

# 2014

Workplace Trends Report



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# a note from the president

Dear Colleague:

Welcome to the *2014 Randstad Workplace Trends Report*. This publication highlights the results of our proprietary survey of nearly 2,000 U.S. business leaders and professionals representing the following sectors: pharma, engineering, finance and accounting, healthcare, human resources and information technology. We hope that you find this Report a valuable tool for recruitment, retention and compensation planning and have many opportunities to reference the information in the months to come.

I would like to extend a note of gratitude to all of our clients who contributed to our survey. Your participation distinguishes the *Randstad Workplace Trends Report* and underscores the strong relationship we value with each of you. We look forward to continuing our partnership and growing new client relationships in the year to come.

Sincerely,  
**Greg Coir**  
*President*  
Randstad Pharma



# overall key findings

## 2014 workplace trends

Reflecting the input of approximately 2,000 U.S. executives and hiring managers, our *2014 Workplace Trends Report* explores topics important to business leaders related to the recruitment, hiring and retention process. **We conducted our survey with professionals representing several of the industry sectors that Randstad U.S. serves:** pharma, engineering, finance and accounting, healthcare, human resources and information technology.

**The business landscape | page 10**  
We start our 2014 Report with a brief look at the current state of business, having queried our survey participants on their greatest company challenges. Executives issued a clear statement that the most pressing topic remains the economy, with talent acquisition and retention rating as a close second.

- Most challenging issues for U.S. businesses:**
- #1 economic pressures
  - #2 talent acquisition and retention

**Skills and talent shortages | pages 12–13**  
Executives from every sector feel there is a shortage of candidates with the right combination of job expertise and appropriate soft skills to result in a good hiring fit.

**Hard to find:**  
job knowledge + soft skills = **good fit**

**Turnover and retention | pages 14–15**  
Another national trend reported is an increase in employee turnover. On average, half of all companies surveyed note more employee departures, which may reflect general economic improvement and employees’ growing confidence in their ability to find another job.

**59%** of employers are increasingly concerned about employee turnover.

**Recruiting and hiring | pages 20–23**  
When talking about recruiting and hiring, we discovered that nearly half of employers are below targeted headcount, and a solid majority report that the hiring process consumes more time than it did 12 months ago.

**62%** say it takes longer to fill positions now than a year ago.

**Contingent employment | page 26**  
The contingent worker is a mainstay across the board.  
**81%** of companies employ some contingent workers.

# pharma key findings

## Pharma trends

In addition to the overall survey results presented in this Report, you’ll find data tabulated specifically from pharma survey participants. While their viewpoints often align closely with the overall results, these executives do exhibit some trends exclusive to the pharma sector.

Look for this banner throughout the Report to find data specific to the pharma industry.



**The business landscape | page 11**  
In contrast to overall survey results, which point to the economy as the most pressing business issue, pharma executives report that talent acquisition and retention is of highest concern to their companies.

Pharma professionals say that **recruiting and retaining top talent** is the **#1** issue impacting their companies.

**Turnover and retention | page 19**  
A majority of pharma professionals say that employees leave their companies to pursue better offers elsewhere. Pharma professionals are also more likely than others to report that discord with management affects employee attrition.

**39%** of pharma respondents say **employees leave because they do not feel supported by management**, and **24%** say departures result from poor relationships with supervisors.

**Recruiting and hiring | page 23**  
Hiring tends to be a somewhat longer process in the pharmaceutical industry than in other industries surveyed.

Over **one-third (35%)** of **pharma professionals report a four to six-month hiring cycle**, as compared to one-quarter (24%) of respondents in other industries reporting the same time requirement.

*More information on these and various other workplace trends is presented throughout the remainder of this Report. Some figures have been rounded to whole numbers.*

# participant profile

Organization size by number of employees

Number of employees	All responses	Pharma responses
1 to 49	2%	1%
50 to 99	16%	3%
100 to 499	23%	16%
500 to 999	7%	5%
1,000 to 2,499	8%	7%
2,500 to 4,999	8%	7%
5,000 or more	36%	61%



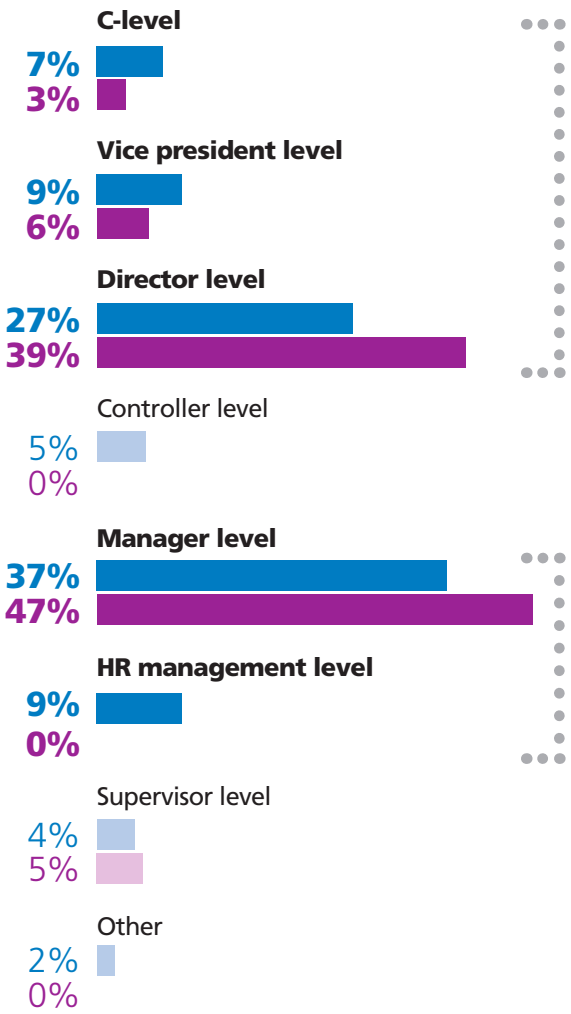
The largest number of total survey participants (36%) work for companies with 5,000 or more employees, followed by 23% whose organizations employ 100 to 499 people.



