TALVIEW

Talview Whitepaper

Addressing the
Demand for Skilled Talent

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Introduction: Address the Skilled Worker Exodus

Across the globe, skilled work sectors are facing a talent shortage – seven in ten employers globally are finding it difficult to hire skilled workers.[1] The demand for these skills was on the up even prior to the pandemic, and recent upheavals around remote work, location flexibility, and salary expectations have exacerbated this further.

According to Microsoft's 2021 Work Trend Index, 46% of workforces are seeking new roles because of new opportunities to work remotely.[2] Skilled workers in the technology, IT, banking, financial services, and insurance (BFSI), and business process outsourcing (BPO) industries will be able to be picky about where they go – and how long they stay there.

As a result, many companies are now witnessing what commentators have dubbed "The Great Resignation" – a mass exodus of skilled workers seeking better opportunities and more flexibility elsewhere. Alongside these shifts in workforces comes a growing demand for their skills: 40% of companies hired tech staff during the pandemic, with 66% of those planning to recruit more in 2021.[3] Technologies are advancing, digitization is accelerating, and businesses need to meet this expanding need for expertise.

Unfulfilled roles in these sectors will have grave consequences for employers, including increased stress on employees and difficulty meeting objectives. It's essential that these companies strategize to attract and retain talent in order to continue to power growth as we enter the next stage of the pandemic.

In order to do this, they should adopt an integrated approach that allows them to bring new talent in from an external pipeline while upskilling and developing existing employees to meet their needs. This means looking at how they can promote digitization at each stage of the talent lifecycle and ensuring efficient and effective talent supply chain management.

46% of workforces are seeking new roles because of new opportunities to work remotely

Seven in ten employers globally are finding it difficult to hire skilled workers

40% of companies hired tech staff during the pandemic, with **66%** of those planning to recruit more in 2021

Part One: The Skills Shortage: An Overview

There's no denying that the situation is severe: It is predicted that by 2020, there could be more than 85 million skilled job vacancies, resulting in unrealized annual revenues of up to $8.5 trillion globally if left unaddressed, according to a Korn Ferry report.[4]

Let's break the skills shortage down a little more.

What Skills are in Demand?

The top areas where the skills squeeze is taking place are:

Global financial and business services

Innovation and digital transformation are well underway in these industries, and if companies are to find skilled talent, they risk missing out on market opportunities. Almost half of financial service firms say that their quality standards are suffering as a result of the talent shortage.[5]

Technology, media, and telecommunications

As the global population and business world continue towards total digitization, this sector will continue to innovate. This means a heightened need for technical expertise and personnel that understand how to sell and market these products and services.

