

2024 talent trends report

empower the people  
at the heart of your business.



randstad  
enterprise



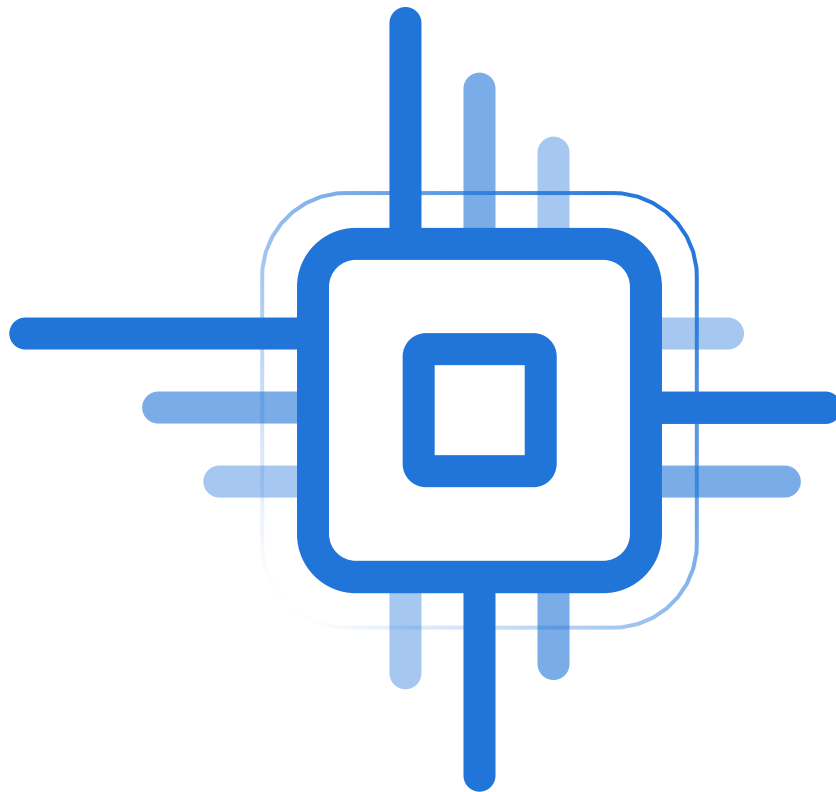
## thrive or survive: can you unlock human potential with AI empowerment?

Change in the world of work is accelerating. Ever since the pandemic, a host of emerging and existing trends have converged rapidly to shift the way work is viewed and performed. Job flexibility, a growing skills gap, a workforce that spans generations, and now the growth of generative and other forms of AI are reshaping organizations, markets and economies.

All of these factors mean we need new ideas, new ways of thinking and new ways of getting things done as we rewrite the future of work and the future of talent. Evolution has never been a linear process, but the strategic workforce choices talent leaders make today can have a lasting impact on their organizations for tomorrow. How much and how quickly you embrace AI, for instance, will determine the speed and intensity at which transformation occurs and takes hold. It will also dictate the effectiveness of mitigation against talent scarcity. Without urgent attention, your company may find itself falling behind.

The 2024 Randstad Enterprise [Talent Trends](#) research, which surveyed 1,076 C-suite and human capital leaders in 21 markets around the globe, finds that employers have grown more concerned about their ability to get the skills their business needs to thrive in today's challenging environments. Nearly three-quarters (72%) report the skills gap will create greater challenges for their business in the near future; a total that is up from 64% last year and the highest it's been since 2019. Moreover, 77% say increasing automation is affecting workforce planning and shifting the talent needed in their organizations, the highest level ever recorded in Talent Trends history.

This is the age of artificial and human intelligence working together to achieve an optimized workforce unlike any before it. Innovation and ideation have never been more accessible.



The adoption of AI is accelerating across the talent life cycle. More organizations are using generative AI to write job descriptions, create skills ontologies, source and screen candidates, and help recruiters by managing the highly time-intensive task of interview scheduling. Others are using the technology to advance internal talent mobility, identify high-potential talent, and create learning and development plans. Many leading organizations Randstad supports have already made sizable investments in their AI strategies.

Technology and AI will become increasingly important to workforce planning as skill needs become more unpredictable, shortages persist and employers transform to skills-based organizations. During this transformative stage, they will not only be considering their “buy-build-borrow” strategies, but rather the [five B’s](#) of resourcing: buy skills, build skills, borrow skills, bounce (unlearn) skills, and bots (AI) as a skill. Because technology is capable of performing more services, human capital leaders will have to examine the data, weigh their choices and make decisions about people and machines that create the agile, sustainable workforces their businesses need to thrive.

Human capital leaders are faced with the challenging task of understanding how to ethically maximize the potential of technology – not just among the workforce itself, but to unlock the best in their people. This will require expertise, careful deliberation and measured investment. A long-term and successful strategy must focus on reimagining the future of work, and not just a patchwork approach.

Effective organizations must clearly define the scope for deployment, establish clear goals and metrics for success, and continually build on their strategies to achieve a talent and business advantage. Technology’s potential to seismically enhance human performance and change cost models – and talent ROI – seems limitless, but leaders will need to upskill to make that happen.

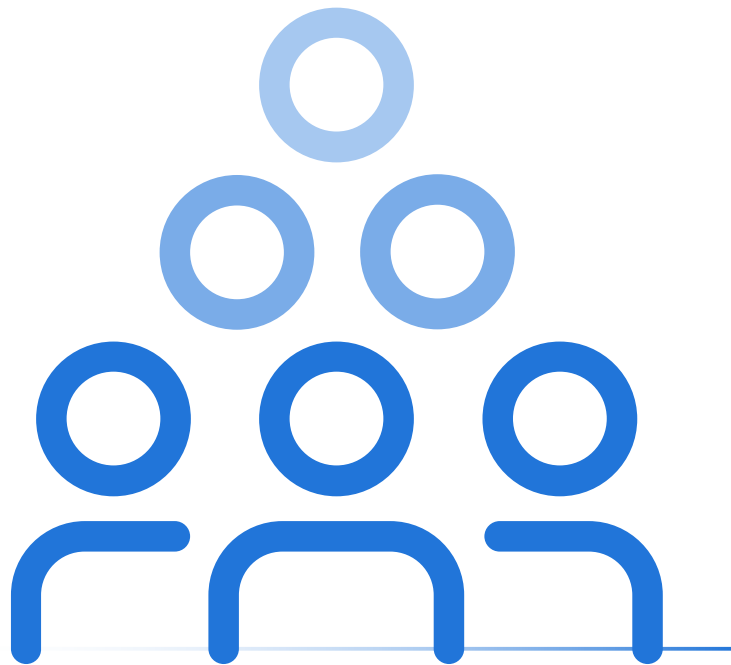


In fact, this year's Talent Trends research finds talent leaders feel unprepared; 56% feel digital transformation is moving too fast, and they cannot keep up. But beyond technology, the two top challenges talent leaders expect to face moving forward are skills based: increased competition for hard-to-find skills (34%) and growing scarcity of speciality skills (32%). And all the while, they report HR is being expected to do more with less this year (64%).

How can employers best address these concerns and embrace inevitable change? We see three core areas of focus that you can prioritize to unlock potential and power both the technology and people at the heart of your business:

- [enabling technology](#) — exploring and understanding the ways in which technology can now make the formerly impossible possible when it comes to your talent strategies
- [talent capability](#) — embracing the beyond-skills revolution, rethinking the way you hire and develop talent throughout their career journeys with a particular emphasis on aspirations, what work is core and impactful, and how you can get more of your workforce into a state of constant flow
- [empowering experiences](#) — building cultures and people experiences that not only meet talent expectations, but also keep your people highly engaged with a willingness to display sustained discretionary effort

A coordinated effort to instill culture, purpose and learning in people will ultimately result in a more engaged and prepared workforce that is ready for the dynamics of a rapidly changing market. The key to success remains in identifying and investing in human potential, which will drive agility, expertise and access to the right skills at the right time. More importantly, as your business redefines its future of work, it will be able to choose the most appropriate ways of working, beyond location or time patterns.



The great news is that most organizations have either started their journeys to becoming a skills-based organization or intend to be one. Our research shows that 80% of companies are prioritizing this initiative this year, and the same number (80%) say they are moving toward this model to combat talent scarcity. The vast majority (80%) say they are placing more emphasis on investing in employee skill development and career engagement — up from 76% last year.

Investing in the right technology, human potential and a culture that motivates will bring a true beyond-skills talent revolution that powers your business through unpredictable times. As your business evolves, transforms and reimagines its future, how will you generate better ways for people and technology to collaborate? How will you inspire people to rise to their potential while fulfilling organizational strategies? How will you usher in these new ways of working and thinking to create value for years and decades to come? Our 2024 Talent Trends Report reveals 10 trends that will help you build powerful relationships that motivate talent, move your skills-based transformation forward and use human intelligence to make sense of technology.



*Mike Smith*

**Mike Smith**  
chief executive  
Randstad Enterprise

# about the 2024 Talent Trends research.

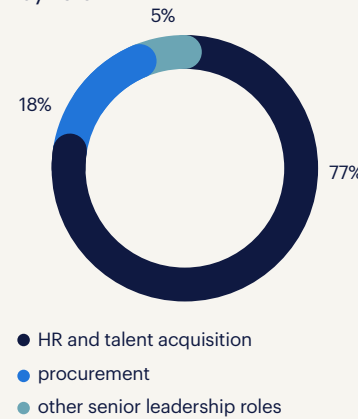
Now in its ninth year, Randstad Enterprise’s [Talent Trends](#) research has provided insights that human capital leaders need to drive business agility and results with their talent strategies.

The 2024 Talent Trends research is a survey of 1,076 C-suite and human capital leaders at global and regional organizations across 21 markets worldwide. It is our largest survey ever and is designed to help our clients and the broader business community understand the top HR and talent acquisition trends for 2024. This year, our research uncovers how employers are adapting to rapid digital transformation; unlocking the potential of technology, data and people, who are the true heart of their business; and building the skilled, sustainable workforces that bring their companies’ goals to life.