Pharma professionals are nearly twice as likely as other professionals to work for organizations with more than 5,000 employees (61% compared to 36%). The next largest group (16%) represents companies with 100 to 499 employees.

# participant profile

Job levels



43% All responses

survey participants at the director level and above

48% Pharma responses

46% All responses

survey participants at the manager level

47% Pharma responses

# participant profile

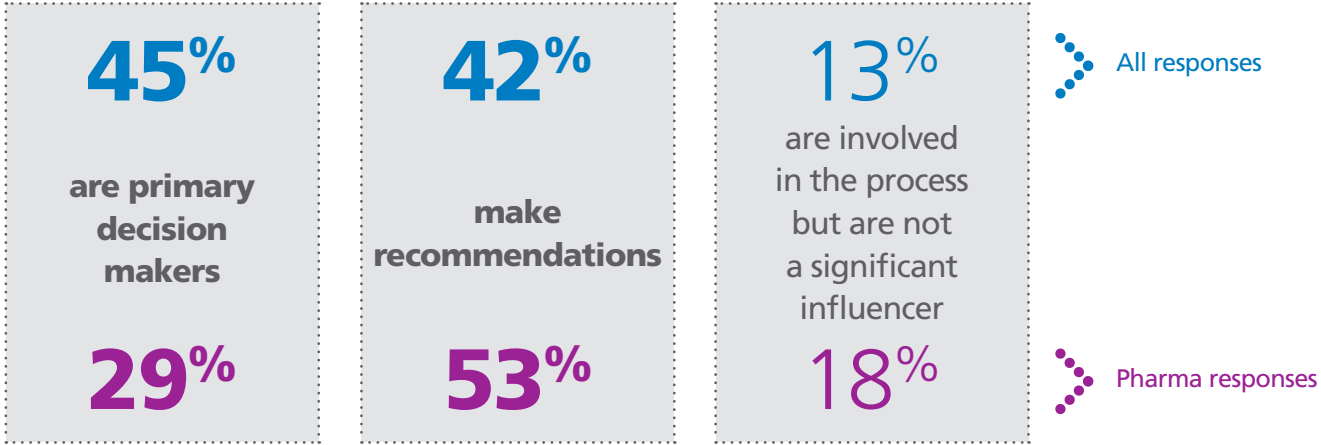
Survey participants hold the following academic degrees and certifications:

Academic degrees and certifications	All responses	Pharma responses
BA/BS	67%	70%
MBA	25%	24%
CPA	10%	0%
HR	9%	2%
MS Acct./Finance/Tax, CMA, CFA, CIA	9%	3%
IT	7%	2%
PMP	1%	1%
PhD	3%	17%
JD	2%	4%
MA/MS (other)	4%	10%
Payroll, AP/AR	3%	—
PE, MS Engineering	3%	1%
MD, MHA	3%	0%
Other	12%	12%

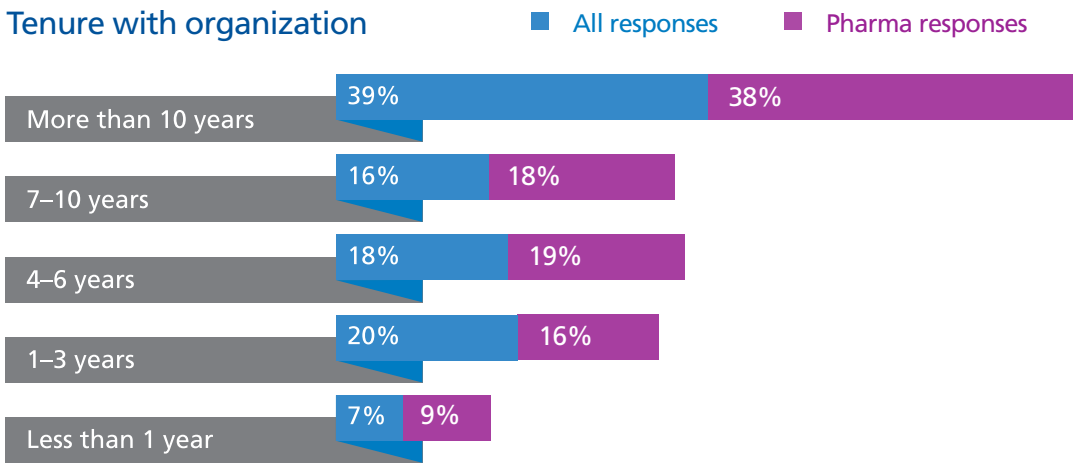
Out of all industries surveyed, a significantly greater number (17%) of pharma professionals hold a PhD as compared to the average 3% within other sectors.

# participant profile

How respondents participate in the hiring process:



Over 80% of survey participants impact the hiring process by serving as either the primary decision maker or making talent recommendations.



# participant profile

How did you find your current position?

All responses

Pharma responses



# participant profile

What were the top three reasons for choosing your current company?

