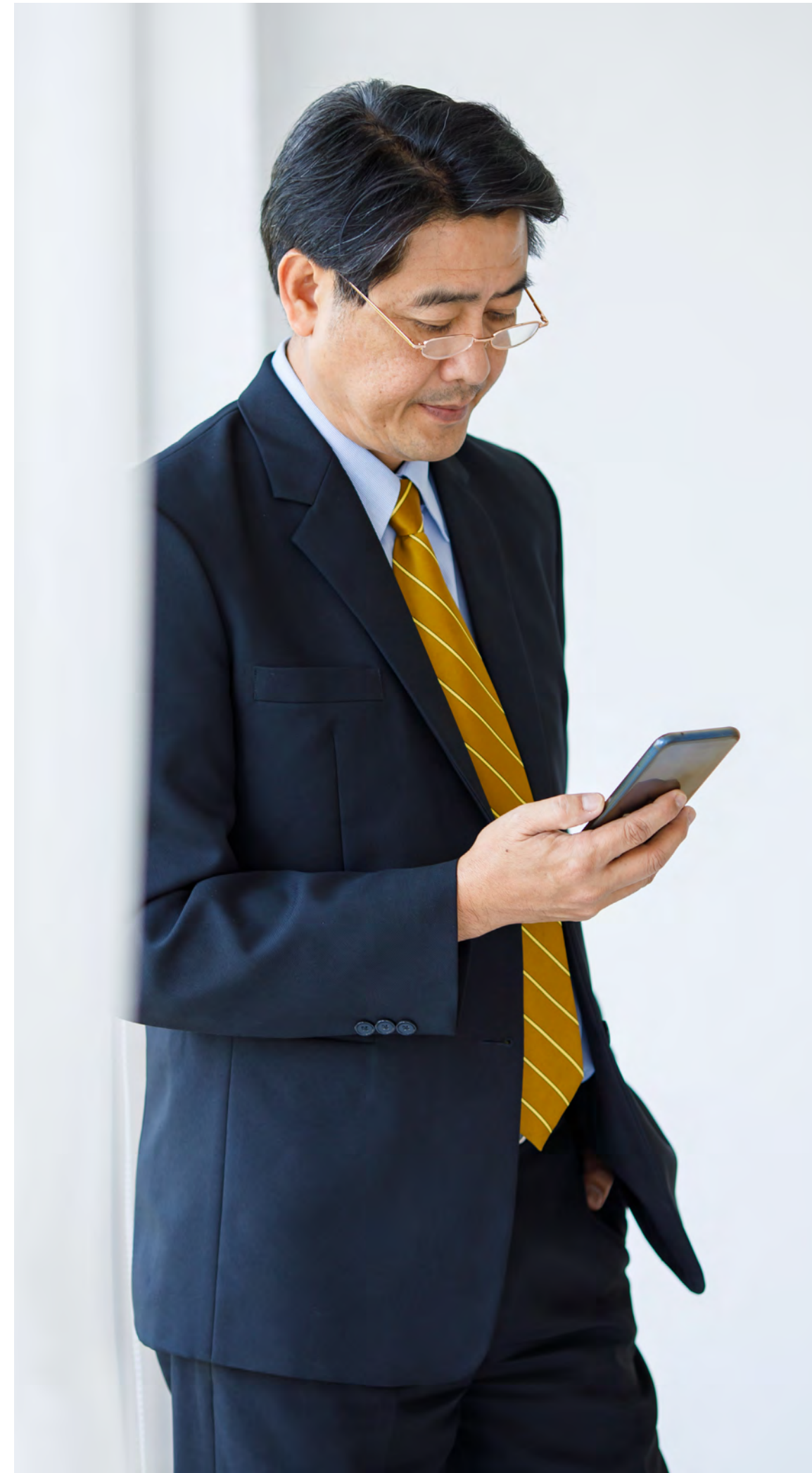
The need for stability is keeping talent in place for now, but a better salary could lead them out the door. Paying more isn't the solution for an engaged workforce, though, because even if salary is the top reason to change jobs, workers care about a whole lot of other things, too. Workers want jobs that make them feel empowered, more fulfilled, and offer the chance to expand their careers. To build the company of the future, employers must lean into providing more holistic support for employees or risk losing them to companies that do.