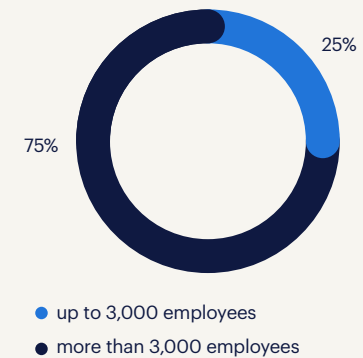
Conducted by a third party on behalf of Randstad Enterprise, survey panels are composed of business leaders who influence both strategic and operational decisions for their organizations. Online surveys were conducted via external panels during Q4 of 2023. Interviews were self-administered and could be taken across devices (including mobile phones, tablets, desktops and laptops).

## who participated

by role



by company size



## key industries

22% banking and financial services  
15% IT and technology

11% life sciences and pharma  
4% high-value manufacturing

\*each industry listed here represents a sample size of at least 38 respondents

## 21 markets

### Americas

Argentina  
Brazil  
Canada  
Mexico  
U.S.

### Asia Pacific

Australia  
China  
India  
Japan  
Singapore

### Europe

Belgium  
France  
Germany  
Hungary  
Italy  
Netherlands

### Nordics

Poland  
Spain  
Switzerland  
U.K.

# 2024's top 10 talent trends.

## the age of human and artificial intelligence — together (page 08)

- 01 AI redefines how work gets done (page 09)
- 02 technology sets talent acquisition at the heart of all talent strategy (page 12)
- 03 talent management leaps forward with the power of AI and data (page 15)
- 04 AI shines a light on human potential and democratizes internal talent mobility (page 18)

## the unstoppable rise of the beyond-skills talent revolution (page 26)

- 05 inherent core skills and motivations emerge as must-have criteria (page 27)
- 06 human capital leaders make waves for the business (page 30)

## investments in people experience and culture pay off (page 35)

- 07 the hybrid work revolution keeps delivering an edge (page 36)
- 08 culture becomes a major talent motivator (page 39)
- 09 diversity flourishes despite adversity (page 42)
- 10 the productivity battle is won with human potential (page 45)

## the 2024 Business Health Index (page 33)

## AI, skills and people at the heart of Merck KGaA's talent strategy (page 21)



# the age of human and artificial intelligence — together.

“HR knows what the business ailments that create urgent crisis situations are. And that data sits in these cloud-based systems. And that’s what I’m so excited that AI can unlock ... situational awareness at all times of what will downstream create HR work. Let HR know, and then let them bring their advisory problem-solving solutioning skills and resolutions to the table ... in advance, when they can actually change the outcome.”

[Athena Karp](#)  
CEO and founder  
HiredScore

- 01 AI redefines the way work gets done
- 02 technology sets talent acquisition at the heart of all talent strategy
- 03 talent management leaps forward with the power of AI and data
- 04 AI shines a light on human potential and democratizes internal talent mobility





01

# AI redefines the way work gets done.

## Has your organization mapped the path toward greater performance and output?

Artificial intelligence is already changing how organizations are doing business. From chatbots that automate customer touchpoints to generative AI that analyzes and creates content, the technology revolution could lead to [30% of work hours in the U.S. being automated by 2030](#). On par with each of the industrial revolutions, today's AI movement promises to not only transform how business gets done but also how people think about and approach their work. This potentially can elevate productivity and output in an unprecedented way, enabling a new era of cooperation between people and machines.

In the past year, the rise of generative AI has already created huge opportunities for organizations to grow value. AI is accelerating their capabilities, performance and even company value. In fact, [according to Deloitte](#), companies that invest in AI outperform others in stock returns for as many as eight quarters after the investments. This is achieved through productivity gains, institutionalizing knowledge, and advancing research and development (R&D).

The 2024 Randstad Enterprise [Talent Trends](#) research finds nearly all (97%) of C-suite and talent leaders agree that the adoption of technology has enhanced the attraction, engagement and retention of talent — an 8-point increase since 2023 and the highest reported value for this response in Talent Trends history.

Employers also report that AI and automation investments specifically have driven numerous gains, including improving efficiencies and consistencies in their processes (cited by 33%), automating workflow (31%), increasing the ability to scale (30%), enabling workers to focus on strategic projects (30%) and identifying employees with specific skills (30%). More notably, our data shows year-over-year gains in each of these areas, demonstrating AI's added value as companies optimize its use. Only in the category of reducing labor costs did we find a decline in the number of responses year-over-year, which indicates that organizations are more focused on efficiency, output and performance when investing in AI.

“AI will transform every single position in the company. I don't think it will be overnight. The real story here is it will change the way everyone works,” Colleen Rush, global head of Talent Acquisition at [Merck KGaA](#), shared with us.

According to the [World Economic Forum](#), companies are already using generative AI to drive efficiencies and value, despite its recent proliferation. From creating novel synthetic protein structures used in cancer therapies to designing new furniture to tackling climate change, this class of technologies is already making a significant impact on the global economy. The potential on business applications — and on elevating human potential — appears limitless. In fact, McKinsey estimates that generative [AI could annually add up to \\$4.4 trillion](#) to the global economy.

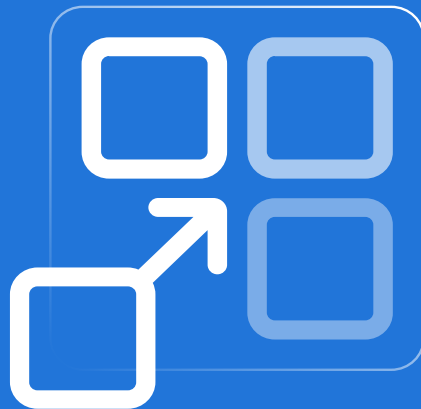
The challenge for employers, however, is complex. Choosing the right AI investments can be fraught with risks, not the least of which is the ROI. As organizations bring technology into the workplace, careful consideration of the impact on the workforce, the need for new skills and the potential for redundancy is much needed. What's more, growing concerns about the impact of AI are leading to increased regulations and guidance on the use of AI, including [EU-wide legislation](#). Among the stipulations in the world's first AI law are transparency requirements for AI systems, rules regarding data and limitations on the use of images sourced from the internet.

Human capital leaders cite a number of concerns as well in our survey. These include a reduced human touch in the workplace (34%); risking amplifying bias or using the technology irresponsibly, unfairly or unethically (32%); and relying too much on automation (32%). These all reflect concerns about the impersonalization of AI in the workplace rather than around costs or adoption challenges.

Despite the considerable efforts needed to responsibly use this technology, organizations have remarkable opportunities to transform how work gets done by using AI as an augmented resource for people. Leading practitioners can gain a competitive advantage with automation to enhance convenience, speed and transparency in a secure and compliant way. Employers who demonstrate exceptional deployment of AI stand to enhance their reputations as well, becoming an employer of choice for people who value innovation and working with leading-edge technologies. Unquestionably, the impact of technology will reach beyond work itself.

## 3 questions you should ask

1. Have we started identifying ways to enhance human performance and productivity through the use of automation?
2. How can we ethically introduce innovation that will improve efficiency without alarming the workforce?
3. Do we have a clear “buy, build, borrow, bounce or bot” strategy for acquiring the skills needed to help navigate the investments and application of AI throughout our organization?



## 5 ways to thrive in a dynamic time

1. Start by defining AI guidelines and ethical standards to create a common understanding of how you do and don't want to use AI as an organization. For example, Randstad Enterprise defined four pillars in our own use of AI: people first, human oversight, transparency and explainability. Our “AI for humans,” not “AI instead of humans,” approach has led to the creation of a recruiter toolkit and is driving interactions in our intelligence platforms. Your ethical compass will help to define your use cases and guide you to recruit the right team members for your AI team.
2. Consider appointing an AI leader to support the CIO. This subject matter expert can help lead the integration of AI into systems across the enterprise for a more seamless experience.
3. Prioritize transparency and pace the introduction of automation to help people transition to new ways of working. This will help minimize fear, bias and risk in how AI is used to assist people in their jobs, while encouraging adoption.
4. Because AI remains unregulated in most markets, develop a dynamic road map that adapts to forthcoming legislation. Being flexible with how AI is used in the workplace will help ensure your organization stays agile during uncertain times.
5. Seek out teams in your business that are excited by the opportunity to pilot AI, are digitally enabled and would greatly benefit from AI as a new teammate. Find ways to share the success of your early adopters with the organization to create excitement, demonstrate value and drive change together.



Thomas Jajeh  
chief digital officer  
Randstad Enterprise

## 02

technology sets talent acquisition at the heart of all talent strategy.

### Are you benefiting from AI's power to unify recruitment, growth and internal mobility for a holistic strategy?

With technology continuously creating new paradigms, it's no surprise talent acquisition is one of the most promising HR functions to transform completely in the near future. So many laborious, but critical, tasks that once slowed recruiters can now be completed by AI and other tools in the blink of an eye, enabling people to focus on relationship-building and decision-making. But beyond filling roles, skilled talent advisors who are equipped with potent tools have become the key to a successful talent strategy.

Through close relationships with hiring managers, deep insights into the labor market and extensive comprehension of organizational goals, talent acquisition is increasingly the go-to facilitator for human capital leaders. It now delivers a broad range of services besides ensuring access to external talent. Identifying the potential of new hires, providing input to learning and development (L&D), creating talent marketing programs and assisting employees to move into better-fitting roles through internal recruitment are just some of the ways advisors are evolving the workforce.

[In a recent podcast](#), analyst Josh Bersin said: “Talent acquisition has to be bolted at the hip with the L&D group and the career development group so you have a really strong program for internal mobility, talent marketplace ... to source and recruit internal candidates as well as external.” This may be why, according to the 2024 Randstad Enterprise [Talent Trends](#) research, 65% of talent leaders report investing in internal talent mobility technologies — up 9 points from 56% last year.