All responses

Pharma responses



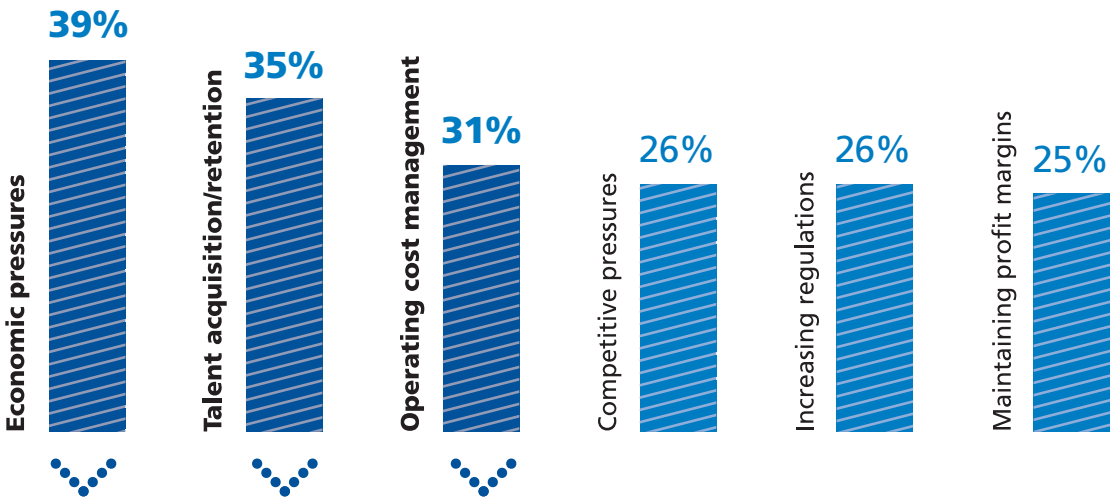
Executives most frequently chose their current company for reasons related to their role/career or monetary compensation. **These top factors appear to hold slightly more importance to pharma professionals than others.**



# the business landscape

What three challenges most impacted your company over the past year?

■ All responses

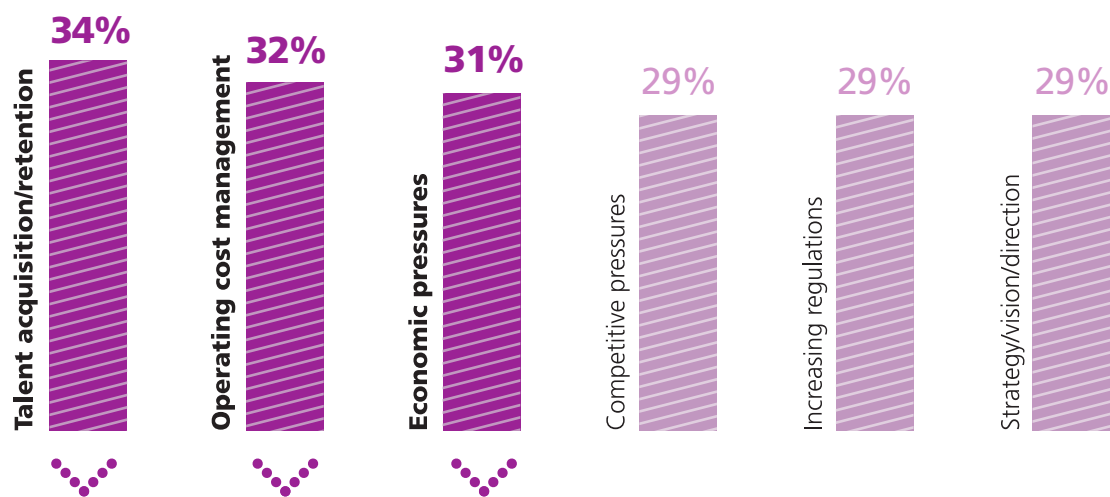


Five years out from the 2008 recession, **the economy remains the number-one factor impacting business**, as reported by the cumulative responses of all survey participants. **Talent acquisition and retention is an issue for one out of three companies**, while **operating costs rank third, being of concern to 31% of companies**.

# the business landscape

What three challenges most impacted your company over the past year?

■ Pharma responses



**Mirroring all industries surveyed, one-third (34%) of pharma professionals indicate that hiring and retaining employees is a top issue affecting their business.** Another third (32%) of pharma hiring managers are concerned with operating cost control, and nearly one in three reports that the economy remains a challenge.

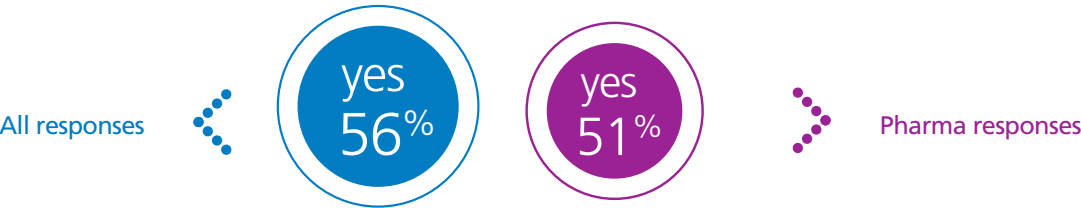
# skills and talent shortages

Is there a skills shortage?



According to our survey, executives note a discernible lack of specific skill sets they look for in today's talent pool.

Is your business negatively impacted by the skills shortage?



The widely acknowledged skills shortage has far-reaching effects, and one-half (51%) of pharma executives indicate that the skills deficit adversely impacts their businesses, slightly below the average for other industries surveyed.