There's a 'passive talent pool' in need of a little nudge

For employers with open roles to fill, uncertainty in the workplace presents its own unique challenge. On the one hand, the unease has created a significant “passive talent pool” of people who are eager for new skills and opportunities. Almost half of workers (47%) are looking at open roles, and a third (33%) say they think about their career plans daily or weekly. In total, 72% of workers contemplate their future plans — such as their next job, reskilling, and upskilling — no less than quarterly.

Workers are eager for new opportunities but not taking action

Yet, even those who are actively looking for new jobs are not taking action. They're also not responding when recruiters call. Companies appear to be hungry for top talent or skills they can't find, as more than a third (37%) of employees say they are contacted by recruiters regularly. But just 19% are actively interviewing and only 18% have been applying for jobs.



Changing jobs: It's all about potential

Workers want a sense of control and fulfillment. After a better salary, their reasons for leaving focus on the long term. For those staying in their jobs, stability, work-life balance, and team culture are the top motivators.

Reasons to quit

1. I want a better salary
2. I want to run my own business
3. My career is not progressing
4. My work is not fulfilling/meaningful
5. I am worried about burnout
6. I am not using all my skills
7. I want a better work/life balance
8. I am unhappy with working conditions

Reasons to stay

1. My current job gives me stability
2. I am happy with my work-life balance
3. I like working with my colleagues
4. I am happy with the working conditions
5. I am happy with my job as it uses my skills
6. I am happy with the flexibility in my current job
7. My work is fulfilling/meaningful
8. I am happy with my commute

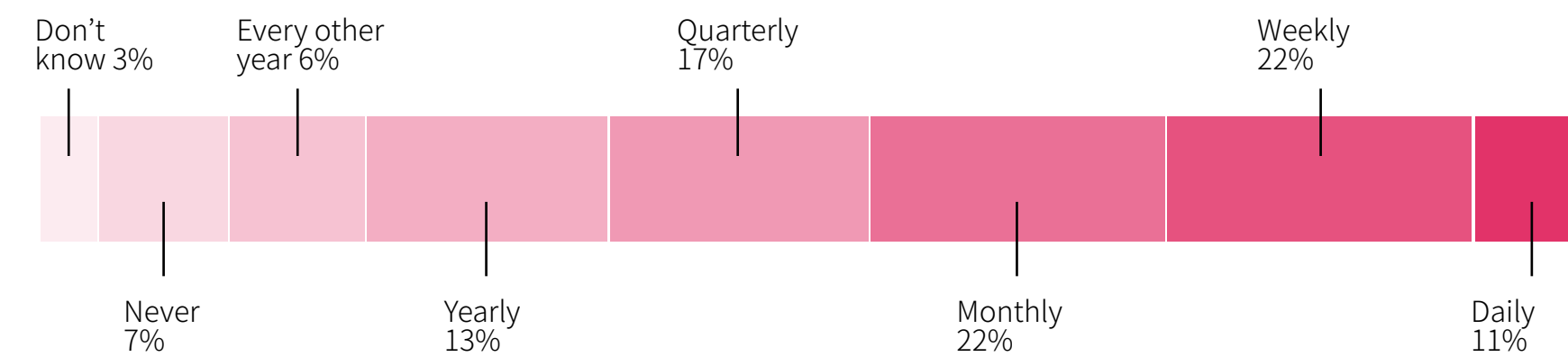


What's next: Workers are considering career plans

They're mulling over where and how their skills can be best utilized, concerned about skills obsolescence and a lack of clear paths to progression.

72% of workers globally contemplate future plans at least quarterly

How often do workers spend time considering their career plans?



Career plans: Differences by age group

42% of workers ages 18-24 think about their career plans weekly

24% of workers over 50 think about their career plans weekly

How can companies attract these talents? With a deeper understanding of their needs, and a reimagined recruiting approach. There are some shared traits of this talent pool:

- 1. They want more than just a job and a salary (though that, too).** In our survey, respondents reported that their top five reasons for changing jobs include a better salary, career progression, well-being, a sense of purpose, and “being your own boss.” Entry-level (31%) and non-manager (33%) workers also put more of a priority on being happier at work (22%) compared with their more experienced colleagues (16%).
- 2. They want to believe employers see potential in a range of demographics.** Some workers are less confident about their potential: For example, workers older than 50 say that age is the No. 1 blocker for finding a new

job quickly (29%), more so than “the current economic situation,” which is the top worry for younger workers (23%). Employers should project a sense of inclusion to all current and prospective employees.