Further elevation of the talent acquisition function will be powered by AI, data intelligence and cloud connectivity. In fact, point solutions and systems are providing visibility into workers’ entire tenure with their organizations, helping to guide talent on skills development, career advancement and personal coaching. Among areas where tech investments will be most transformational are:

- [enhanced jobs and skills taxonomies and ontologies](#)  
AI allows companies to organize their disparate talent databases, facilitating comprehensive search capabilities. This also permits a single view of all talent that may be available across contingent, permanent, gig-workers, contractors and other work arrangements. In some cases, employers are also working with external talent partners to access their databases separately as well.
- [advanced AI matching tools](#)  
Such innovations are far more capable than basic Boolean code search and use large data models to improve accuracy. These models consider factors such as job titles, industries, locations, experiences and skills. The creation of custom AI matching “brains” can analyze historical talent data to understand the traits of successful individuals within an organization. Transparency in such models ensures built-in bias is minimized.

- [human-like conversational chatbots](#)  
Each iteration of chatbots will be successively closer to being like a person online. In fact, [research has shown](#) that AI chatbots can create outputs that exceed all but the best human performers, which means organizations will be able to provide personalized talent experiences with AI during engagement, screening and assessment.

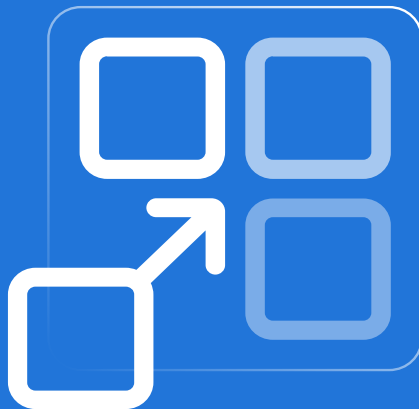
The findings of our research support this transformation: Among all technologies organizations are investing in, AI search and match has grown the most year-over-year. Two-thirds (66%) of talent leaders report making such investments — an increase of 14 points since 2023. AI-enabled innovation also accounts for the second largest increase, with chatbot/text screening rising 12 points to 59%.

Technology is also transforming the way companies conduct graduate recruitment, research shows. Last year, more than a quarter of employers (28%) reported using AI to recruit, according to a survey by the [Institute of Student Employers \(ISE\)](#). This was a big jump from just 9% the year before. For early-career candidates, the technology was most often used in psychometric assessments, prescreening and video interviewing.

By adopting a life-cycle approach, the talent acquisition function is establishing itself as the heart of the talent strategy for many leading organizations. At no other touchpoint in the talent journey are people as deeply influenced in their career direction. From the moment they are recruited through their entire tenure, talent acquisition sets the trajectory for how people are managed and encouraged to explore their full potential, resulting in a workforce that is evolving, thriving and ready for a dynamic digital future. And all of this is happening thanks to a talent acquisition function that rises to new paradigms and is advancing the skills-based revolution.

## 3 questions you should ask

1. What do our talent advisors and recruiters need to effectively evolve beyond simply fulfilling requisitions to solving challenges with resource options that achieve the end goal of the business?
2. How can we prioritize technology investments that measurably and continuously improve the talent experience during talent acquisition?
3. How can we help business leaders better identify current and future resource needs and use AI-powered tools to source, screen and develop the right talent?



## 5 ways to power talent acquisition with AI and automation

1. Identify highly labor-intensive repeatable tasks that can be automated using AI and other technologies so recruiters and talent advisors can focus more on identifying human potential and fit for purpose.
2. Explore how smart technologies can help you convert data into intelligence that drives talent acquisition. Work with talent advisors to understand what kind of insights they need to find and assess both external and internal candidates.
3. Create a plan for educating human capital leaders on the various talent acquisition technologies, platforms and tools available. The pace of change is increasing, so keeping them informed is a must for success.
4. Consider appointing an AI leader who is dedicated to the talent acquisition function and can identify practical use cases for technology, drive rapid adoption with a high rate of return, and ensure secure and compliant practices.
5. AI-powered solutions are growing at speed for recruitment and other talent management services, so be careful in your selection of tools and systems. Consider ease of integration, ethical applications and functionality to make sure there is a migration path for future updates.



Tatiana Ohm  
chief operating officer  
Randstad Enterprise

 03

talent management leaps forward with the power of AI and data.

## Does your organization have a road map for leveraging data and AI to transform people management in a time of scarcity?

The collection and processing of people data has been a priority for human capital leaders in recent years, but converting an ever-expanding volume of records and transactions into intelligence has been exceptionally challenging. Even seemingly simple tasks, such as headcount or labor spend, can be complicated to tabulate. This is especially true for organizations that have complex workforces that include many different working arrangements. So with AI promising to revolutionize the process and output of workforce intelligence, employers are taking notice.

In fact, according to the 2024 Randstad Enterprise [Talent Trends](#) research, 76% of C-suite and human capital leaders agree that AI, in conjunction with big data, is impacting all aspects of talent management.

Why is AI suddenly the focus of an effective HR data strategy? For as long there have been human capital management systems, the value of data has remained largely unharvested. While some of this has been used to provide limited workforce insights, big portions remain in silos, disconnected from related datasets and obscured from the views of talent leaders. The missed opportunities for intelligently using data have been enormous. AI has the potential to change that because it can analyze enormous datasets on pay, attrition, engagement, performance, gender, age, skill sets and more infinitely faster than people can. More importantly, it can automate the process for prompting actions that will improve outcomes.

The rise of intelligence platforms is a key inflection point in HR's ability to better attract, hire, develop and manage talent. Even more encouraging is the growth of AI in these tools. Solutions such as [Phenom](#), [Eightfold](#), [Gloat](#) and many others are advancing talent analytics and intelligence at an unprecedented pace. This means the functionality and impact of these tools are empowering human capital leaders to make better decisions around hiring, promotion, training, reskilling and development.

Our 2024 research also finds 78% of surveyed C-suite and human capital leaders believe their decisions related to talent strategy are fully supported by analytics — an increase of 6 points from 72% in 2023. What's more, 80% say external market intelligence plays a critical role in sourcing, attracting, engaging and retaining talent, a rise of 5 points. There is also significant year-over-year growth in the number of companies reporting increased investments in these technologies. Sixty-one percent (61%) are increasing budgets for predictive analytics and external market intelligence — up 11 points since last year — and 65% are expanding budgets for AI, machine learning and automation — up 10 points since last year.

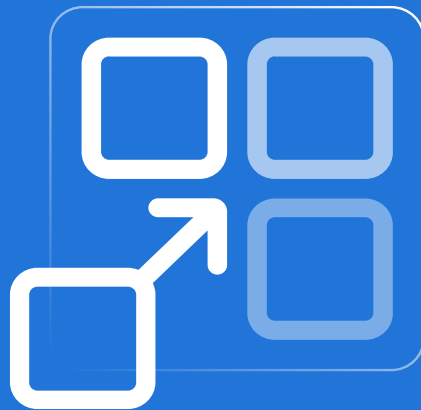
What this tells us is that the convergence of internal data with market insights is enabling employers to achieve ever-improving talent management practices, resulting in better efficiencies, costs and, most importantly, access to skills. With AI doing the heavy lifting, organizations are able to connect all the people data across systems to customize career pathing, L&D curricula, coaching support and other people services. And even as the technology becomes more powerful and integrated, it's also becoming more practical and democratized. Today, workforce data is the domain of HR, but some solution providers are moving these insights to be more accessible to hiring managers as well. Both HR leaders and hiring managers will need to further develop data analysis skills and understand compliance risks as they drive decision-making with expanded access to holistic organizational and market data. Benefits of this approach, however, include better informed workforce planning, faster hiring and improved internal redeployment of people.

But talent intelligence provides more than just useful insights to managers; it can also guide people to acquire the right skills and recommend internal opportunities better suited to their career track, interests and aspirations. Not only does this help with skills-building, but also satisfaction. Randstad's 2024 [Workmonitor](#) research finds that 70% of workers surveyed in 34 markets consider career advancement opportunities to be important, and 72% deem training and development important for current and future jobs.

There's no question that AI can have an immense impact on the value of people data. Never before have organizations been able to access and use these insights in such a meaningful way. As companies discover just how meaningful, they will be able to create greater impact with data-led talent management strategies that help both their companies and people thrive.

## 3 questions you should ask

1. What are the blind spots in our data that prevent effective assessment, engagement, development and mobility of candidates, employees and contingent talent?
2. Which use cases across the attraction, hiring, development and management of talent will create the greatest positive business impact — and quickly — through talent intelligence?
3. Are we accounting for the specialized skills, internal expertise and resources needed to successfully implement and integrate talent intelligence into specific business and workforce goals and actions?



## 5 ways to optimize AI-powered talent intelligence

1. Before you consider how to accelerate the use of talent intelligence in your business, clearly define the problems you want to solve and the questions you want to answer. This will help you prioritize projects and clear a path forward.
2. Even AI will struggle to make sense of poor data inputs. Make sure the insights you hope to achieve are built on optimized and clean datasets. Data integrity is key.
3. Consider how to review both internal data with external market information when making decisions. This will give you a full picture of skills availability, compensation rates, talent expectations and more to drive smarter workforce decisions.
4. The ways you use, store, protect and manage your data are just as important as its integrity. Ensure you consult your legal and risk teams to develop ethical, compliant and transparent practices that will prevent creating new areas of risk for your organization.
5. Determine which function(s) own the intelligence platform — the data office, talent acquisition, L&D, internal mobility or people analytics. Usually, it's the function that has budgeted for the expenditure, but it may be a pooled investment so clarify who is the appropriate owner.



**Joost Heins**  
global head of Strategic Intelligence  
Randstad Enterprise

 04

AI shines a light on human potential and democratizes internal talent mobility.

