Press Release

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**Skills gap is hampering businesses’ recruitment efforts – PwC report**

**London, 20 May 2014**‑‑More organisations are planning a hiring spree over the next 12 months as their growth prospects improve, but nearly two thirds (63%) are concerned that they won’t be able to find the people with the skills they require to fill these positions.

A global PwC survey of over 1,300 CEOs in 68 countries reveals that after a number of years of headcount cuts, half of organisations surveyed are looking to hire again. Organisations in the Middle East (71%), the South East Asian nations (54%) and China (53%) plan to make the most net hires over the next 12 months, while business services (51%), insurance (49%) and technology (46%) are the sectors looking to make the most net hires.

Despite the positive outlook for jobs, PwC’s research reveals that business leaders are more concerned than ever about being able to find the right people to fill these roles. 63% of CEOs (an increase of 5% from 2013) say the availability of key skills is the biggest business threat to their organisation’s growth. CEOs in Africa (96%), the South East Asian nations (90%) and South Africa (87%) are most concerned about the lack of skills. Technology and engineering firms are struggling the most with the shortage of skilled employees.

The growing skills gap and rising cost of labour in emerging markets is forcing organisations to look to new markets for talent. Many multinationals have already raided the pipeline of graduates and skilled young workers emerging from China and India, and there are signs that employees in these regions are beginning to favour domestic employers over their western rivals. Organisations are now widening their reach for new talent into Indonesia, Vietnam and the Philippines.

Michael Rendell, global HR consulting leader at PwC, said:

“The gap between the skills of the current workforce and the skills businesses need to achieve their growth plans is widening. Despite rising business confidence equating to more jobs, organisations are struggling to find the right people to fill these positions.

“Half of CEOs plan to hire more people in the next 12 months, meaning competition for talent will be intense at the same time as the battleground has been re-drawn. Business leaders are looking for people with a far wider range of skills than ever before. Gone are the days of life-time careers; chameleon-like employees who apply their skills whenever and wherever they’re needed are now in high demand.

“Businesses need to get out of the mindset that new skills equals new people. The most successful organisations will combine recruitment with developing their own people to be more adaptable to its changing plans.”

The research shows that business leaders are looking to the government to do more to help to plug the skills gap. Two in five CEOs say creating a skilled workforce should be one of government’s top three priorities and over half (52%) believe that regulation is hampering their ability to attract the best people. Only one in five feel that their government has been effective in improving workforce skills in their region.

In contrast, an overwhelming majority of business leaders (93%) say they need to change their strategy for attracting and retaining talent, but three in five haven’t taken any steps to do this yet.

Michael Rendell, global HR consulting leader at PwC, said:

“CEOs are laying much of the blame for the skills shortage at the feet of government and legislators, but they should accept that they need to re-think the way they think about, look for and value their employees. CEOs should be taking advantage of the developments in HR data analytics to predict the skills they will need and plan for changes in demand and supply.”

**Notes**

PwC’s report ‘The talent challenge: Adapting to growth’ is based on 1,344 interviews with CEOs in
68 countries between September and December 2013.

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