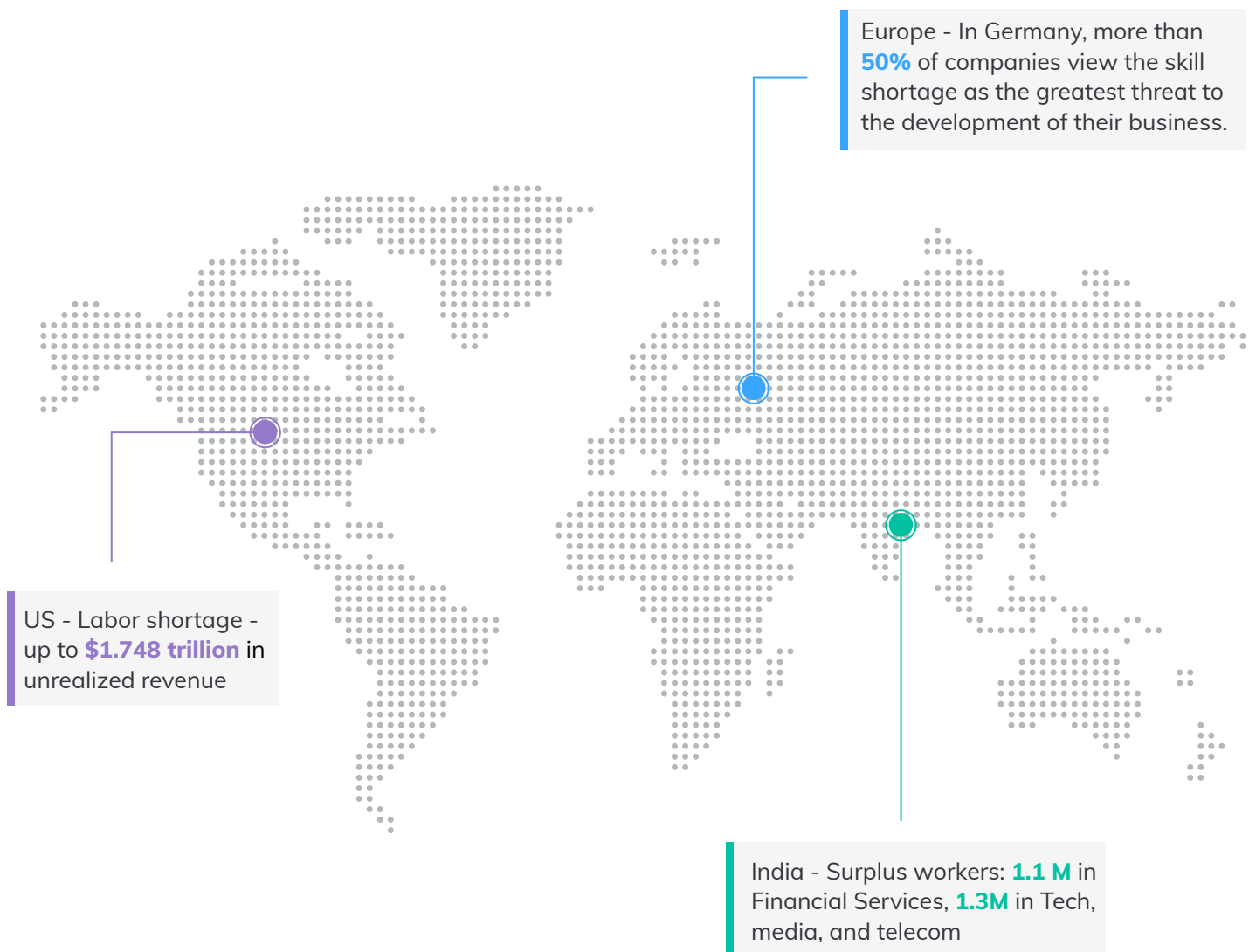### Information technology and services

Within the IT sector, the need for specific domain knowledge and experience is high. The top skills in demand include cybersecurity, cloud computing, DevOps, artificial intelligence (AI) and machine learning (ML), data analytics, blockchain, software/mobile development, and project management.[6]

Where are These Skills in Demand?

The skilled worker gap is taking place on a global scale, but it's not equal across geographies. The US is experiencing perhaps one of the most severe skilled labor shortages, with a number of factors contributing to this. There is a mass exodus of baby boomers leaving the workforce, on top of the remote work revolution and the expanding demand for technical expertise mentioned above. Korn Ferry predicts that by 2030, the US could see unrealized revenue of up to **$1.748 trillion** **due to labor shortages** – equivalent to **6%** **of its entire economy**.

Europe is also facing a skills crunch comparable to that of the US.[7] Short-term mechanisms which promote high volume hiring have been disrupted, including job fairs and training programs, while the pandemic has led to a drop in the number of foreign students. This demand for skilled workers isn't going to let up, particularly due to the growing need for technical expertise to work in areas like software development. In Germany, more than **50%** **of companies view the skill shortage as the greatest threat** to the development of their business.[7]

India, however, is the only country that's predicted to have a surplus of technical talent by 2030. One of the world's largest economies, the country will see a **surplus of workers** in exactly the sectors experiencing shortages in other parts of the globe: financial services (**1.1 million**) and technology, media, and telecommunications (**1.3 million**).[8]

Europe - In Germany, more than **50%** of companies view the skill shortage as the greatest threat to the development of their business.

US - Labor shortage - up to **$1.748 trillion** in unrealized revenue

India - Surplus workers: **1.1 M** in Financial Services, **1.3M** in Tech, media, and telecom

What is the Cost of the Skills Shortage?

It's clear that the world is experiencing a skills crunch, and that it's only going to get worse if left unaddressed. What's the cost of this for companies that are forced to manage ongoing vacancies and a lack of expertise?