## How can you maximize the impact of AI across the entirety of your workforce?

With its ability to help talent leaders do more and do better, AI also has the potential to democratize people services that have been off-limits to some populations of the workforce. This not only benefits the masses, but also expands a culture of learning and development, creates access to more internal opportunities, and drives growth for your people and the business. Companies with well-developed AI talent strategies are more likely to employ the right people in the right positions with clear career paths that align to their development, aspirations and goals.

AI and other technologies are transforming the way organizations develop their talent and the way that people progress within the company. From identifying hidden skills to determining coaching needs to finding appropriate roles in an internal talent marketplace, today's HR innovation is more powerful and data-driven than ever. By assessing people in a context-rich approach — the kinds of work they've conducted, the training they've obtained, the performance evaluations they've received — AI can more effectively illuminate potential and identify what each individual needs to thrive, and it can do so for everyone, not just a select few. Moreover, talent that has been historically overlooked can also benefit from the wide reach of technology.

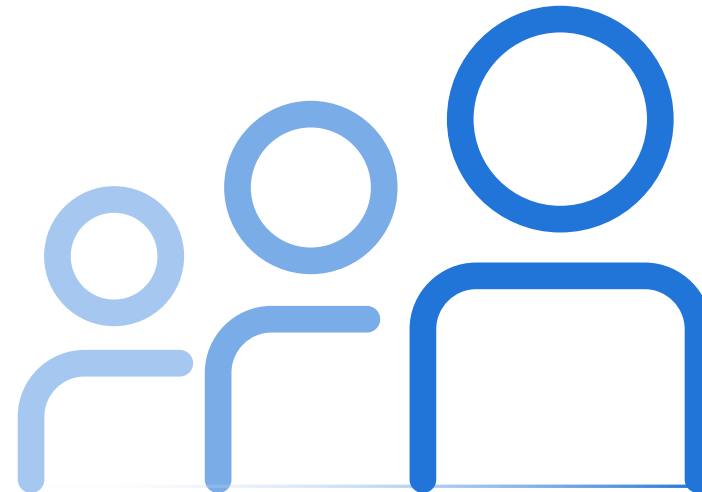
For instance, AI can enhance assessment and feedback mechanisms within L&D. Traditional assessments often focus on standardized tests, which may not provide a comprehensive understanding of an employee’s actual proficiency. Algorithms analyze a variety of data points, such as real-time performance, project outcomes and interactive simulations, to provide more accurate and holistic assessments of an individual’s skills and competencies. Emerging systems are also capable of replicating mentor interactions, providing immediate feedback, fielding questions and helping to solve problems. All of these touchpoints can be made available to the entire workforce.

At the same time, emerging solutions are capable of better analyzing the skills, competencies and experiences of employees and mapping them to available opportunities within the organization. By understanding the specific requirements of different roles and projects, algorithms can identify suitable candidates for internal positions, making the matching process more efficient and accurate. A growing number of solutions are making their way into organizations. [Microsoft](#), for example, has introduced AI-powered management tools to improve workforce planning, upskilling and skills discovery.

While there is potential for this class of technology to fundamentally transform the way organizations manage skills, the 2024 Randstad Enterprise [Talent Trends](#) research shows adoption is still in the early stages. About 30% of C-suite and human capital leaders say they are using AI to identify employees with specific skills, an increase of only 2 points from the year before. A higher percentage (45%), however, say they are using these tools to analyze and recommend high-potential employees for leadership and promotions — with higher adoption rates in the IT and technology (50%) and banking and financial services (50%) sectors. More than one-quarter (26%) say AI is helping them address talent scarcity in certain fields by identifying gaps in the workforce, which includes remediation through internal mapping and talent identification in the external marketplace.

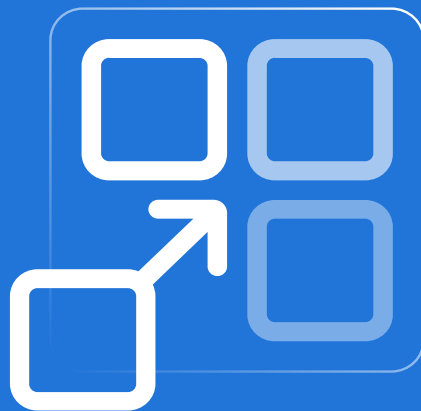
A vast majority believe AI can significantly improve how their business manages talent; 78% say AI can effectively identify opportunities for talent mobility, and the same percentage (78%) believe AI is capable of finding needs and gaps within their workforce. This positive outlook is likely to lead to [more investments in tools aimed at enhancing mobility](#).

The growth of AI is already transforming the way companies manage career paths and workforce development and will continue to do so in the near future. These benefits are not solely for employers. As technology becomes more effective at creating customized learning and career advisory, talent is poised to prosper as well.



## 3 questions you should ask

1. Which AI tools can help us detect and introduce new skills into our skills ontology, as well as identify and mobilize internal talent to the right roles?
2. Are we actually offering internal mobility and career progression to our entire workforce, or are there gaps that leave populations of people at risk of being left behind?
3. How can an internal marketplace help our people take control of their career progression while exploring new roles, working arrangements and areas of the business?



## 5 ways to encourage dynamic movement within your workforce

1. Talent acquisition should play a central part in your internal talent mobility efforts, so be sure to get their input when making AI investments.
2. Create engaging career guidance that not only accounts for skill needs, but also people's aspirations and potential to take on new roles in the company.
3. In addition to providing skilling resources that help people meet their career goals, prepare talent with coaching support. They'll need to be both professionally and mentally ready to move forward in their careers successfully.
4. Consider using AI to capture informal learning and deduce skills from on-the-job and other experiences. This allows your organization to gain a broader view of skills availability across your workforce, and will help you identify people who have the potential to move into other roles.
5. Encourage and incentivize employees to make good use of learning and development resources. Use talent journey success stories, data and other storytelling strategies to show them how they can future-proof their skills and grow with your organization.



Lindsay Witcher

managing director, Career Transition and Coaching  
Randstad RiseSmart, part of Randstad Enterprise



# AI, skills and people at the heart of Merck KGaA's talent strategy.

Few companies today boast a portfolio as diverse as that of [Merck KGaA](#), the Darmstadt, Germany-based life sciences, electronics and drug discovery giant. A leader in many of its market segments, the company's success stems from its talent strategy. With a mandate to constantly innovate and commercialize, it's understandable that talent acquisition is a critical function for the business. Without the unique skills and expertise its people bring to their jobs every day, the organization risks falling behind its competitors.

It's a mandate that CEO Belén Garijo has prioritized under her leadership. She told the [Atlantic Council](#) last year that talent is key to the company's digital transformation, pointing out that its capabilities have evolved as markets have changed. Being able to adapt, she emphasized, is vital to addressing emerging priorities, which include leveraging artificial intelligence.

"AI has the potential to transform corporations and society overall. We have been pioneering in adopting AI in many of our processes. This is a big transformation. It's a new mindset," she said at this year's [World Economic Forum Annual Meeting](#).



“AI will transform every single position in the company. I don’t think it will be overnight. The real story here is it will change the way everyone works.”



**Colleen Rush**  
global head of Talent Acquisition  
Merck KGaA

## how talent acquisition fuels Merck KGaA’s journey

Energizing this mindset requires hiring skilled people, and it’s a task that Colleen Rush, the global head of Talent Acquisition, has been spearheading since 2022. Helping to facilitate Merck KGaA’s transformation, she oversees key initiatives that strengthen the company’s abilities to attract, engage and recruit top talent. Moreover, she is leading critical technology investments and deployments that will benefit the company for years to come. A team-builder who emphasizes collaboration, Rush also helps stakeholders think like recruiters and delivers a better talent experience driven by a focus on people growth, internal mobility, and diversity, equity and inclusion (DEI), which CEO Garijo says [provides Merck KGaA with a competitive advantage](#).

Sustained workforce investments have been key to the company’s innovation and commercialization, and these initiatives are also boosting talent acquisition’s success. Among its priorities is the adoption of AI-powered tools and solutions that enhance and optimize recruitment. Rush tells us that the company has been both piloting and embedding these technologies across many services, starting with the rollout of [Phenom](#). Deploying this intelligent talent platform has resulted in a number of efficiency gains, she explains. For instance, the company has improved candidate prioritization and interview scheduling, which can be labor intensive. The improvements have allowed recruiters to regain precious time to perform more meaningful tasks.

“We are really focused on using AI to improve efficiency and to take some of the time-consuming, low-value work off the recruiter to improve the recruitment experience,” she explains. “AI will transform every single position in the company. I don’t think it will be overnight. The real story here is it will change the way everyone works.”



## risks and rewards of AI-powered recruitment

Beyond efficiency gains, AI is increasingly enhancing talent acquisition's outcomes. Merck KGaA has developed an enterprise version of ChatGPT called MyGPT. The [large language model](#) (LLM) solution is helping Rush's team create exacting job descriptions that not only reflect the skills a role currently needs, but also those that will be required in the future. Generative AI allows the company to craft more effective Boolean search strings that produce better results. This is especially important to a science company such as Merck KGaA, where some jobs require skills that are so unique only a small group of candidates in the world are qualified to fill them. Additionally, AI provides recruiters with interview guides that can save them tremendous time and effort.

Rush is quick to point out that while the company continues to explore how to leverage technology in new and impactful ways, the company has guardrails to ensure compliant and secure application. For instance, no individual information is uploaded into MyGPT to ensure privacy protection. Tools used to create job descriptions also do so in a way that is clear and gender-neutral to minimize bias. Users are also trained to understand the systems' limits and capabilities. Despite these concerns, she said users are excited about the possibilities.

"The tone around the whole company is very positive," she adds.

But like all powerful tools, technology requires care in its implementation and use. Rush predicted an explosion of AI applications will require the company to monitor and assess their impact and risks. Training is a must since informal adoption of generative AI is rampant at many organizations.

At the same time, employers need to clarify ethical use of AI by candidates. For instance, will easier processes lead to “lazy” job applications that flood companies with unqualified jobseekers? Rush says she is also concerned about how interviewees might unfairly use generative AI to answer queries. She noted that some companies have already put in policies that clarify these questions, but with technology’s proliferation, more guidance will be needed.