- 3. Workers expect to transfer to new roles and industries, and seek guidance from companies.** Nearly half of workers (46%) want to change careers but don’t know which path to take. They’re not looking for a simple lateral or incremental move within their field. Some workers see themselves better positioned for a switch than others, with those in technology (70%) especially confident that they can assume other roles in their industry.





Whatever the industry, companies are going to have to nudge their passive talent pool by leaning into the things they care about most:

- 1. Companies must demonstrate that they prioritize learning and development including equal access to training and development for multigenerational workforces.** Employees are aware the skills landscape is changing, and they expect support from their employers. Some (19%) feel they are not using all of their skills in their current roles. Even if they lack the necessary skills, workers would be willing to transition to other industries such as healthcare (19%), e-commerce (15%), and clean tech (15%) if they receive support to upskill or reskill. Companies that enable this will have an easier time attracting top talent — and put their businesses on track to succeed, with the right skills aligned to their strategic goals.
- 2. Recruiting for traditional experience is less effective; employers should shift to skills-based hiring.** With roles and skills mixes changing so rapidly, employers should reconsider seeking candidates who “tick all the boxes.” A candidate might have professional experience that makes them look like a perfect fit on paper, but will they be able to develop new skills if, for example, technological advances change the nature of the role? By emphasizing skills over experience in your recruitment processes, you can tap into hidden talent, and ensure that your hires are able to grow to meet the evolving needs of the organization. Employers that prioritize candidates’ willingness to learn new skills and take charge of their own development will be well positioned to withstand shocks and unexpected market developments.
- 3. Employers that offer career empowerment non-linear paths and strong internal mobility programs will appeal to the passive talent pool.** Workers are looking externally because companies often fail to promote career development. While many organizations have recently invested in tech platforms as a solution to internal mobility, our data indicates that technology alone is insufficient. Almost half (47%) of job seekers are looking for jobs through external platforms, and just 8% are looking for opportunities on internal platforms. This should be a wake-up call. It’s time for employers to re-imagine internal mobility by fostering a culture of empowerment and development that embraces non-linear career paths, regular career conversations, and career transformation coaching. These practices help empower workers to find their own paths, reveal hidden talent, and ensure workforce continuity, thus future-proofing the organization.



Beyond Salary: Development opportunities are key to attract and retain talent

The passive talent pool wants to see how their skills transfer, and in their current or future roles, they expect career development and growth opportunities. So, when organizations and recruiters aim to appeal to this group, they should offer more than just the same job with an incremental salary boost. Employers need concrete programs to show that they are investing in people. And the way to do that is by investing in managers who can identify and transform talent for the future.

Greener grass: Employees look elsewhere to grow

Internal mobility programs are failing. Despite wanting internal opportunities, workers are more inclined to consider external ones.

47% of workers globally are looking at open jobs in other companies but not applying

37% of workers have been contacted by recruiters/companies offering job opportunities

19% of workers are interviewing with recruiters/companies for potential jobs

18% of workers are actively applying for jobs

Only 8% of workers are actively looking for new internal opportunities in my company

Employees are only as strong as their strongest managers

Employees, uncertain and in search of stability, told us repeatedly that they expect their employers to guide them toward the workplace of the future. But where does that guidance come from? Managers who are trained to identify and promote skills growth. Managers are the face of the company to employees; organizations must support them so that they can imbue feelings of stability within an unstable environment.

At a minimum, workers expect their employers to guide them through the current uncertainty with upskilling and other preparation for the future. But nearly half of workers (46%) don't feel their managers would support them in moving to another role. Whether due to a lack of training or a particular outlook, managers can be blockers to internal mobility. **When managers hoard talent — with intent or not — it blocks employees from acquiring new skills, limiting the future potential of the organization** to stay competitive and responsive to market changes. It will be left with a workforce that is less adaptable, less skilled, and potentially less engaged.





Talent hoarding hinders organizational success

Employees are aware that companies with roles to fill tend to look elsewhere before thinking of retraining their existing workforce; **64% say companies should upskill and train for roles across the company before hiring externally.** In manufacturing, 67% believe companies should prioritize internal development and placement, but only 37% believe their own managers would back such a change. Similar gaps exist in energy (59% and 47%) and transportation (61% and 47%).