The impact of the skilled worker shortage on existing employees is difficult to overstate. **67% of IT heads say that skills gaps cost their current workers between three and nine hours** of work per week.[9] Burdened by the work of unfilled vacancies, existing employees are forced to expand their roles to cover the tasks of yet-to-be-hired colleagues. It's no surprise that the number one effect of the skills shortage is increased stress on employees, followed by difficulty meeting quality objectives.[10]

Talent Acquisition Challenges

In the midst of this worldwide shortage, employers are facing a distinct set of challenges in their efforts to attract and retain talent. New business models, such as those which rely on the gig economy, are creating more openings without the necessary talent to fill them.

Big tech companies continue to grow and expand into new areas, and need skilled workers to help drive this. For example, Facebook is now moving into the VR space and Tesla is exploring space technology. All of this makes it more difficult to hire and retain talent, and many companies are losing their top employees to competitors in this hostile landscape.

According to McKinsey[11], the principal challenges of building out a STEM-based workforce are attracting and retaining top talent and providing continuous learning. For white-collar workforces, including BFSI, the challenges relate to retraining and redeploying existing employees to new roles, especially digital, and hiring new tech talent.

In order to address these problems, companies need to be able to make better decisions, faster. Employers need to be able to identify candidates to be upskilled and who can be fast-tracked with learning and development (L&D) opportunities, while making sure that they're able to hire the best talent before their competition gets there first. Ultimately, speed and quality of decision-making will help companies differentiate themselves across the whole talent lifecycle.
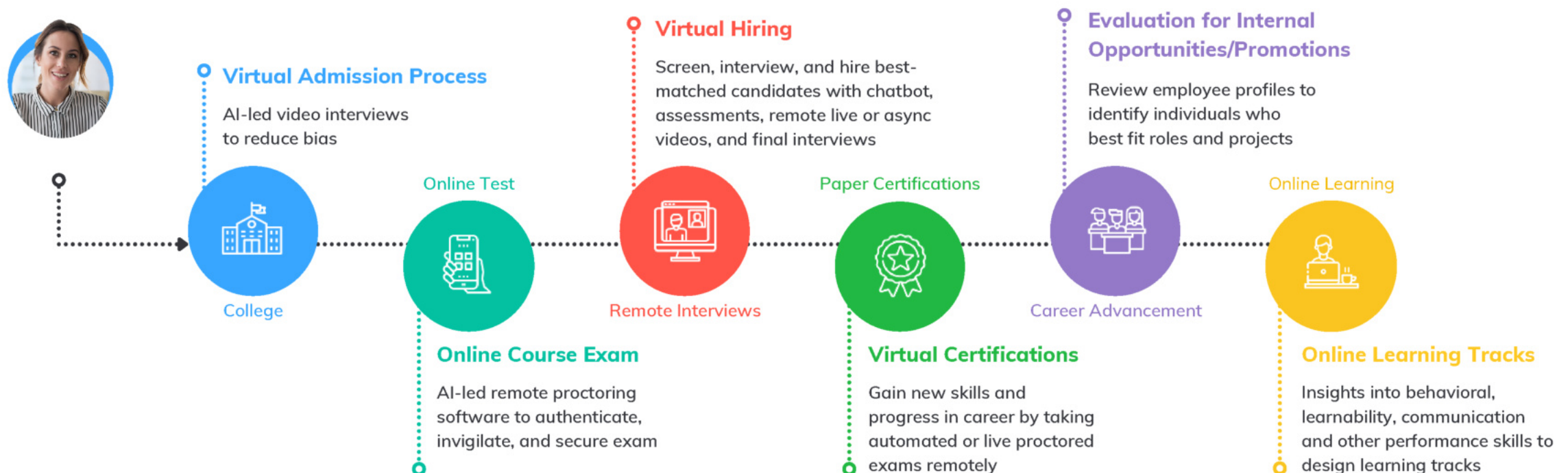
Part Two: Addressing the Demand for Skilled Talent with an Integrated Approach

Plugging the skills gaps will require an integrated approach, which recognizes the importance of the digitization of the talent lifecycle and talent supply chain management. Bringing these two tenets together allows for a fully integrated, digitized, data-powered approach to addressing the demand for skilled talent.