## meeting the needs of a skills-intensive business

As Merck KGaA expands the use of AI to accelerate product development and business processes, it is also helping drive the company’s skills-based organization transformation. Due to the company’s unique talent needs, being able to recognize [human potential](#) — including inherent skills and motivations — is critical to ensuring access to a large pool of high-quality external and internal candidates, Rush says.

“We are beginning that journey for sure and have made a commitment and an investment in [the skills-based model], so much so that, for example, we have one person who is a peer of mine who is responsible for skills management,” she points out.

Merck KGaA has already launched around 60 skill initiatives across the enterprise, many led by segments within the three businesses. Some aim to redefine roles, ensuring they include more than just the skills that are currently needed; they also forecast future requirements. Because there is heightened interest in skills management and development, Rush says the company will also make use of Phenom’s talent management features in addition to those aimed at talent acquisition.

Like many organizations now moving towards a skills-based model, Merck KGaA is experiencing some challenges and making difficult decisions around how best to progress in its journey. For instance, talent leaders debated whether it was better to buy or build a skills ontology. In the end, the organization decided to buy the ontology because it would be too onerous to build and maintain long-term with skills evolving so rapidly.

Then there was the question of whether the company could implement a skills-based model at a business-unit level, rather than through smaller initiatives. It could not, Rush says, due to technology limitations. “Maybe one day the scenario-building and modeling software will be capable of doing it at a business level, but it’s not there yet,” she shares.

Merck KGaA is also seeking to achieve a deep understanding of skills adjacency and the ability for employees to cross into other parts of the business. Rush explains this is also challenging and will take effort to master, but she is hopeful that AI will eventually accelerate the process.

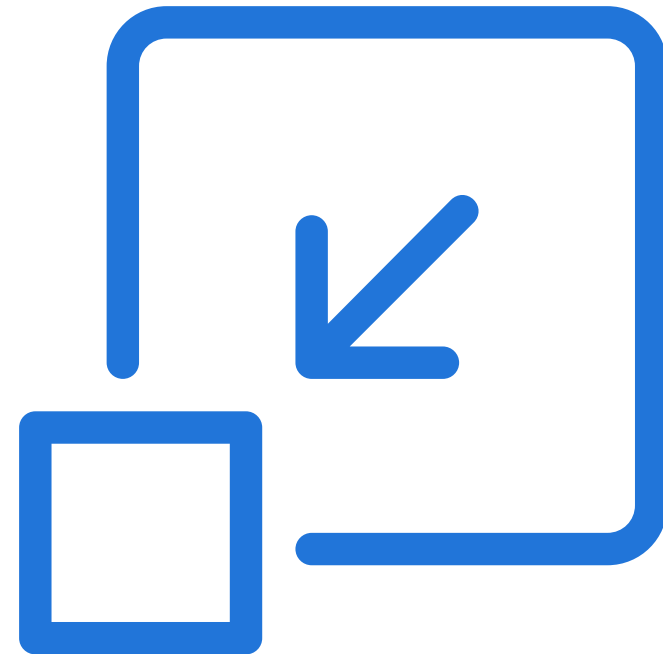
## building the future of work at Merck KGaA

Merck KGaA is well-positioned to progress in a dynamic world of work. In the last two years since Rush joined, the company has made tremendous strides in its transformation, moving from being a more fragmented talent acquisition function to one that is globally integrated. Along the way, it has put a powerful system and other AI-powered tools in place, enhanced talent advisory capabilities, and enriched its talent experience through better branding and DEI initiatives. Rush says that all of these efforts are in support of CEO Garijo’s priority to put culture at the heart of everything the company does.

That priority is clearly paying off. Last year, the company was named among the top 100 best employers in the world — an achievement driven by CEO Garijo’s top priority, which [she articulated at the annual WEF meeting](#): “Having a very robust people strategy in which talent is the main pillar has been my obsession.”

With her leader’s vision clearly laid out, Rush says the company will continue to make improvements, elevating its employer brand and attractiveness. These include a strong focus on nurturing a diverse workforce and creating an outstanding talent experience.

The work is far from being completed, but that also means the company can become an even more attractive employer of choice. As she adds: “There are a lot of opportunities ahead.”





# the unstoppable rise of the beyond-skills talent revolution.

“It’s extremely difficult to talk about the jobs that are going to be created ... We have the imagination to say what’s going to go, but we don’t have the imagination to say what’s going to come. But nevertheless, what you find with reskilling is, as those new jobs emerge, the smart people [the winners who upskill and reskill] are going to be moving into those new jobs ... Our job as the adults in the room is to ensure that as many people are winners as possible.”

Lynda Gratton

professor, Management Practice  
London Business School and founder of HSM Advisory

- 05 inherent core skills and motivations emerge as must-have criteria
- 06 human capital leaders make waves for the business



## 05

inherent core skills  
and motivations emerge  
as must-have criteria.

## How can you look beyond learned skills to drive innovation and create talent abundance?

Talent scarcity, high turnover, rapidly evolving markets and an ever-widening skills gap. In 2024, employers are charged with seeing the potential in people as they seek to create talent abundance for their organizations. In fact, according to the 2024 Randstad Enterprise [Talent Trends](#) research, the two top challenges talent leaders expect to face moving forward are skills-based: increased competition for hard-to-find skills (34%) and growing scarcity of speciality skills (32%).

This means, human capital leaders can no longer only simply rely on a list of past experience and achievements. They can no longer look for talent in the same places they always have. They'll need to look beyond those learned skills to understand which inherent core skills — like creativity, adaptability, problem-solving and more — and which motivations will help someone be successful in the organization and role. When you consider learned skills, inherent skills and motivations together, you uncover a full view of human potential. By doing so, you'll be able to discover great and diverse talent that may have been overlooked in the past. This is the foundation for a skills-based organization.

But how can employers successfully make the paradigm shift from examining experience to moving beyond those skills? What tools will they need to build a more agile, sustainable and capable enterprise? How can they effectively track performance and also provide the skilling their people will need and have come to expect to meet job requirements? As [Burning Glass and Harvard Business School](#) suggest, it's not a simple talent strategy to put into practice.

Despite this, more employers are de-emphasizing traditional credentials and starting their transition to becoming skills-based organizations. Such a shift has been ongoing for some time, beginning with large enterprises [dropping college degrees](#) as a hiring requirement. This continues today as companies consider better ways to determine people's potential to learn, adapt and advance.

Our Talent Trends research shows that skills-based considerations also top the list when evaluating candidates; the top three include potential to learn to grow (83%), intellectual or personality traits (80%), and personal motivations and aspirations relevant to the position (80%). This is true for both early-career candidates and senior-level roles. At the same time, strong intellectual or personality traits such as critical thinking and emotional intelligence are also highly valued when hiring (82% for senior-level candidates, and 80% for early-career candidates).

Notably, these traits were more highly regarded than previous employment in the industry and college degrees, indicating that many companies are moving toward skills-based models. The Burning Glass and Harvard Business School study finds that leading adopters realize significant gains. Non-degreed workers have a retention rate 10% higher than their graduate colleagues. Additionally, workers without degrees hired into roles that previously required one gained a 25% increase in salary on average.

While the goal of building a skills-based organization isn't new, recent developments have driven a renewed focus here. The acceleration of workforce skilling during the past four years is one example. With talent scarcity rising, and retention becoming more important, many employers have been working to advance internal competencies. This calls for increased investments in training and development, and mobilizing talent to the right roles.

Another valuable benefit of a skills-based approach is the enhancement to an organization's diversity, equity and inclusion efforts. Because DEI becomes embedded in all aspects of workforce management, talent who possess these successful traits but have been historically overlooked are given equal opportunities to jobs and advancement. The model's focus on aspirations, motivations and inherent skills, rather than just traditional credentials, become standardized considerations when deploying talent to create a more equitable experience. The skills-based approach values individual strengths and potential, which leads to a more diverse workforce.

The growth of AI-powered technologies is also helping advance the beyond-skills revolution by automating skills classification for [ontologies or taxonomies](#) — something that just 21% of employers say they've been able to implement in their skills-based journeys. Being able to easily identify internal and external skills available means deploying people more quickly to get work done. Before the rise of AI-powered tools, this was a laborious process that required considerable manual intervention, pulling data from a company's many disparate HR systems. The classification process required tremendous input from hiring managers to determine exactly what skills are required for a particular role. AI is able to automate the process by drawing on job descriptions, worker profiles, market data and other sources. New tooling can also recommend employees with the right skills for vacant roles.

Employers, however, cite this area as a hurdle for their organization; 29% say the lack of investment in technology, intelligence platforms and a skills ontology is a major barrier. Others include keeping up with the evolving skills needed (30%), lack of hiring manager involvement (30%), and time and resource allocation to make the shift a success (29%).

As companies develop their capabilities to discover and deploy people with the right skills, they are well positioned to tackle chronic talent scarcity challenges. Moving towards a skills-based model is clearly the right strategy to future-proof their workforce.

## 3 questions you should ask

1. What conventional but unnecessary credentials does our organization still insist on using when recruiting and advancing talent?
2. What actual and potential roadblocks stand in the way of successfully building a skills ontology and categorization model that are necessary to make the shift?
3. What tools can we use to assess potential, inherent skills and motivations so that we can effectively identify career mobility opportunities for our people?



## 5 ways to address your skills gaps with a skills-based shift

1. Focus on a few skill sets at a time when adopting a skills-based model. This lower-risk approach can help ensure change management and a greater likelihood of success as you pilot this model.
2. Prioritize investments in an AI-powered technology that will help you build a skills ontology. Organizations that do so are more likely to discover and acquire the talent internally and externally, without the highly manual process.
3. At the same time, do not only rely on technology to drive transformation for your organization. Use the human intelligence of your team and partners to define the challenges, select the tools and plan the road map.
4. A skills-based approach demands a cultural shift for your organization. Use data and internal success stories to show hiring managers why they shouldn't underestimate a person's inherent core skills even when they lack learned or technical ones. The potential and aspiration to learn quickly may be a better indicator of future performance than CV qualifications alone.
5. Make sure you have an effective and sustainable L&D strategy in place to support the strategy. Use talent intelligence to understand the skills your organization needs today and will need in the near future to prioritize skilling resources that will be key to successful transformation.