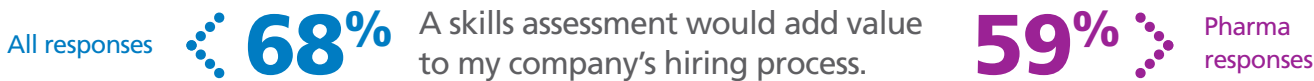
# skills and talent shortages

When assessing talent, executives rank the primary areas where candidates lack proficiency as follows:

Candidates lack the right experience/knowledge



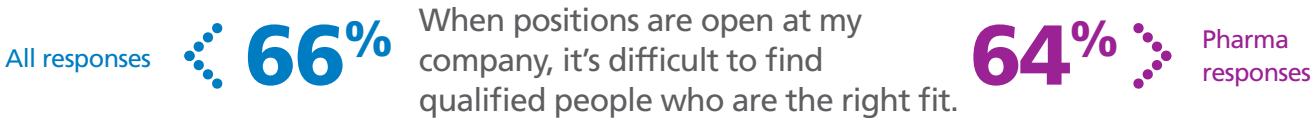
- #1 Relevant on-the-job experience
- #2 Knowledge of the industry/sector
- #3 Years of experience in the field



Candidates lack team/organizational fit



- #1 | #1 Soft skills (communication, teamwork, etc.)
- #2 | #3 Work ethic
- #3 | #2 Right cultural fit for the company/office

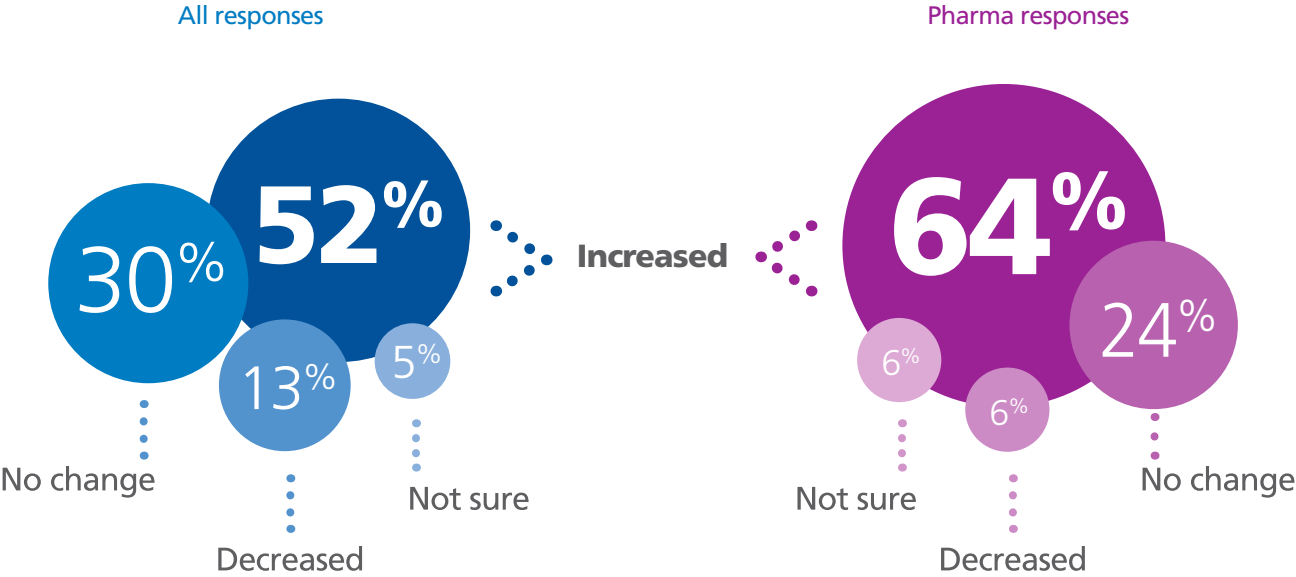




# turnover and retention

How have turnover rates at your company changed over the past year?

Employees are on the move, as evidenced by increasing turnover rates at a majority of companies.



Of all business executives surveyed, pharma hiring managers are most likely to report an increase of employee departures, with nearly two out of three (63%) noting rising turnover in their organizations. This compares to just over half (52%) of professionals in other business sectors who cite the same trend.

# turnover and retention

Are you increasingly concerned about turnover at your organization?



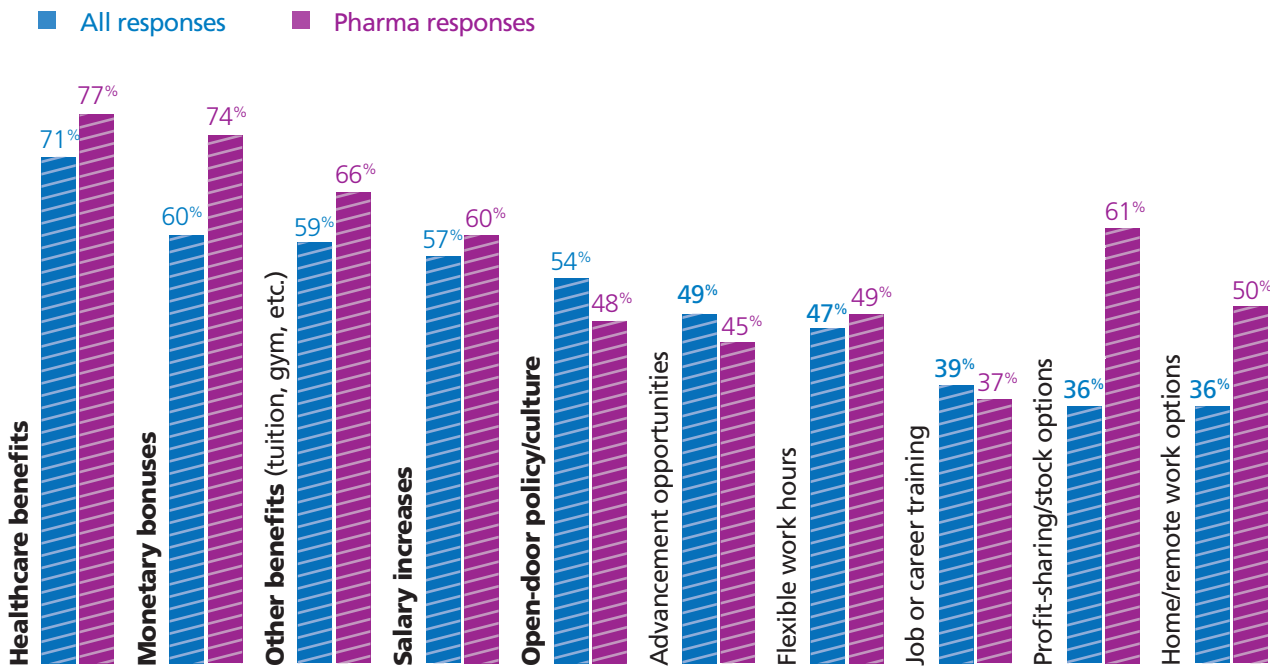
Across the board, a majority of hiring managers express a rising level of discomfort about employee turnover. Within pharma the level is higher, with nearly two-thirds of respondents expressing increased concern.