Talent Lifecycle Digitization

When the talent lifecycle is digitized, organizations are able to dip into a pool of skilled talent, provide excellent candidate experience during the hiring process, and offer additional upskilling and training opportunities post-hire.

Virtual Admission Process

AI-led video interviews to reduce bias

Online Test

College

Online Course Exam

AI-led remote proctoring software to authenticate, invigilate, and secure exam

Virtual Hiring

Screen, interview, and hire best-matched candidates with chatbot, assessments, remote live or async videos, and final interviews

Paper Certifications

Remote Interviews

Virtual Certifications

Gain new skills and progress in career by taking automated or live proctored exams remotely

Evaluation for Internal Opportunities/Promotions

Review employee profiles to identify individuals who best fit roles and projects

Online Learning

Career Advancement

Online Learning Tracks

Insights into behavioral, learnability, communication and other performance skills to design learning tracks

What does a Fully Digitized Talent Lifecycle Look Like in the Context of the Skills Shortage?

01

Virtual admissions processes to universities and colleges allow for a broader range of students to apply to study a degree in the necessary subjects, breaking down previously limiting geographical barriers.

02

Online course exams allow for fair and unbiased assessments of students without geographical limitation.

03

Graduates can then enter the world of work, with organizations and candidates alike benefiting from fully remote hiring processes which allow for faster time-to-hire, expanded talent pools, excellent candidate experience, and unbiased decision-making.

04

Online industry certification exams allow employees to learn new skills and develop while on the job, from anywhere.

05

Evaluations for internal opportunities and promotions provide growth opportunities for employees and allow companies to fill managerial roles with the best candidates for the job.

06

Evaluations for internal learning tracks allow companies to address specific skills shortages within the organization through upskilling opportunities.

Managing the Talent Supply Chain

By looking at talent management through the lens of supply chain management, companies can be more responsive and agile in meeting their skills needs. This helps them to have a steady pipeline that ensures access to the right talent at the right time, for the right value.
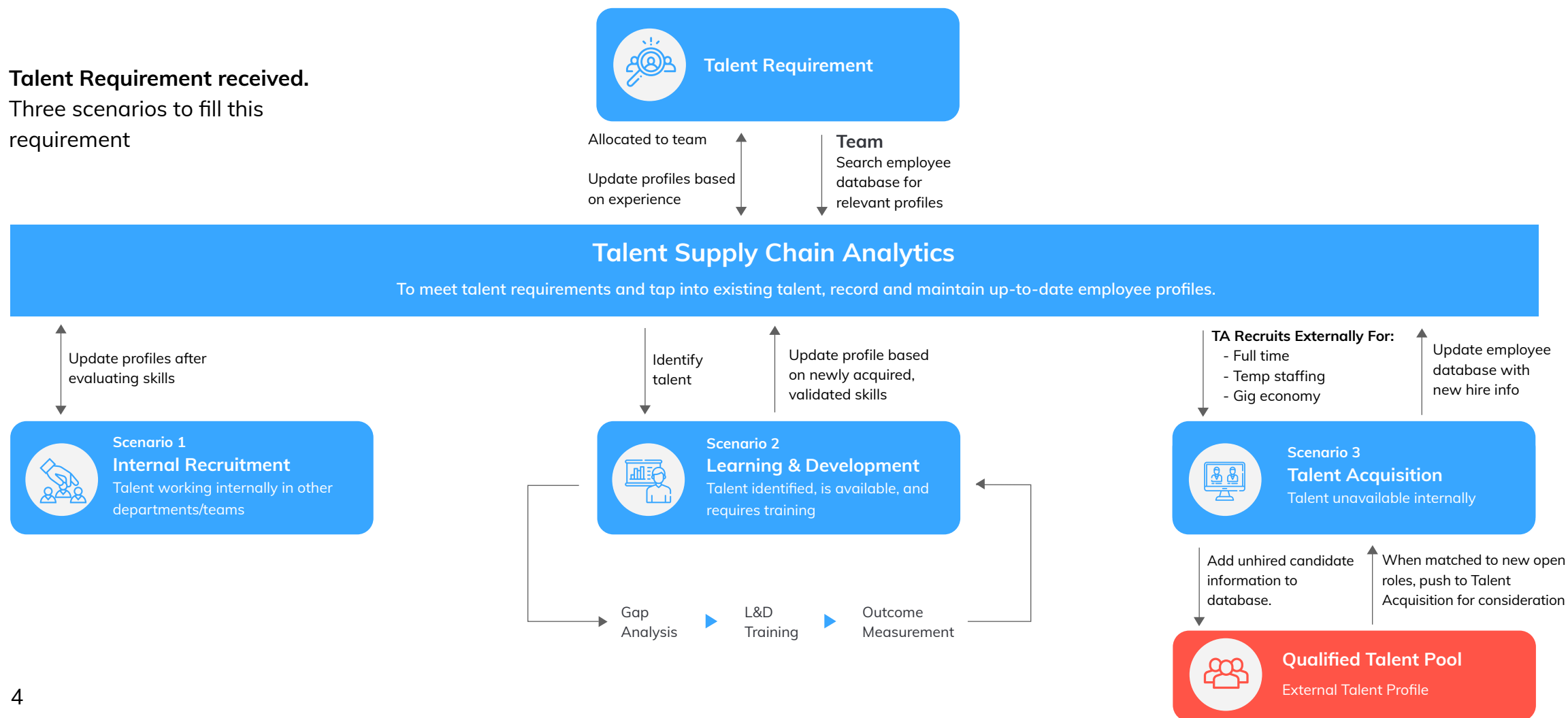
Supply chain management systems predict the requirement of goods and plan how to get the required material while reducing costs and maximizing efficiency. This is what recruiters and hiring managers should seek to do in their quest for skilled workers.