**Francesca Campalani**  
 global head of Experience and Innovation  
 Randstad Enterprise



06

human capital leaders make waves for the business.

## In a time of pulsing change, are you considering how people executives can elevate the business?

There are moments in the world of work when human capital leaders are recognized for their exceptional contributions. The most recent occurred during the pandemic, when HR executives guided their companies from the edge of disaster to business-as-usual. Their exemplary performance demonstrated that human capital leaders play a critical role in decision-making for the organization.

With the global crisis in the rearview mirror, and many new labor challenges emerging, human capital leaders must again consider how they will create more value for the business. The rise of AI, continued digitalization of the global economy and a shift in talent expectations require different talent strategies. For CHROs and chief people officers, a new playbook is needed to achieve that value. And it can't come fast enough as companies again call on their people leaders to navigate an uncertain environment.

This is most apparent in the drive to control spending while maintaining or delivering more services. According to the 2024 Randstad Enterprise [Talent Trends](#) research, 64% of C-suite and human capital leaders say HR is being asked to do more with smaller budgets and fewer people. At the same time, 84% say the goal of their organization's talent strategy is to have a measurable impact on business performance, and 80% say their talent strategies are more focused on value creation. Most (90%) believe the work they're doing is preparing their organizations for the future — an increase from 83% last year. These dueling priorities mean human capital leaders must straddle a fine line between long-term goals and short-term needs — a conundrum they have always battled against but is now more intense.

Although companies today are focused on productivity and efficiency, the agendas of human capital leaders go far beyond. Not only are they contending with cost optimization, but a host of other people-centric issues that have become more prominent in the past four years.

According to [McKinsey](#), HR is being asked to usher in change, propelling technological and operating-model changes while still keeping the “human” in human resources — and CHROs must assume a more nuanced role than in the past. Always well-versed in a variety of functions in their organizations, they must become even more knowledgeable about market trends and other factors shaping their need for talent. And one of the most important agenda items includes evolving their organization's [relationship value proposition](#) to connect authentically with all types of labor.

All of this must occur in the context of shifting expectations among the global workforce. According to Randstad's 2024 [Workmonitor](#) research, 93% of people say achieving a proper work-life balance is important to them, and 60% say their personal lives are more important than their professional ones. A majority (57%) say they wouldn't accept a job if it interfered with their work-life balance. Clearly, people will not settle for less, even as job markets change.

Meeting the expectations of the workforce remains an important mandate for human capital leaders. They are not only being called upon to help talent achieve a healthy balance, but to also reassure them that the age of AI will not lead to widespread job loss. The impact of technology is especially unclear as many organizations begin to incorporate AI in their workflows, spurring questions about redundancies. But, at the same time, nearly 1 in 5 talent leaders disagree that AI will result in job loss for many workers. This is 8 points higher than the 11% who said the same in our 2022 report.

These developments, too, are spurring HR leaders to evolve. Understanding and deploying technology to enhance talent management has always been a key mandate, but with the growing use of AI, people leaders must have a much deeper comprehension of the technology's potential and drawbacks. They must play the role of cheerleader to support adoption while being careful to use it in ethical and responsible ways. In fact, our research shows that while 77% believe AI can help reduce unconscious bias for their organizations, nearly one-third (32%) also report they are concerned with the risks of AI amplifying bias or being used irresponsibly, unfairly or unethically.

As human capital leaders learn how to manage old and new workforce challenges, upskilling themselves must also become a priority. This requires a better understanding of system architecture to unlock intelligence and insights; extracting from an ocean of meaningful data on which workforce planning and other critical functions are conducted; and understanding the latest psychometric science to more effectively recognize potential. With workforce management models changing, workplace dynamics shifting and technological innovation rising, only by achieving subject matter expertise can HR executives transform their functions effectively and efficiently. The pandemic demonstrated their ability to navigate their organization through crises, and they will surely be called on by the C-suite in the uncertain times ahead.

## 3 questions you should ask

1. Am I reserving enough time to learn more about the vast changes impacting our business, my organization and industry?
2. Do I already have the skills I need to support organizational decision-making on a variety of topics ranging from technology investments to outsourced people solutions to new operating models?
3. What are my personal inherent strengths and motivations, and how can I use them to advance business objectives, grow my own learned skills, inspire my teams and lead change for the business during these transformative times?



## 5 ways human capital leaders can adapt to changing times

1. Be clear and purposeful with your talent strategies and their resulting initiatives in the midst of all this change to help better align HR with the goals of business executives and their growth philosophies.
2. Consider how your company's approach to people experience and relationship building needs to evolve to ensure talent engagement, satisfaction and growth.
3. More than ever, get familiar with AI and the HR technology landscape because it's changing rapidly. Join affiliation groups that tap into the knowledge of members who can share their experiences, recommend solutions and provide tips on adoption.
4. Consider a collective approach to the talent mandate. By empowering line managers to make decisions about talent, human capital leaders create talent agility and improve access to skills.
5. Prioritize time for your own learning and development. Human capital leaders often focus on fulfilling the needs of others first, but should not underestimate how critical it is that their skills keep up with prevailing workforce management and leadership practices.



**Sam Schlimper**  
managing director, Advisory  
Randstad Enterprise



# the 2024 Business Health Index.

The [Talent Trends](#) Business Health Index shows the views of human capital and C-suite leaders in 21 markets based on four factors: reported growth in the last year, reported hiring in the last year, leaders' views on the current political environment, and whether they expect their business to grow significantly in the next year.

Since 2016, our Talent Trends research has collected more than 7,000 responses on these factors. This feedback is normalized and used to determine the business health outlook both globally and locally, providing a basis for comparison. A score of 100 is the baseline global average set in 2016. An indexed value of 80 or lower indicates the market is less optimistic, whereas a score of 120 or higher suggests the market is more optimistic about the year ahead.



The sentiments represented in our 2024 Business Health Index were measured in Q4 2023, and high market volatility may have impacted expectations since then. Based on the existing data, the 2024 index suggests tempered optimism, with most markets scoring above the baseline of 100.

While only one market scored over 150 points last year, four markets display heightened optimism for 2024. Asia-Pacific markets including Japan, Singapore and Australia, have all increased scores by more

than 20 points, year-over-year and fall into this category. Hungary, a market that is new to this year’s survey, ranks second with a score of 155. Meanwhile, Poland — the market that topped the 2023 Business Health Index — sees a 55-point drop this year, indicating declining optimism here. Additional markets with significant drops include the Nordics, Brazil and Switzerland. Sentiments in the U.S., Canada, the Netherlands, Belgium, Germany and Mexico remain over the baseline of 100, while China, India, France and Italy remain below.

Surveyed markets, ranked by score (highest to lowest):

- 1. Japan (165) ↑
- 2. Hungary (155) ★
- 3. Singapore (155) ↑
- 4. Australia (153) ↑
- 5. Belgium (138)
- 6. Netherlands (125)
- 7. Germany (122)
- 8. United Kingdom (122) ↑
- 9. United States (117)
- 10. Canada (115)
- 11. Switzerland (110) ↓
- 12. Poland (106) ↓
- 13. Spain (103) ★
- 14. Mexico (102)
- 15. India (98)
- 16. France (92)
- 17. Italy (86)
- 18. Brazil (85) ↓
- 19. Nordics (83) ↓
- 20. China (82)
- 21. Argentina (74) ★

↑ increased more than 20 points since 2023  
↓ decreased more than 20 points since 2023  
★ new market for 2024



● <100   ● 100-124   ● 125-149   ● >150



# investments in people experience and culture pay off.

“Valuing their input and making changes based on their feedback creates a workplace built on trust where employees feel heard, valued and integral to the organization’s success.”

Tiffani Bova

author of *The Experience Mindset*

- 07 the hybrid work revolution keeps delivering an edge
- 08 culture becomes a major talent motivator
- 09 diversity flourishes despite adversity
- 10 the productivity battle is won with human potential





07

the hybrid work revolution  
keeps delivering an edge.

## How can you strike a balance between what CEOs want and what people need?

Remote and hybrid work has become widely accepted during the past four years, but organizations are still grappling with how to optimize flexible work hours and work locations. Many companies have settled into a [3-2 arrangement](#) for knowledge workers who can conduct their jobs remotely, but is this ideal for businesses? And even if they have optimized such arrangements, how are companies maintaining workforce culture, cohesion and accountability in their models?

While employers have had quite a bit of time to answer these questions, the 2024 Randstad Enterprise [Talent Trends](#) research shows many are still grappling with this issue. Thirty percent (30%) strongly believe that their organizations have found the right balance, but another third are less confident. And while 46% say they will continue to allocate the same attention and resources to implementing hybrid and remote work over the next year, an additional 42% expect to allocate much more focus in this area than they previously have. About one-quarter (24%) say this is a top priority of their talent experience strategy.

Randstad Enterprise's recent [Global In-demand Skills research](#) shows that the number of people who desire remote and hybrid working arrangements outnumber job postings by 2 to 1. So employers who offer these arrangements still have a competitive advantage when attracting and retaining talent. The top business benefits of remote and hybrid working arrangements identified by human capital leaders include increased agility and resilience; increased productivity; enhanced appeal as an employer of choice; and improved diversity, equity and inclusion.

According to [Inc.](#), the percentage of companies offering hybrid schedules rose 14% to 65% last year, and the most common form was a structured model that mandates the number or specific days employees must attend in person. The publication also found that fully flexible companies outperform on perception of compensation and benefits, work-life balance, and culture and values.

For a majority of workers, their preference is clear. Even as companies continue considering how they will manage remote and hybrid talent, people are demanding flexibility. Randstad's 2024 [Workmonitor](#) research finds that 70% want the ability to work remotely at least a few days each week. More than one-third (37%) also say they wouldn't accept a job if it didn't provide that flexibility.

