



Press Release

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Skills gap is forcing CEOs to change how they hire people - PwC report

CEOs are more concerned about the impact of a skills shortage on their business than at any point in the last six years, according to research by PwC.

CEOs are now finding it so difficult to find people with the skills they need to grow their business that three quarters of the 1,300 CEOs interviewed by PwC rank skills shortage as the biggest threat to their business. This represents a 10 percentage point jump from 2014 and is up from less than half (46%) six years ago. CEOs in Japan and South Africa are the most concerned – over nine in 10 of those surveyed say the availability of key skills is a threat to their organisation’s growth prospects, and is closely followed by China (90%), Hong Kong (85%), UK (84%) and Romania (84%).

To solve the talent conundrum, CEOs are increasing their use of contingent workers, part-time employees, outsourcing and service agreements to fill their talent gaps. They are also looking for a wider mix of skills than in the past and are searching for talent in different geographies, industries or demographic segments.

Filling talent gaps is also a major driver of M&A activity, with over a quarter of CEOs saying that access to top talent is the main reason for collaborating with other organisations.

This is creating a ‘gig economy’, where workers with the most in-demand skills can dictate where and when they work, and who they work for.

Jon Andrews, leader of PwC’s global people and organisation practice, said:

“Despite rising business confidence and ambitious hiring plans, organisations are struggling more than ever to find the right people with the right skills to achieve their growth plans. The digital age has transformed the skills shortage from a nagging worry for CEOs into something more challenging.

“Businesses are faced with a complex and shifting world where technology is driving huge changes. They desperately need people with strong technology skills that are adaptable and can work across different industries, but these people are hard to find and they can afford to charge a premium for their skills.



“Organisations can no longer continue to recruit people as they’ve always done – they need to be looking in new places, geographies and from new pools of talent. Businesses also need to make use of data to understand exactly what skills they need, and where they will need them, to focus their future hiring efforts.

“Businesses feel that the Government has an important role to play in solving the skills gap – six in 10 said creating a skilled and adaptable workforce should be a top priority for government.”

Notes to editor:

1. PwC interviewed 1,322 CEOs in 77 countries for this report.

2. **About PwC**

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