How can organizations achieve talent supply chain management?

Talview's Vision for Talent Supply Management

Talent Requirement received.
Three scenarios to fill this requirement

Talent Requirement

Allocated to team

Update profiles based on experience

Team
Search employee database for relevant profiles

Talent Supply Chain Analytics
To meet talent requirements and tap into existing talent, record and maintain up-to-date employee profiles.

Update profiles after evaluating skills

Identify talent

Update profile based on newly acquired, validated skills

TA Recruits Externally For:
- Full time
- Temp staffing
- Gig economy

Update employee database with new hire info

Scenario 1
Internal Recruitment
Talent working internally in other departments/teams

Scenario 2
Learning & Development
Talent identified, is available, and requires training

Scenario 3
Talent Acquisition
Talent unavailable internally

Gap Analysis ▶ L&D Training ▶ Outcome Measurement

Add unhired candidate information to database.

When matched to new open roles, push to Talent Acquisition for consideration

Qualified Talent Pool
External Talent Profile

Look Inward First

While in the past, many organizations went straight to hiring externally before considering the potential to upskill existing talent, the tide is changing. 42% of companies surveyed by CompTIA are putting new efforts on upskilling current workers,[12] while 69% of respondents to a 2021 McKinsey survey said they are doing more skill-building now than they did prior to COVID.[13]

Learning and development programs and internal assessments are a great way to benchmark and identify employees that are a good fit for these new roles. Skill development programs also boost employee morale and help organizations drive a culture of continuous development.

Data on employee performance and information on internal assessment performance can help companies put the right workers in the right roles. With this data, they can accurately skill-tag employee profiles, allowing HR managers to use them for just-in-time hiring.

These assessments can cover cognitive ability, learnability, communication skills, or knowledge of a particular domain. Unlike assessments during the hiring process, which are usually done as fast-paced as possible to speed up time-to-hire, the internal evaluation process can go deeper and give managers more time to select the best person.

42%
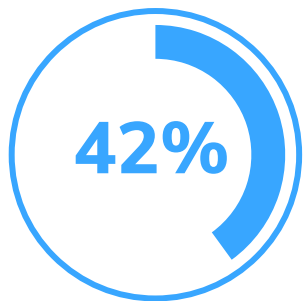
of companies
upskilling current
workers

69%

of respondents
doing more skill-building
now than before COVID

There are a few things organizations need to keep in mind while leveraging internal assessments for upskilling and L&D purposes. First, the user interface must be friendly and straightforward to use – candidates that are forced to spend a lot of time understanding how to navigate the assessment platform will feel put off from the outset.