Companies should empower managers to view their teams through the lens of skills. Employees want help knowing where their skills can take them next. Younger cohorts (50%) and workers older than 50 (53%) struggle most to see their skills as transferable between industries. Employers able to provide such guidance stand to gain: **58% say a prospective new career motivates them to build skills outside their day job.**

Besides performance assessments, managers should conduct “skills assessments.” This isn’t an issue at the most senior levels, where leadership (71%) reports having regular reviews with managers. But only a minority of non-managers (45%) say they are getting these reviews. And when anxieties around potentially outdated skills take hold, even engaged employees may start planning their next moves, seeing as a third (33%) think about career plans weekly or daily. **Insufficient training for managers to serve their employees in a meaningful way exacerbates the problem.**

The Great Potential: Upskilling and internal mobility, first

Workers want more from their employers — but managers are the blocker.

64% of workers think companies should upskill employees before hiring external candidates

61% of workers think companies should hire or place internal candidates before looking for external candidates

Only 54% of workers believe their manager would support a move to another team in their company

Managers play a pivotal role in talent development for all levels

Some employers are doing better than others at developing happy employees with transferable skills. Those in technology (64%) and financial services (62%) are more confident than the average (57%) that they have the support they need to change careers. Perhaps this is because tech skills are needed in most other industries, despite the sector pushing many workers out recently.

In Brazil (69%), China (67%), and Australia (66%), employees have the most confidence that they have the support they need for a job or career change. Japan lags with just 35% of workers sharing that view.

But skills access alone isn't enough; employees also want support in developing their own non-linear career paths. They should have line of sight showing how developing certain skills creates career optionality internally or externally. For employees transitioning out of their jobs, companies' outplacement efforts should focus on helping them identify upskilling opportunities to meet future role requirements.

Managers play a pivotal role here through consistent and compassionate career conversations that address skills gaps, transferable skills, and mobility willingness. This ever-changing landscape requires strong leadership ready to take on the challenge.

Help wanted: Empowered managers to guide their teams

Motivated employees want resources to progress and grow. Non-managers and entry level employees are being left behind.

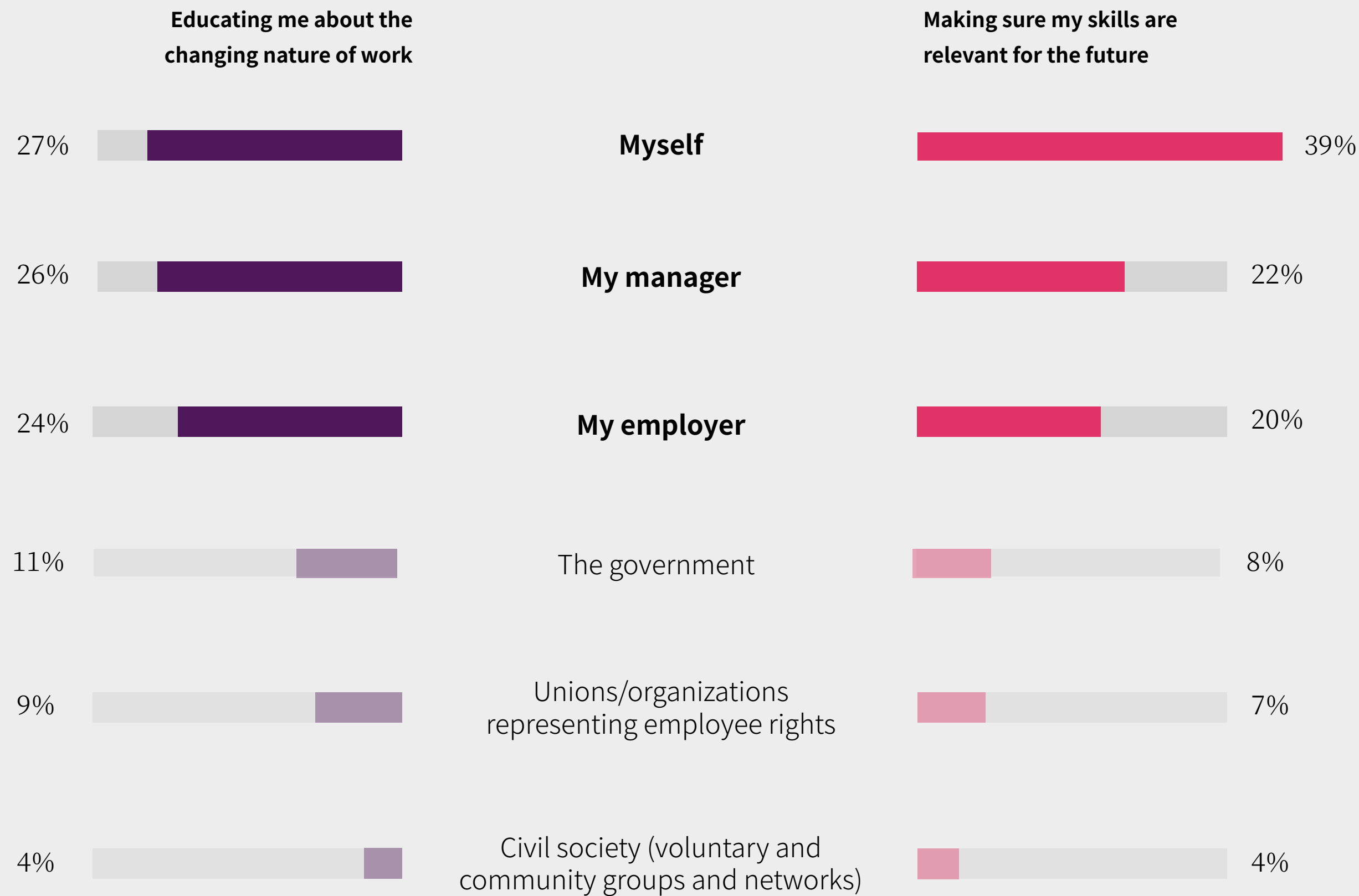
“I am confident that I can find the resources I need to support me in a change of profession/career”