# turnover and retention

## Benefits companies offer to retain talent

Companies offer a range of benefits designed for employee retention, with medical benefits and bonuses the most common. **Pharma firms outpace the norm, with nearly twice as many (61%) offering profit sharing or stock options, as compared to 36% of companies in other industries.**

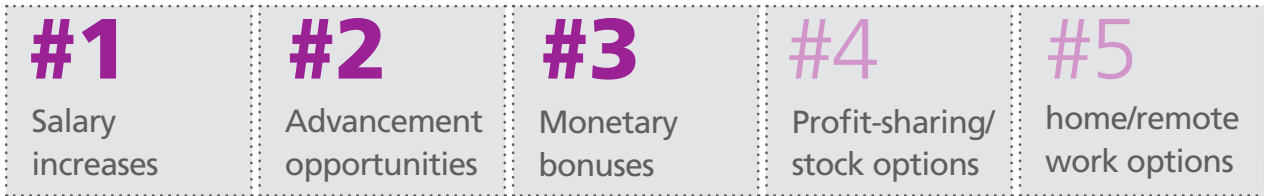
**Additionally, the pharma industry is far more likely than others to offer home or remote work options (50% vs. 36%), a benefit with strong retention potential.**



# turnover and retention

## Which benefits do you believe are most effective at decreasing turnover rates?

All responses



Pharma responses

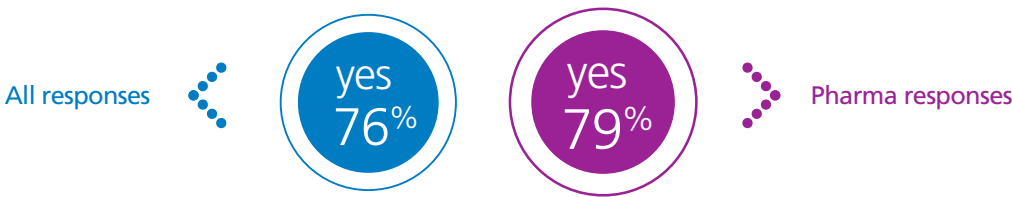
**When asked to rate which retention programs actually keep people on the job, executives reiterate that “money talks.”** Executives in every industry reveal a discrepancy between retention benefits offered and their perceived effectiveness. Although survey respondents believe salary increases are the most effective at keeping top performers, only slightly more than half (57%) report using salaries as a retention tool.

# turnover and retention

Executives report mixed results on the effectiveness of their retention programs.



My organization should re-evaluate the programs we offer to encourage retention.



Against a backdrop of growing employee turnover and notable opportunity to improve retention outcomes, **a significant majority of executives across all industries say their companies should reassess existing retention programs.**

# turnover and retention

What are the top reasons employees tend to give for leaving?



When asked about why employees resign, **a majority of executives again point to the power of money, with better offers elsewhere cited as the predominant reason.**

Pharma respondents cite a notable spike over other industries in employee departures related to **lack of management support (39% vs. 26%) and poor relationships with direct supervisors (24% vs. 17%).**

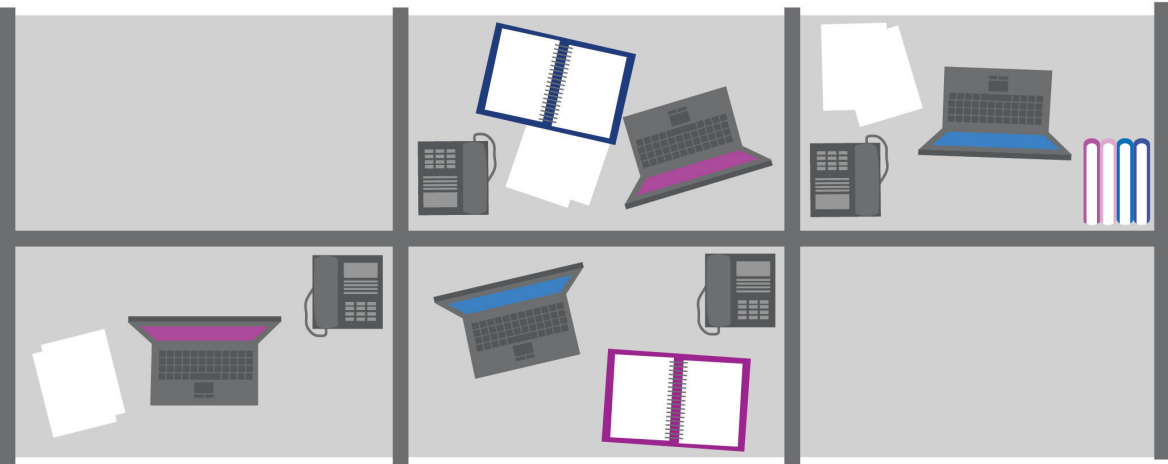


# recruiting and hiring

Is your company currently below its target headcount?