Next, it's vital that assessments are created with diversity, equity, and inclusion (DEI) in mind. Many old assessments have unconscious bias built into them, for example, through culturally specific questions or situational judgment exercises that exclude certain groups. Organizations must bring in people from diverse backgrounds while designing assessments and user test them with a wide spectrum of people to identify any bias.

Lastly, companies must not lose sight of the importance of validity and job relatedness in upskilling and L&D programs. Managers of these programs should have a deep understanding of the skills, characteristics, and behavioral attributes necessary for new job roles and ensure they are training and assessing for those factors. Leaders must be totally transparent around the requirements and expectations of upskilling initiatives to avoid ambiguity or hesitance to commit from employees.

When done correctly, training existing employees to plug the skills gaps has the power to dramatically increase worker wellbeing, job satisfaction, and performance. Employees no longer have to contend with a skill shortage that was causing them stress and will have been able to develop new skills and grow within the organization.

Internal Employee Assessments: Three Top Tips

Friendly UX/UI:
Employees want seamless, straightforward digital experiences that leave them feeling confident about what's to come.

DEI
Many assessments have been created without people from diverse backgrounds in mind. It's vital to user test assessments and screen out cases of unconscious bias.

Job validity:
Managers need to have a deep understanding of the skills and attributes necessary for new roles and match them up to the right candidate.

Source Externally When Needed

As companies grow, many encounter specific needs that can't always be fulfilled by training existing employees. In these cases, organizations should turn to remote hiring to access a talent pool without geographical limitations.

Whether hiring for full-time, part-time, or gig worker positions, companies need to ensure that their hiring process supports, not hinders, their talent acquisition efforts. A remote hiring process should encapsulate the right technology to enable excellent candidate experience, unbiased assessments, and quick time-to-hire. What does this look like?

Resume Screening:

Organizations can use AI to automatically screen applicants and select only the ones that are a good fit for the job openings, based on historical data of successful candidates.

Automated Scheduling:

Rather than engage in a back-and-forth to organize a time that suits both parties for interviews and assessments, HR managers and recruiters should automate this process, drastically speeding up time-to-hire.

Video or Audio Interviews:

Whether live or pre-recorded, virtual interviews are an excellent opportunity for employers to understand multiple aspects of a candidate's skill set. By using AI to analyze the interview alongside experienced and qualified interviewers, companies can gain objective insights on things like the candidate's behavioral attributes, learnability, and communication skills.

Online Assessments and Proctoring:

Companies can leverage virtual assessment and proctoring solutions to accurately and securely assess candidates on a range of skills and domain knowledge.

Mobile-First:

Today's skilled candidates are constantly connected and want to be able to manage their hiring process while away from their computer screen. This means ensuring that the whole funnel –from early communications to final interview – caters to mobile as well as PC.

Company Branding and Culture:

It's crucial that an organization's culture and values shine through during the virtual hiring process. Candidates want to work for organizations that have something unique to offer and uphold similar values. Companies can showcase these aspects of workplace culture by including welcome videos, using company branding across the platform, and using email and communications copy that's friendly and unique to them, ensuring that their mission and values are front and center.

Leverage Data to Forecast Trends

Digitizing the entire hiring process – much like the digitization of the supply chain – provides a treasure trove of data for companies to use to drive decision-making and predict upcoming trends.

Organizations can move beyond traditional forecasting techniques and use simulations to aggregate individual estimates up to an overall projection for the company. Modern technologies can help companies avoid situations like that of Unilever's Indian operations in the early 2000s – where the number of well-trained managers increased by 27% from 2000 to 2004, despite business having declined after the 2001 recession.[14] The company may have had effective hiring processes and development programs, but they weren't run according to current and future economic trends.

Data such as attrition rates, rates of promotion, the number of outside hires, and keeping track of political changes and market forecasts can allow organizations to make decisions based on future trends, tapping into internal and external candidate pools. Businesses can then make estimates around the kind of talent they have access to at a given time and the type of talent they may need in the future.

Maintain an Inventory for Future Needs

Armed with data from remote hiring processes and internal training programs on technical capabilities and behavioral attributes, companies can build a warm talent pool of candidates to dip into when the need arises.