Who's in charge: Supporting workers to navigate the future of work

Workers expect employers to help them understand and prepare for the changing nature of jobs.

Who's responsible



Mobilize, upskill, and prepare employees for the challenges of tomorrow

With disruptions occurring in every industry, investing in workforce skills will pay dividends.

Most workers globally view their employers and managers, second only to themselves, as primarily responsible for preparing them for new workplace realities. Structuring robust skilling programs based on business forecasting is essential to give employees faith that their capabilities—and opportunities—will stay relevant in the coming years. For employers, this will make it easier to redeploy talent across the organization as needs shift.

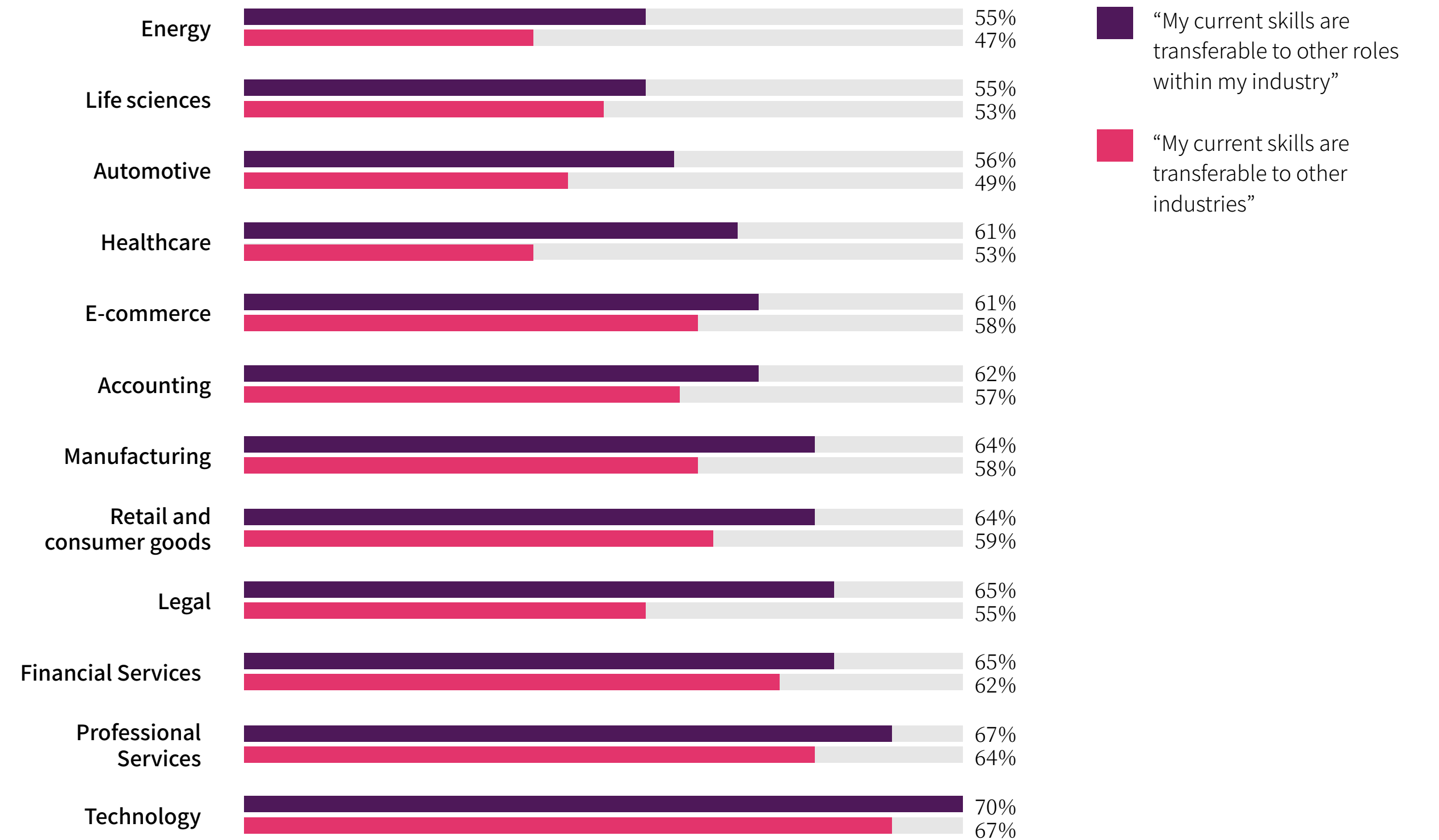
In this non-linear career landscape, roles can shift in surprising directions. This is making transferable skills ever more important, as workers recognize that their careers will encompass a wide range of roles, functions, and even industries. But confidence in the relevance of skills varies by age, with the most confident being 35-49 year olds, 60% of whom see their skills as transferable to other industries. The youngest and oldest workers are less certain, with just 50% of workers 18-24 and 53% of workers 50-60 sure their skills will transfer to another industry. Confidence also varies hugely by function — from 63% in finance or IT roles, to 50% in marketing or legal — and by geography: 72% of workers in China are confident their skills will still be relevant in five years, compared with 41% in Japan.



You can take it with you: Bring skills to other roles

Some workers such as those in tech, professional services, or financial services, are more confident about the transferability of their skills than others

70% of workers in technology say their skills are transferable to other roles within their industry and 67% of tech workers say their skills are transferable to other industries