Nearly half (48%) of all executives indicate that their organizations are below headcount, and the figure is approximately the same for pharma professionals, with 50% indicating a talent shortage at their organizations.



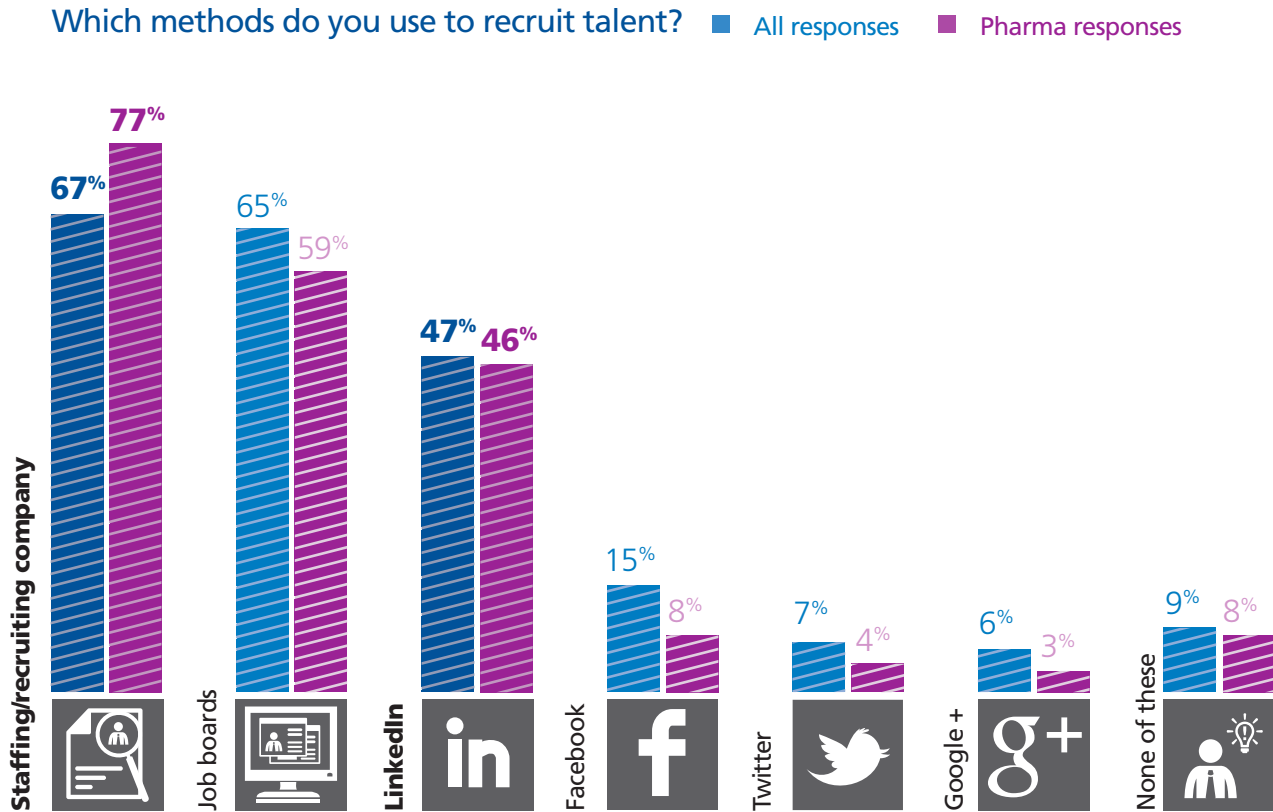
# recruiting and hiring

Which of the following measures, if any, has your organization taken to improve recruitment?



A majority of all organizations try to broaden their recruitment reach by using social media and other recruitment channels, and the pharma sector approximates the same usage. **Acknowledging the importance of compensation, one-quarter of companies report that they offer higher salaries to attract talent (27% all industries and 26% pharma).**

# recruiting and hiring



A majority (67%) of survey participants rely on recruiters to help fill their talent needs, and the number is even more pronounced in the pharma sector at 77%.

Within social media sites, **LinkedIn is highly favored**, outpacing Facebook, Twitter and Google+.

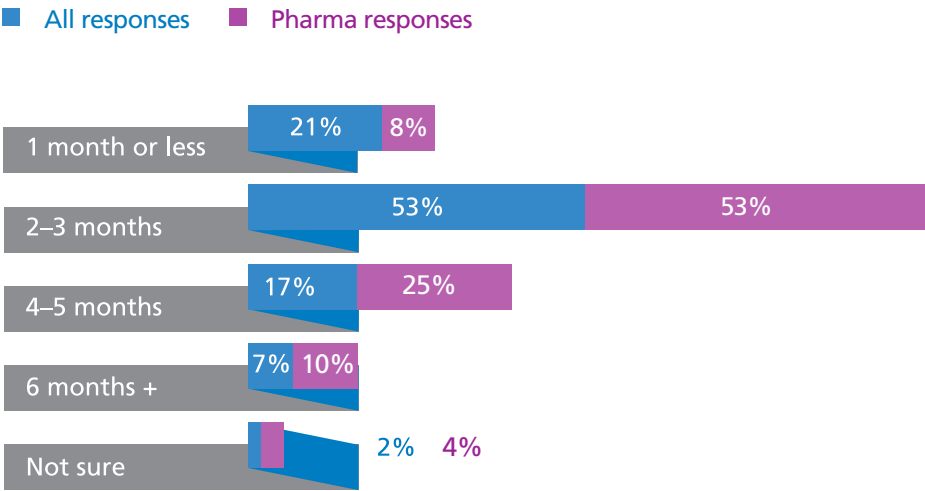
# recruiting and hiring

Compared to last year, does it take more time to find the right talent to fill positions?