Organizations can also conserve a talent inventory for future demands by allowing employees to take sabbaticals and keep past team members in their system. In addition, staggering hiring drives throughout the year will help HR managers avoid over-hiring at one given time while allowing them to continuously re-evaluate their needs according to market trends.

By deploying these four strategies, organizations will be able to effectively manage their talent supply chain and source the skilled workers they need.

Part Three: Case Study – Leading Indian Private Insurance Company Hires Skilled Talent

In the BFSI sector, companies are facing a talent squeeze. Prior to working with Talview, this leading Indian insurance provider with nearly $2 billion USD in annual revenues struggled to get the right people for its job openings into the funnel. Once the best candidates were identified, the company then needed help keeping them engaged, reducing time-to-hire, and improving overall candidate experience.

Especially in India, where many of the candidates are living in tier two or three cities where access to a computer and strong internet was not guaranteed, the company needed an intelligent, mobile-friendly platform to help drive its remote hiring process.

How Did the Talview Platform Help?

In order to combat these issues in sourcing skilled talent, the organization decided to leverage Talview's hiring platform for one-way recorded interviews and remotely proctored assessments.

"

Not only did Talview help us make sure we were putting the right people for the roles through our hiring funnel, it's technology allowed us to dramatically cut down manual processes, saving us time and money.

- Leading Indian Insurance Provider

The video interview solution allowed the company to speed up the process as candidates could interview asynchronously. After the interview, recruiters receive a "recommended" or "not recommended" score on each candidate, based on the core competencies they were seeking for the role.

Company:

Leading Indian Insurance Provider

Industry:

BFSI

Revenue:

Nearly $2B USD Annually

Solution:

Talview Hiring Solution
- Asynchronous Video Interviews
- Talview Behavioral Insights
Talview Proctoring Solution

13

This technology helped the organization mitigate bias throughout the process. Talview Behavioral Insights provided an objective analysis of the subtext of video interviews or written responses to interview questions, giving recruiters insights into a candidate's unique personality profile. This was possible thanks to the tool's natural language processing and psycholinguistic analytics capabilities based on established models, such as Big 5 and intrinsic values.

The organization also conducted online assessments using Talview Proctoring Solution, an AI-powered remote proctoring software, allowing them to objectively evaluate candidates' skills without risk of malpractice, nor the need for human monitoring.

> *With the help of Talview's video interview and remote proctoring solutions, we have been able to evaluate candidates efficiently, objectively, and accurately for the skills we need, and leverage insights to drive continuous improvement of recruiter performance.*
>
> Leading Indian Insurance Provider

Candidates could carry out both the recorded interview and assessment from their mobile phones, and Talview's solution is fully integratable with the company's existing ATS, meaning recruiters aren't forced to spend time on two different systems.

The company was also able to use Talview's platform to solicit candidate feedback on the process. Based on this feedback, Talview translated assessments into Hindi for applicants who were not required to know English for the role. On top of candidate insights, Talview provided data on the performance of the recruiters too.

The Result

The company reduced its average time-to-process from 11 days to **6.9 days**

Saved over **$1 million USD** in one year

Talview delivered accessibility and authenticity throughout the hiring process, and helped decrease overall time-to-hire. Thanks to Talview's mobile-first approach and multi-language platform, candidate experience improved, helping to keep skilled applicants in the hiring pipeline.

By reducing the need for manual tasks and evaluating recruiter performance, the company was able to drastically cut down time-to-hire while ensuring that recruiters were making the right decisions and getting the right people through the door.

Conclusion: Looking Ahead

As hiring and assessment technologies advance, companies will be able to hone their approach to skilled talent acquisition even further. What's ahead for organizations looking to hire skilled workers?

We can expect to see assessments become more sophisticated, encompassing simulation technology to evaluate behavior and cultural fit. Increasing numbers of organizations will realize the necessity of mobile-first hiring processes, as well as the need to reduce the number of assessments and glean multiple insights from a single assessment or interview.

The traditional resume will become less relevant as video resumes and digital credentials take over, which will act as a candidate's "digital signature" that employers can dip back into for future roles. The demand for platforms that provide dynamic data that helps companies make better decisions will grow, as opposed to those which only collect static data.