Workers welcome AI without fear, but what does it mean for companies?

Workers affected by advances in technology might be freed up to take on other roles, making it imperative that companies identify the opportunities and begin training across key skill sets.

As machines take on routine tasks, employees will need to focus more on creative, strategic responsibilities while also learning how to embrace technology in their current roles. **Employers should map out growth opportunities for workers to move into these higher-value roles.** Non-linear career pathing can reassure employees that there is still ample need for human talent even as AI proliferates

Technology has always been a double-edged sword in the workplace — potentially threatening jobs even as it creates efficiencies and opportunities. Today’s workers are leaning into the latter, with a mere 6% of survey respondents fearing technology will “take my

job.” In fact, the opposite is the case: **65% feel that digitalization will have a positive impact on their jobs**, and 61% say the same about automation. In spite of generative AI’s rapid proliferation and supposed threat to job prospects, just 16% are pessimistic about digitalization, down from 37% who were worried about its impact in 2022.

The open question in technology is how it will be applied and by whom. Employees want training and guidance — and leadership. **Half of them believe their employer is responsible for helping them understand the changing nature of jobs**, and AI, digitalization, and automation are no less a part of that. Employers need to actively engage in the educational aspects of digital transformation, identifying career paths and providing the necessary upskilling or reskilling to help unlock their employees’ potential in a digital future.

Workforces and workplaces are changing. To build competitive advantage, companies need to recruit, retain, and nurture talent that will change with them.