Even so, leaders who want people in the office more often have good reasons for doing so. A [recent academic](#) study reported that innovation may decline as a result of remote collaboration. And some medical practitioners are pointing out the [negative impact](#) of remote arrangements on health, for example.

It is these concerns, among others, that have led employers to encourage a return to the office, according to [SHRM](#). Incentives have included office perks such as free meals, childcare subsidies and financial rewards. On the other hand, those who still don't comply risk losing out on raises and bonuses, or even being laid off. As a result of their stepped-up efforts to get people back in the workplace, some companies are able to meet return-to-office mandates set by the C-suite.

This shouldn't, however, discourage organizations from continuing to assess remote and hybrid offerings, especially in today's landscape where skill gaps persist. Pulling back on remote work may mean losing out on diverse pools — including people with disabilities and those with caretaker responsibilities, for example. But the idea of [flexibility with intentionality](#) — designing work arrangements with clear metrics and goals — can help create the balance needed and should be a priority for companies in 2024.

Rather than wielding their work-from-home policies in a power struggle, employers can leverage it as a lever for talent attraction and engagement. Days spent offsite can serve as opportunities to improve the quality of work produced, uninterrupted learning and development sessions, and even wellness breaks that improve focus and attention. In this way, hybrid schedules can build productivity, engagement and collaboration through flexibility.

## 3 questions you should ask

1. Which metrics are we tracking to assess the success of our current remote and hybrid working policies and whether they support the goals of both people and the business?
2. Do our current remote and hybrid working policies act as a talent attractor or a barrier to employment with our organization?
3. What skilling resources and tools are needed to foster greater creativity, collaboration and social interaction regardless of where our people are located?



## 5 ways to evolve effective remote and hybrid working policies

1. Clearly define which roles are eligible for flexible arrangements and be as inclusive as possible. Even if a job requires in-person attendance most of the time, some of the work may be consolidated and performed off site.
2. Construct policies that optimize the time that people are together, so that in-office time provides real value for your employees. Don't make people commute just to be the only one sitting in the office that day. Schedule face-to-face meetings and create opportunities for impromptu connections that spur collaboration and creativity.
3. Make sure your whole workforce has access to all necessary technologies and adequate internet services to enable communications and performance of tasks, regardless of where they work.
4. Be clear on why return-to-office policies exist, and be flexible on how they are implemented. Line managers should be given guidance and flexibility on enforcement based on individual needs, as long as practices are fair and unbiased.
5. Conduct regular employee surveys on these policies to make sure they are aligned to expectations and current best practices. If not, be ready to make updates and communicate them well before actual adoption.



Deepa Fazzari  
human resources leader  
Randstad Enterprise and Randstad North America



08

culture becomes a major talent motivator.

## How can you create a high-performing, trust-based and communicative culture that energizes your talent and drives exceptional output?

In recent years, organizational culture has morphed and evolved due to generational shifts, the work-from-home phenomenon, a focus on DEI practices, the prioritization of work-life balance and other profound changes in the world of work. One re-emerging trend that's currently shaping the workplace is the adoption of generative culture, a transformative approach to collaboration and team-building. Not only does it foster a positive work environment, but it also enhances cohesion and communication, resulting in better company performance.

Coined in 2004 by [Professor Ron Westrum](#), the concept of generative culture describes companies that actively promote cooperation among their employees by maximizing the value of information. Risks are shared and innovation is rewarded. Most importantly, there must be [absolute trust](#) among employees that information will be shared openly. Generative culture has been instrumental in [the success of software development](#), but increasingly it is gaining traction across the enterprise.

A generative culture encourages collaboration, creativity and continuous learning. In contrast to traditional, top-down approaches, this alternative empowers employees at all levels to contribute ideas, share insights and actively participate in decision-making processes. This shift from a directive, bureaucratic approach to a collaborative mindset instills ownership and engagement among the total workforce. It also builds trust among team members at a time when company leaders are concerned about the loss of common ground.

The 2024 Randstad Enterprise [Talent Trends](#) research finds that fortifying culture remains at the top of human capital leaders' wish lists this year; 1 in 4 say they want to invest more in the way they articulate strong company values and their value proposition to employees. This priority is only second on the list after skilling initiatives (30%). An additional 22% feel they need to work on shifting toward a culture that prioritizes personal well-being. These responses show that talent leaders understand the key to unlocking human potential and higher output is through a performance-oriented culture.

As companies adopt a skills-based mindset, culture will be the cement to hold all the elements together. Trust, honest communication and [risk-taking](#) are all elements of a successful business, but they are not inherent to every company's DNA. Changing mindsets — from the cubicles to home offices to the corner office — requires thoughtful efforts from human capital leaders.

This is especially true as more people feel detached from their jobs. According to recent research conducted by [Gallup](#), 1 in 3 are not engaged or are actively disengaged. It is concluded that this dissatisfaction, for example, will cost the U.S. about \$1.9 trillion in productivity.

Can changes in corporate culture reverse the recent slide in engagement levels? Companies struggling to define their cultures during this time of economic uncertainty may be sliding back on progress made during the pandemic and record-low unemployment. But they may need to reconsider this approach as they're challenged to do more with less.

It will be even more critical to drive enthusiasm and productivity with lean workforces, in the face of organizational restructuring and as technology drastically changes the skills their people need to drive the company's goals forward. They will need to rekindle feelings of inclusion and belonging, which are key to engagement, to continue building meaningful relationships with talent — the key to motivating them. Finding ways to support talent during challenging times and across the whole workforce helps people feel safe and ready to tackle the work. According to [Avanade Chief People Officer Caroline Fanning](#), psychological safety, regular communication and job flexibility are three critical elements employers must instill in their cultures during uncertain times.

Through authentic trust and shared responsibilities — key elements of the generative culture model — employees will feel vested in their jobs, the company and the results they deliver. Research conducted by the [Google Cloud DORA team](#) in 2022 revealed that the biggest predictor of an organization's application-development security practices was cultural, not technical. These results can be extrapolated for entire organizations as well.

With companies facing pressure to become more efficient, achieve more with less and innovate more quickly, they must address cultural gaps that may hinder their ability to transform. This critical and complex mandate will surely fall on the shoulders of human capital leaders, but with the generative model demonstrated to be successful in many companies, they may already have a sneak peek into the journey ahead.

## 3 questions you should ask

1. Are we truly delivering on our corporate and employer brand promises when it comes to culture, or are we simply talking the talk?
2. What are the actual hurdles that stand in the way of shifting toward a generative culture, and what support, services and technologies will we need to invest in to build trust among teams, facilitate well-informed decision-making and help everyone feel safe enough to take calculated risks?
3. How are we currently making important decisions about the organization, and how can we more effectively involve people from all levels of the business to drive motivation?



## 5 ways to unlock human potential with your culture

1. Build trust by encouraging people to openly contribute ideas and pass on information without the fear of reprisal or ridicule. Invite (but don't mandate) everyone to weigh in during team events, and use human-centered design thinking to cultivate a culture of authenticity, resiliency, innovation and sustainability.
2. Keep culture fluid and adaptive to market changes and talent sentiments. Create a mechanism — like focus groups, surveys, brainstorming sessions and open hours — for all employees to give feedback and recommendations to leadership based on what they are seeing and feeling in the field.
3. Like all change management efforts, when implementing cultural enhancements, win over the detractors first to ensure support across the board. Show them the real value it will provide to enhance their experience and the experiences of those they work with. Involve their input for change and adaptation and measure NPS scores to track progress.
4. Invest in technologies that help communication flow and exchange. These include solutions that help make meetings more equitable and inclusive, as well as fun and interactive.
5. Be mindful of creating or maintaining silos. These can prevent information and insights from reaching others who may benefit from the sharing of knowledge. Transparency and open communication across the entire organization are critical for keeping it flat.



Louisa Wilson  
chief growth officer  
Randstad Enterprise



09

diversity flourishes  
despite adversity.

## Is your company keeping an eye on the bigger picture when it comes to DEI goals: enhanced performance and talent abundance?

Recent pushback against diversity, equity and inclusion (DEI) efforts is having a far-reaching impact on workforce diversity strategies. Legal rulings in the U.S., in particular, have employers concerned about compliance risks and possible litigation. Additionally, budget cuts have also led to reduced investments in the recruitment, skilling and promotion of diverse talent.

According to the [New York Times](#), some companies have cut investments in their programs, and a few of the most active promoters of diverse and equitable hiring practices in the past are now rethinking their goals. Even those who still strongly support a diverse and equitable workforce are now doing so in a less vocal manner, hoping not to draw attention to their practices. One reason for this is the the recent U.S. Supreme Court ruling on race-conscious college admission under [Title VI of the Civil Rights Act](#). Some companies believe the edict is a precursor to legal challenges under Title VII of the act. And because U.S.-based organizations have often led DEI practices globally, the effects of the legal decision may potentially impact practices around the world.

Whether or not the ruling does become a challenge for employers, it has most certainly imposed a chilling effect on DEI efforts. The legal risks and fewer resources means companies aren't able to hire more diverse candidates, as some companies have vowed to do following the civil unrest in the U.S. in 2020. The 2024 Randstad Enterprise [Talent Trends](#) research shows a small number of human capital leaders (15%) already cite legal concerns as one of the challenges or roadblocks to their company's progress on DEI initiatives. Separately, nearly 1 in 10 expect they will decrease their focus on DEI initiatives this year. Whether these numbers will grow is yet to be seen, but for those who are pulling back, will their actions result in bigger problems later on?

[McKinsey](#) has long documented the business case for nurturing a more diverse workforce, pointing out that those with best practices outperform their peers by a significant margin. In its most recent study of company DEI practices, it found that companies in the top quartile for ethnic diversity were 39% more likely to outperform than those in the bottom quartile. Businesses employing more than 30% women at the executive level are significantly more likely to financially outperform those with fewer than 30%. The reason for better financial performance, its research has continually found, is that diverse workforces lead to more innovative ideas and deliver better products and services more quickly.