A solid majority of all companies say **it now takes longer to find candidates with the right skills, experience and personal traits to make a good hiring match.**

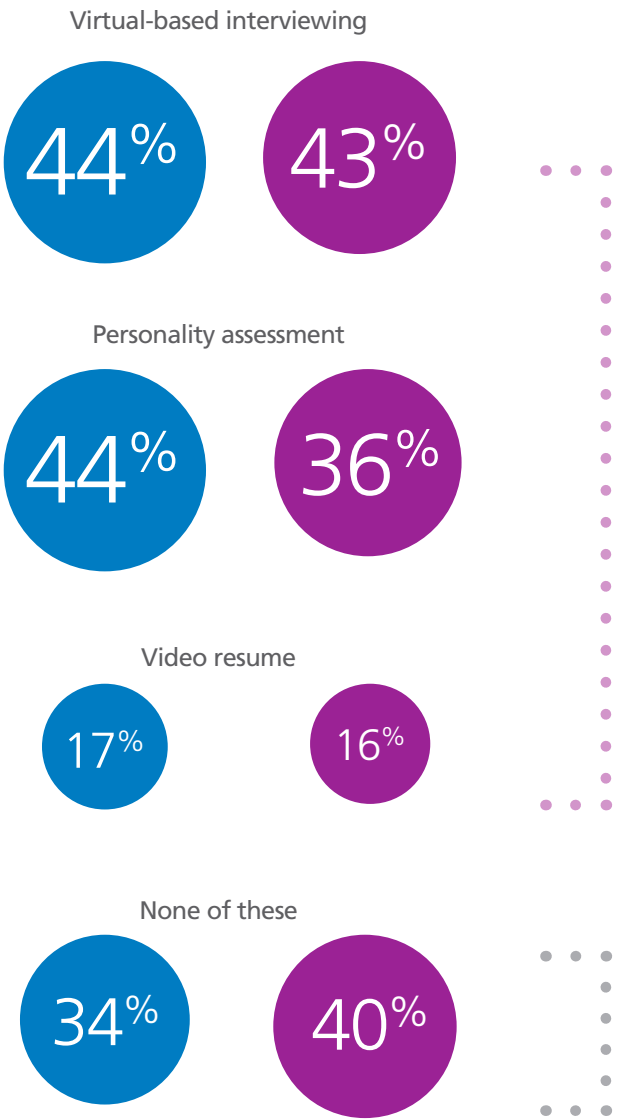
On average, how long does it take to fill a position?



Most companies require two to three months to fill a position, **but hiring in the pharma sector appears to take longer**, with more pharma companies than others requiring a four to six-month hiring cycle.

# recruiting and hiring

Do you use, or would you consider using, any of these tools during the hiring process?



All responses Pharma responses

# contingent employment

How will the Affordable Care Act (ACA) affect the U.S. labor market?



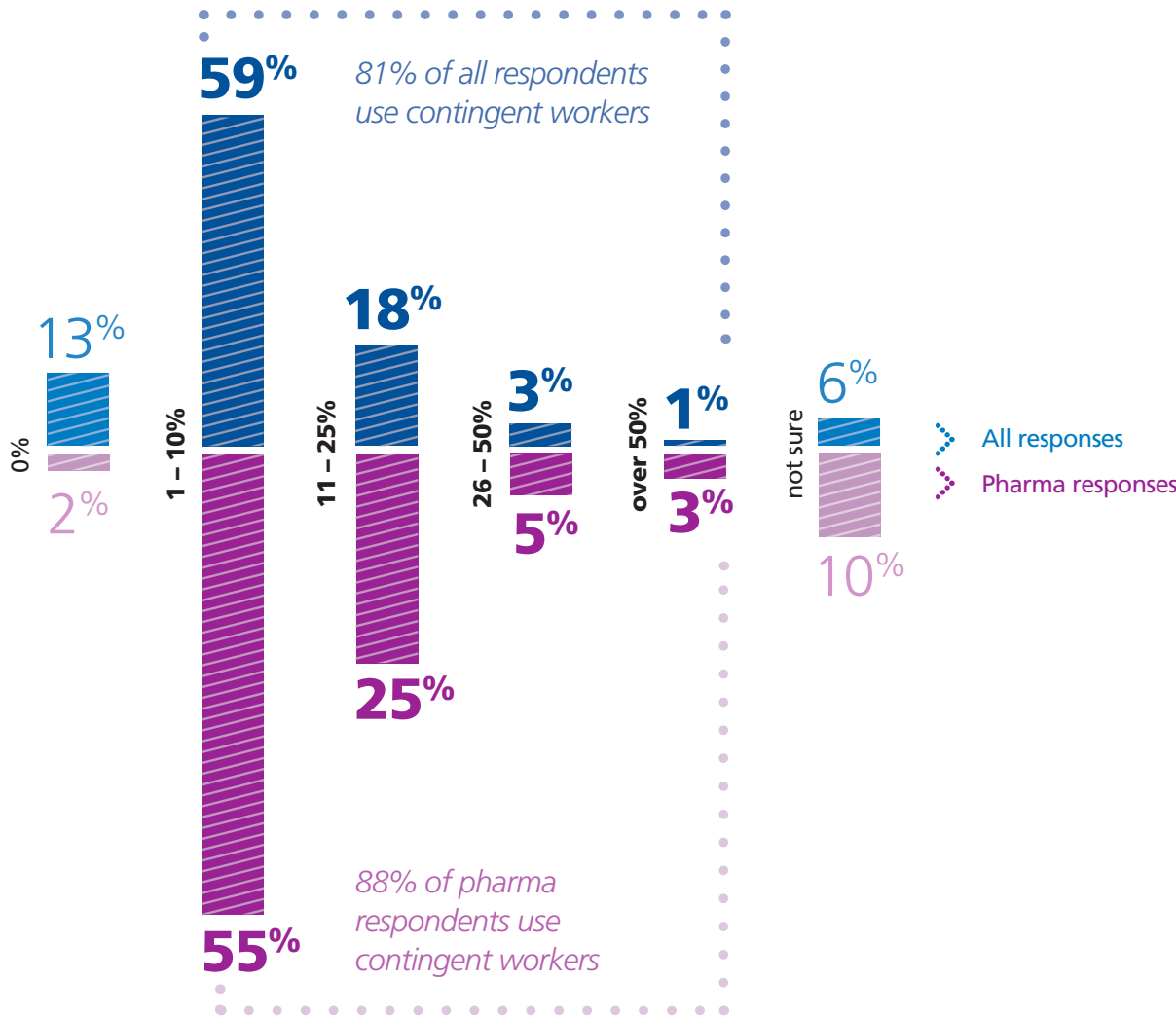
We have yet to see the full impact of the ACA, **but most people in our survey anticipate some effect on workforce strategy, including the use of contingent employees.**