A smart talent strategy inside and out will be an even bigger competitive advantage over the next 10 years

Key Takeaways

- ▶ **The “Great Potential”:** As the workforce continues to change, companies will need to take a new approach to recruiting, retaining, and nurturing talent to maintain a competitive advantage. This is a moment of great potential when it comes to addressing worker fears and uncertainty and filling critical skills gaps.
- ▶ **Nudging the passive talent pool:** Although uncertainty about the state of the market is temporarily stopping workers from seeking new employment opportunities, there is a “passive talent pool” waiting for the right moment to take action on career or job changes. It’s something that 72% of workers are already thinking about at least quarterly.
- ▶ **Internal mobility is broken:** Today’s workers are increasingly looking for jobs externally because companies are not doing a good job in promoting internal career moves, non-linear paths, and development opportunities. While many corporations have invested in talent platforms, our data shows that employees are not engaging. Nearly half of workers (46%) don’t feel their managers would support them in moving to another role, and only 8% of those interested in new opportunities are using internal platforms.
- ▶ **Skills to future-proof organizations:** Developing more effective managers and investing in the skills development of employees can help organizations meet their evolving needs, fill critical talent gaps, and recruit and retain top talent.
- ▶ **Talent is key to digitalization and AI:** An improved talent strategy is the company investment that will pay dividends – particularly as AI and digitalization continue to rapidly grow. Both companies and employees are eager for skills that can prepare them for future success. Investing in skills development is the most impactful way to do so.

Key Recommendations for Employers

- ▶ To nudge the “passive talent pool” into new jobs, companies must make themselves more appealing to employees. Some are better positioned than others, as workers are drawn to certain industries. But any company looking to win over top talent will need to demonstrate that they have a supportive culture, a strong employee value proposition and that they are investing in programs to future-proof their people.
- ▶ Skills access alone isn’t enough; employees want support in developing their own non-linear career paths. They should have line of sight showing how developing certain skills creates career optionality internally or externally. For employees transitioning out of their jobs, companies’ outplacement efforts should focus on helping them identify upskilling opportunities to meet future role requirements.
- ▶ For employers, there’s opportunity in the changing talent marketplace to build organizations around the skills they need. Workers will be ready and drawn to those employers that meet the

moment and invest in skills training, mobility, non-linear career pathing, and capable managers who are equipped to shape the workforce of tomorrow.

- ▶ Talent platforms alone aren’t enough. Emphasizing internal mobility and career development programs will allow companies to redeploy talent across the organization, meeting employees’ desire to stay put and reducing potential layoffs as the business shifts. Well-trained and empowered managers are key to providing the guidance employees seek in this moment of uncertainty. Managers should be equipped to identify and promote skill sets that position the organization for the future and provide multiple paths for employees.
- ▶ Managers play a pivotal role here through consistent and compassionate career conversations that address skills gaps, transferable skills, and mobility willingness. The next phase of global disruption requires strong leadership ready to take on these challenges. Leadership development and coaching can provide the tools and skills they need.





About LHH

LHH is an integrated talent solutions provider helping people, teams, and organizations prepare for what's next in the future of work. Through Career Transition & Mobility, Leadership Development, and Recruitment Solutions, our end-to-end offerings allow us to work across the entire talent journey to help future-proof organizations and careers all over the world.

With over 8,000 colleagues and coaches spanning 66 countries worldwide, LHH combines global infrastructure with industry-leading technology and local expertise to help more than 15,000 organizations and nearly 500,000 candidates each year.

LHH is a global business unit of The Adecco Group, the world's leading talent advisory and solutions company, headquartered in Zurich, Switzerland.