The business case is strong, and companies that sustain investments in DEI efforts are more likely to achieve these gains while also creating [talent and skills abundance](#) for their organizations. Most (82%) human capital leaders believe they have an equitable workforce, and they credit a few key investments as effective levers, including flexible work arrangements (76%), DEI programs (77%), and fair promotion and advancement practices (77%).

About half (48%) say they will be focusing on improving or expanding their DEI initiatives this year, and the top practices they're implementing to create equity include the creation of employee resource groups (ERGs) to engage and develop diverse talent (43%), skills-first hiring (37%), and setting KPIs for leadership to achieve DEI aspirations and outcomes (36%).

Beyond the financial benefit, leading practitioners are also more likely to be an employer of choice. Randstad's [Workmonitor](#) research finds that a larger percentage of workers around the world, particularly Gen Z and millennials, prefer employers that make an active effort to be diverse, equitable and inclusive. Across all generations, 44% say they wouldn't take a job with a company that didn't. Additionally, 37% wouldn't do so if they felt they didn't belong there. So as they battle long-term talent scarcity, employers must consider how their DEI strategy acts as a talent attractor or detractor for their organizations.

Despite these benefits, just 7% of talent leaders say they face no barriers to realizing their DEI goals. Common roadblocks cited include a lack of internal expertise (28%), economic volatility (25%), a lack of investment in this area (26%) and leadership changes (21%) among others. Nearly one-third (31%) believe their competitors are investing more in DEI than their organizations are.

Even still, organizations must not give up on the big picture of a strong and well-designed DEI strategy whose main goal is to ensure equitable and inclusive employment for a broadly represented workforce. As proponents have always insisted, DEI isn't just a feel-good exercise aimed at brand building. It has real performance benefits among others, and those who sustain their commitments are better positioned to gain a business advantage.

## 3 questions you should ask

1. Are our DEI principles and policies fair and defensible in the event of a civil legal action brought on by employees, candidates or a third party?
2. How can searching for and developing talent in new ways create greater skills abundance for our organization while also creating greater equity for the workforce?
3. Do we provide adequate training and coaching for mid-level managers, who largely carry out our DEI policies and practices, to ensure we are both inclusive and compliant?



## 5 ways to keep focus on DEI, even during challenging times

1. Sponsor employee resource or business resource groups to provide a forum in which employees with affiliated interests can lean on and mentor each other. This will result in higher performance and greater job satisfaction. Consult these groups for feedback when creating new policies that will impact the employee experience.
2. When implementing new technologies or services, ask providers to show you how those tools help advance DEI at your organization — whether by removing unconscious bias from processes, creating greater equity in training and development opportunities, opening up internal talent mobility or better matching people to roles based mostly on skills.
3. Identify champions at all levels of the business, and provide resources for them to help activate your DEI strategies both internally and externally.
4. Continue investing in organization-wide diversity training that helps people understand the ways in which they create safe, inclusive workplaces, and the ways unconscious bias stands in the way of that goal. This will communicate how important these values continue to be to your business.
5. Set realistic and achievable goals that can be accomplished within a reasonable timeframe, whether it's the percentage of diverse candidates submitted per slate or the number of female executives in leadership roles.



Audra Jenkins  
global chief equity officer  
Randstad



10

the productivity battle is won  
with human potential.

## Can your organization do more with less by simply realizing the hidden superpowers of your people?

The mandate for human capital leaders to do more with less is an arduous demand. At a time when headcount is lower, investment budgets are down and insecurity is rising, the workforce is facing considerable stress and uncertainty that are counterproductive to performance. The growth of AI and increasing recognition of human potential, however, are two fast-moving developments in the world of work that may swing the pendulum. By harnessing technology and using it to unlock people's inherent abilities to learn and grow, HR leaders will fulfill their organizations' goals.

Recognizing untapped potential within each employee is a guaranteed lever for gains in productivity, innovation and growth. This is why organizations that focus on building a culture of learning and development, as well as rewards, can achieve a positive and dynamic work environment where employees are empowered to thrive. And in the age of AI, this task is more within reach than ever before as identifying human potential and building individual skilling curricula are tightly combined into a single exercise.

Unlocking the potential of people is a multifaceted endeavor that requires a combination of strategic initiatives, skills classification, adaptation and technology investments. When conducted effectively, organizations can optimize their workforces to always place the right people in the right roles at the right times. This leads to greater agility, productivity and quality of output. For many organizations, they are just starting down this journey, but there is widespread recognition of its value.

Companies such as [Unilever](#) are using AI to aid this process. In a joint effort with Walmart, using AI, the global consumer product manufacturer identified roles in 11 cities across the U.S., Europe and Latin America that were recategorized based on the skills needed to perform these jobs. The initiative demonstrated that technology is better at identifying skills than people are. On average, people identify 11 skills for a particular role, whereas technology identifies 34. An additional customized tool helped the company achieve a 3.5% increase in productivity in one factory in Spain alone.

This is why a growing number of human capital leaders consider inherent core skills (also known as soft skills) and motivations more important than work experience and formal degrees for emerging talent. The 2024 Randstad Enterprise [Talent Trends](#) research shows the most valued criteria when selecting early-career hires is potential to grow into a position (83%), followed by critical thinking and emotional intelligence (80%), and personal motivation and aspirations (80%). Least important are previous employment experience in an unrelated field (58%), followed by a master's degree (67%) and a bachelor's (68%). This is also true for senior-level roles, where employers say they most value growth potential (83%), critical thinking and emotional intelligence skills (82%), and the relevancy of personal motivations and aspirations (81%) in addition to highly coveted prior industry experience (81%).

This tells us companies want talent who possess inherent capabilities they can build on, as well as personal motivations that align with the needs of the organization and the role. These two criteria are key to [fueling a happy, engaged and productive workforce](#) who find purpose in their work and joy in achieving results. Employers recognize they can provide opportunities to build learned skills that will ensure people's success along the way. Fueled by AI tools that are capable of recognizing potential and growth, and comprehensive coaching and skilling strategies, career mapping is set to reach a new paradigm in the near future.

Building an AI-accelerated, skills-based culture leads to both higher productivity and greater equity in the workplace, according to the [World Economic Forum](#). Technology and a heightened focus on skills can minimize current biases around professional connections, educational backgrounds and unrelated work experience. The end result is a more equitable model where skills and potential dictate hiring and promotion practices instead. And with employers placing focus on internal talent mobility initiatives (73%) and preserving their workforces (80%), these technologies will be increasingly important in driving those goals and minimizing disruption for the business at a time when 92% of businesses [expect to take a downsizing action](#) this year.

One way in which AI can do this is by processing vast amounts of adjacent skills data — both learned and inherent — and matching potential current employees to take on new and more impactful roles befitting to their total capabilities. Technologies can also help identify what kind of skilling will be necessary to effectively redeploy talent to other areas of the business, and even direct managers and business leaders to identify high-potential candidates to enroll in executive leadership training.

While technology can help identify potential and hidden skills to drive workforce efficiency and productivity, business leaders must play a pivotal role in inspiring and supporting change. This calls for mentorship and creating an environment that motivates, rewards and provides assurances about their futures. Actively listening to concerns and aspirations will ultimately instill trust and a desire to reach common goals beneficial to all.

## 3 questions you should ask

1. Are we truly inclusive in our approach to recognizing and supporting each and every employee's ability to advance in their careers?
2. Do we have the right tools in place to facilitate a skills-building continuum for our workforce?
3. How can we create a long-term AI strategy to track people's skills-building track record and help them transition into new roles as they grow and develop?



## 5 ways to find and leverage hidden skills that drive productivity

1. Use AI to identify functions where small investments in skilling can lead to big gains in productivity. Incrementally introduce development initiatives to the workforce so they have time to acclimate workflow and process changes.
2. Make sure you are building a robust talent intelligence strategy, which is essential to understanding the current skills needed, predicting future skills demand, and assessing availability of those skills both internally and externally. Map strategies for building those skills for individuals who possess adjacent inherent skills and the right motivations to succeed in those roles. Formal learning platforms, mentoring programs and boot camps can help develop the learned skills talent lacks.
3. Psychometric assessments to identify potential should be conducted with the company's unique work culture and business needs in mind — individual motivations and values matter when it comes to productivity. Consider modifying off-the-shelf solutions to achieve better results.
4. Establish a cadence for regularly evaluating people's motivations, inherent skills and learned skills as they develop. These can be based on milestones they have achieved on the job and exhibited performance traits.
5. Provide people with objective feedback from managers and assessments that guide them on an effective path of learning and discovery. Tie this into your compensation strategy to optimize outcomes.



Tania de Decker  
chief customer officer  
Randstad Enterprise



## about Randstad Enterprise.

Randstad Enterprise is the leading global talent solutions provider, enabling companies to create sustainable business value and agility by keeping people at the heart of their organizations. As part of Randstad N.V. — a global talent leader with revenue of € 25.4 billion — we combine unmatched talent data and market insights with smart technologies and deep people expertise.

We are uniquely positioned to support the world's leading enterprises with the inflow, crossflow and outflow of all talent — whether full-time, part-time, temp, freelance or gig. As part of Randstad Enterprise, we deliver talent acquisition solutions (RPO, MSP, services procurement/SOW and talent BPO) through Randstad Sourceright, and talent development and transition solutions (talent mobility, career coaching and outplacement) through Randstad RiseSmart.

Our subject matter experts and thought leaders continuously evolve these integrated talent solutions to solve critical talent challenges and enable organizations to deliver on the power of talent marketing, talent intelligence, talent mobility, technology optimization, and diversity, equity and inclusion. As the leading partner for talent we help companies build a skilled and agile workforce that moves their business forward.

For more information, visit [www.randstadenterprise.com](http://www.randstadenterprise.com).

randstad  
advisory.

randstad  
sourceright.

randstad  
risesmart.