# contingent employment

What percent of employees at your company are temporary or contract workers?

Most American companies find value in temporary or contract workers, **with a solid majority saying they use some level of contingent workforce**. The pharma industry exhibits a bit higher usage at 88% vs. an average of 81% in other industries.



# contingent employment

To what extent do you agree or disagree with the following statements?



**49%**  
strongly/somewhat agree

We are increasingly using contract labor rather than direct hires.

**49%**  
strongly/somewhat agree

When it comes to our contract labor force, co-employment issues are a high priority.

Nearly half (49%) of pharma organizations report employing contingent workers vs. making direct hires, and just as many cite that co-employment issues rate as very important to their contract labor strategy.

# contingent employment



To the best of your knowledge, what percentage of your company’s labor mix comprises:

	Percentage of company labor mix		
	Total	None	Not sure
Direct hires	90%	1%	9%
Contract labor	84%	5%	11%
Outsourced projects	86%	4%	10%

Direct hire is clearly the most common employment model used within the pharma sector, encompassing 90% of the average company’s employment mix. **Most pharma organizations also employ some level of flexible workforce, with 84% using contract labor. Additionally, 86% of pharma organizations outsource some level of project work.**

# contingent employment



What proportion of your contingent labor and outsourced project resources are located offsite?

	Percentage of company labor mix		
	Total	None	Not sure
Offsite contingent labor	54%	17%	29%
Offsite project resources	71%	12%	17%

When using flexible labor options, just over half (54%) of pharma hiring managers report using contingent talent in an offsite location. **The number jumps, however, for offsite project work, with nearly three-quarters (71%) of pharma organizations incorporating some level of offsite talent for project oversight and implementation.**

# workforce360

## information to power your business

### Stay informed with Workforce360

In addition to our annual *Workplace Trends Report*, Randstad provides clients with ongoing thought leadership that addresses the issues and trends shaping the world of work. Visit our Workforce360 knowledge center to find the latest economic indicators, HR trends and other topical information that can impact your recruiting, hiring and retention decisions.

Throughout the year, Workforce360 provides sector-specific employment reports, relevant articles, infographics, study findings, white papers and more, including email notification when we release new studies or reports. We invite you to take a look at Workforce360 and share the site with your employees and business associates.

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[www.randstadusa.com/workforce360](http://www.randstadusa.com/workforce360)

Randstad's Workforce360 knowledge center provides insights to help power your business, covering topics such as:

#### Employer branding

- How can having a strong employer brand impact a company's bottom line?
- What steps can a company take to improve its employer brand?
- What makes a job seeker choose one company over another?

#### Workforce insights

- What factors drive employee engagement?
- Why is an integrated staffing model a cost-effective choice for employers?
- What are employees' attitudes about the current job market?

#### Women powering business

- What do women look for in a job?
- What factors keep female employees happy and engaged at work?
- How can companies groom the next generation of female leaders?

#### Jobs and the economy

- How is the U.S. employment landscape faring?
- What are today's top employment trends?
- Which industries are showing job gains?

### About Randstad US

Randstad US is a wholly owned subsidiary of Randstad Holding nv, a \$22.0 billion global provider of HR services. As the third-largest staffing organization in the U.S. Randstad holds top positions in permanent placement, office and administrative, information technology and finance and accounting. From professional services, commercial staffing and recruitment process outsourcing to managed services and more, Randstad delivers a comprehensive range of temporary, temporary-to-hire, permanent placement and outsourced placement services.

With its 5,324 employment experts, Randstad puts an average of approximately 100,000 people to work in the U.S. each week through its network of nearly 1,000 branches and client-dedicated locations.

To learn more about our full range of services, visit [www.randstadusa.com](http://www.randstadusa.com), where you can find out more about all of Randstad's staffing solutions, including engineering, finance and accounting, healthcare, human resources, managed services, manufacturing and logistics, office and administrative, pharma and technology.

### About the survey

Throughout this Report, the *all responses* figures represent the findings from an Ipsos poll conducted from Sept. 24 to Nov. 4, 2013. For the survey, a sample of 1,937 hiring decision makers working in a variety of sectors was interviewed, including engineering, finance and accounting, healthcare, human resources, information technology and pharma. For each sector a national sample of 250 respondents completed the survey online, and in certain sectors (finance and accounting, healthcare and human resources) this sample was further supplemented with in-person interviews among Randstad clients. All sample surveys and polls may be subject to other sources of error including, but not limited to, coverage error and measurement error.



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