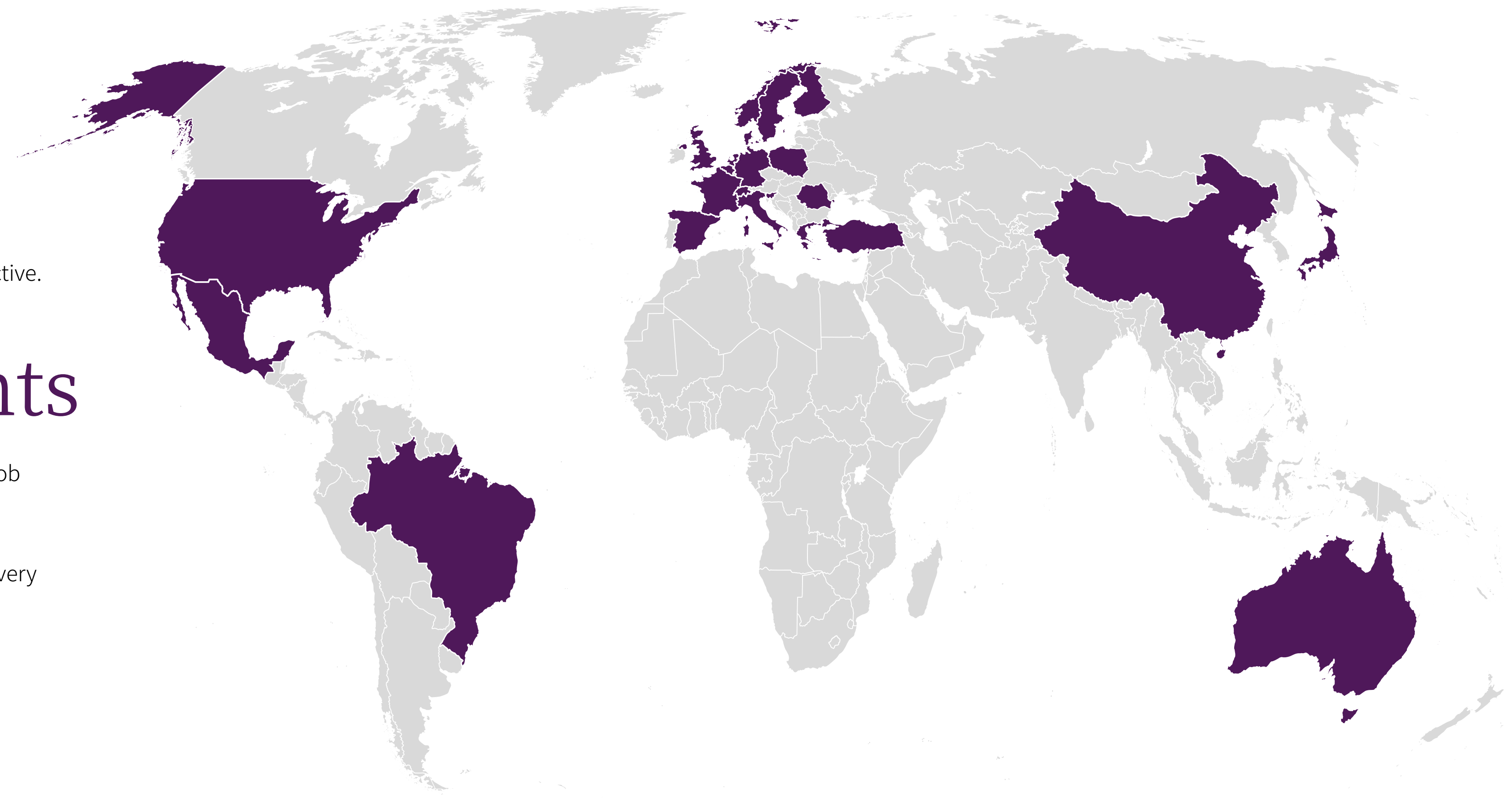
[lhh.com](https://www.lhh.com)

Methodology overview

Now in its fourth year, the Global Workforce of the Future research investigates the changing world of work from the workers' perspective. We surveyed:

30,000 respondents

- ▶ All respondents employed across a wide range of sectors and job functions and nationally representative across age and gender
- ▶ Company sizes range from small (more than 10 employees) to very large (5,000+ employees)
- ▶ 23 countries
- ▶ Fieldwork was conducted in July and August 2023



Americas (7,500)

- Brazil (1,000)
- Mexico (1,000)
- USA (5,500)

EMEA (7,500)

- Belgium (511)
- Denmark (504)
- Finland (524)
- France (2,019)
- Germany (1,942)
- Greece (531)

- Italy (1,946)
- Netherlands (516)
- Norway (478)
- Poland (519)
- Romania (552)
- Slovenia (425)

- Spain (1,963)
- Sweden (533)
- Switzerland (1,013)

- Turkey (507)
- UK (2,017)

APAC (6,000)

- Australia (2,000)
- China (2,000)
- Japan (2,000)