Addressing the need for skilled talent is a complex task that requires a multipronged approach that comprises both short and long-term solutions all along the talent lifecycle. For employers seeking skilled workers, an integrated approach that champions the digitized talent lifecycle and talent supply chain management will allow them to plug this gap, now and in the future.
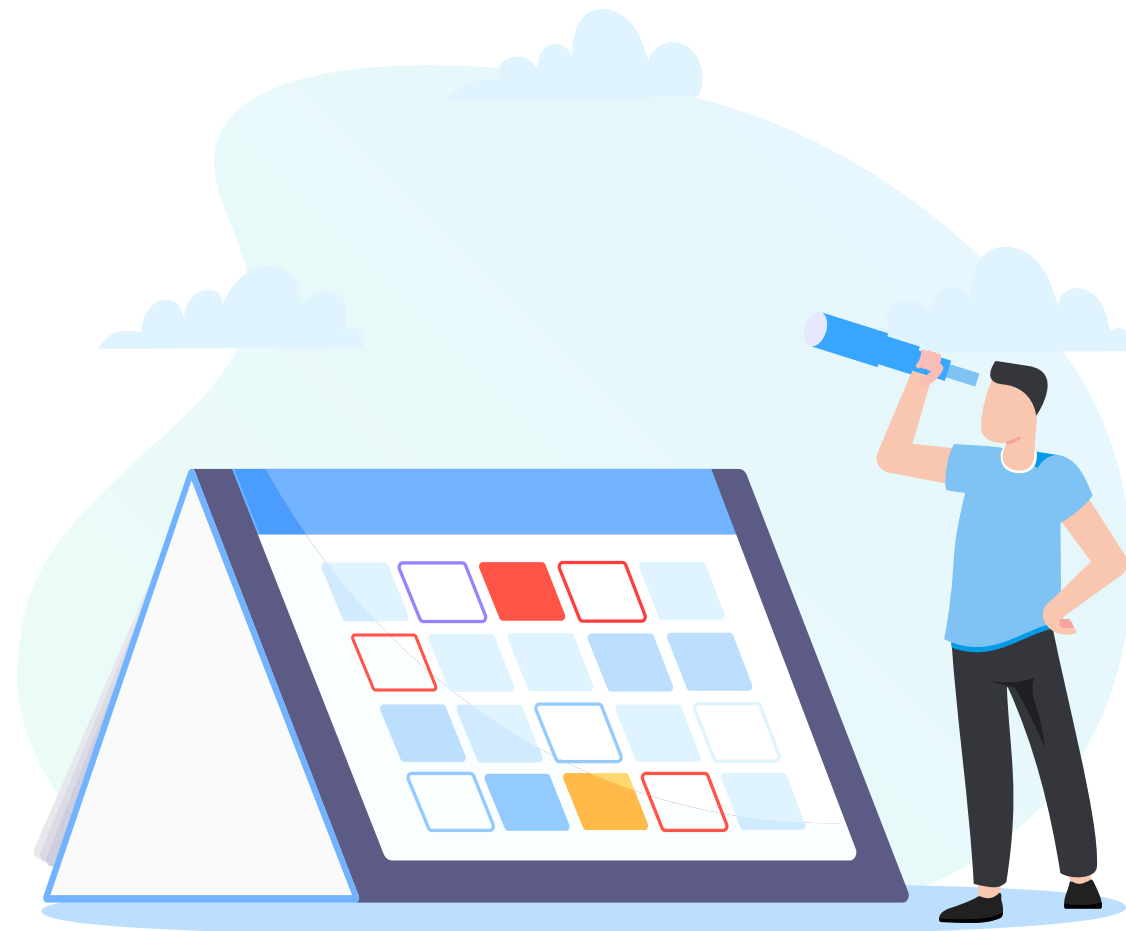
About Talview

Talview offers an end-to-end, AI-powered hiring and proctoring solution that unifies how organizations screen, interview, and assess top candidates and learners, while ensuring a simple, engaging experience for everyone. From the testing center to the office or to the home, Talview reimagines, humanizes, and democratizes large-scale recruiting and credentialing processes so every person can realize their full potential both academically and professionally.

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