



# Talent Outlook 2021

An overview of  
the most recent  
talent data and  
predictions for 2021

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After a wildly tumultuous start to the decade, it feels risky to posit predictions for 2021. What we can say confidently is that COVID-19 spurred a massive shift in where and how employees work, and how companies attract and engage talent — and many of these changes are likely to endure long after the threat from the pandemic has passed.

In mid-2020, McKinsey described this moment in time as “The Quickening.”<sup>1</sup> It observed that in 90 days beginning March 2020, the world jumped forward 10 years. From ecommerce and mobile engagement to telehealth and remote work, COVID-19 hastened us into the future and laid bare the gap between those who have embraced digital transformation and those who lag far behind.

We have collected the very best future-looking research to help talent leaders understand how COVID-19 has reshaped the world of work, and the most important trends and innovations that will flow from that disruption.

**This eBook is based on Universum’s 2021 Talent Outlook webinar.**  
**[Click here](#) to view the recording.**

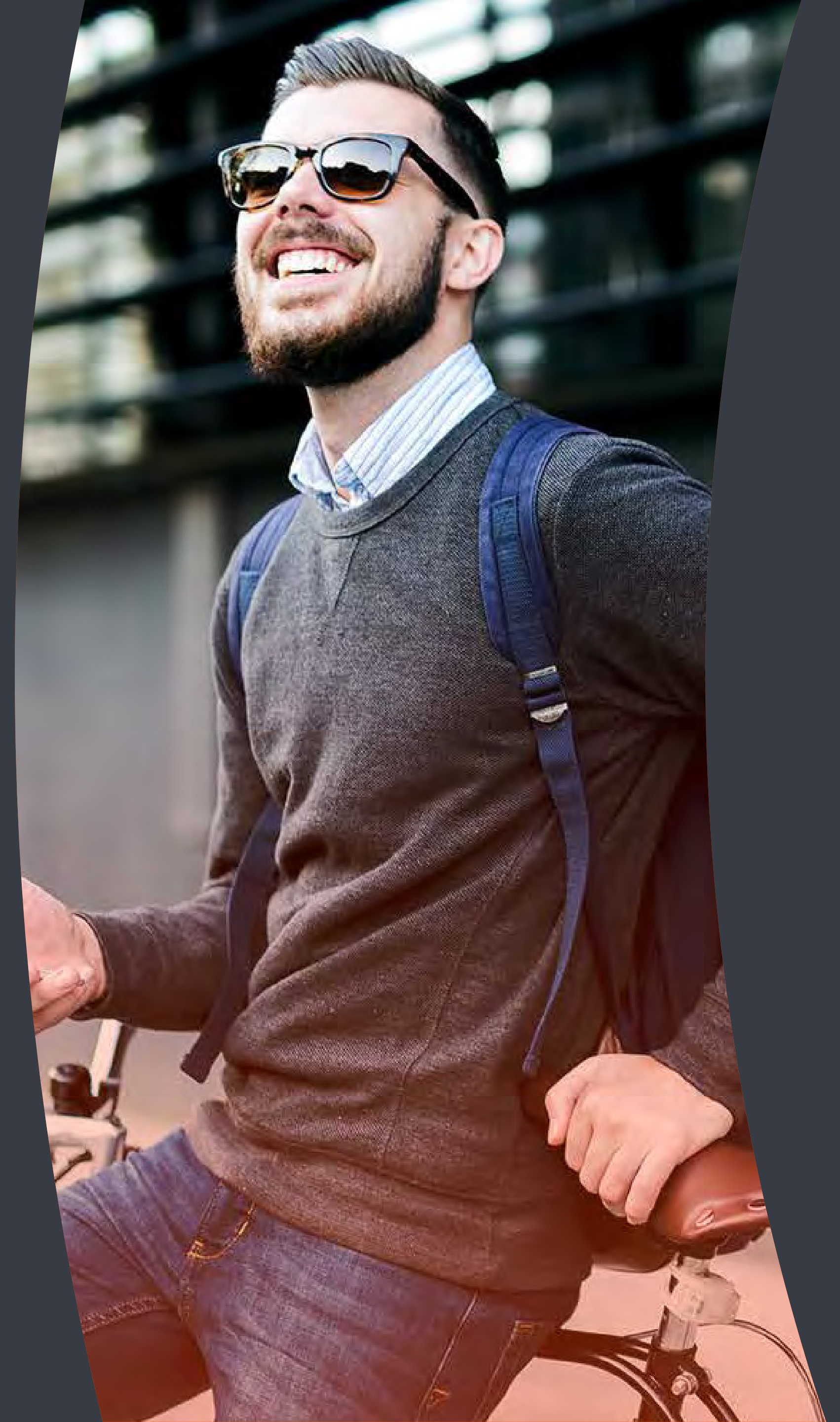
<sup>1</sup>“Five Fifty: The Quickening.” McKinsey & Company, July 28, 2020.

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## The economic outlook:

Current signs point to rebound in 2021



# The economic outlook

**Despite a turbulent past 12 months, most companies have reason for hope in 2021.** McKinsey's Global Economic Conditions Outlook, published monthly, closed 2020 with a growing optimism among executives about a vaccine-fueled turnaround. Just 20% expected the global economy to worsen in the coming 6 months, and well over half (61%) said it will improve.<sup>2</sup> The IMF also predicts growth in 2021 across all major markets after the 2020 downturn.<sup>3</sup> Most economists are predicting not just a recovery, but an unprecedented "snap-back," where spending returns quickly as the threat from the pandemic recedes.

And after a long period of workforce contraction, a large share of companies are expecting to grow their ranks in 2021. McKinsey's research shows 1 in 3 global executives expects to expand their workforce over the next 6 months. And the Manpower Hiring Outlook shows hiring is likely to rebound in the first quarter of 2021 for most countries — with a growth rate as high as 15% in Brazil, and positive growth in most of the other countries Manpower follows.

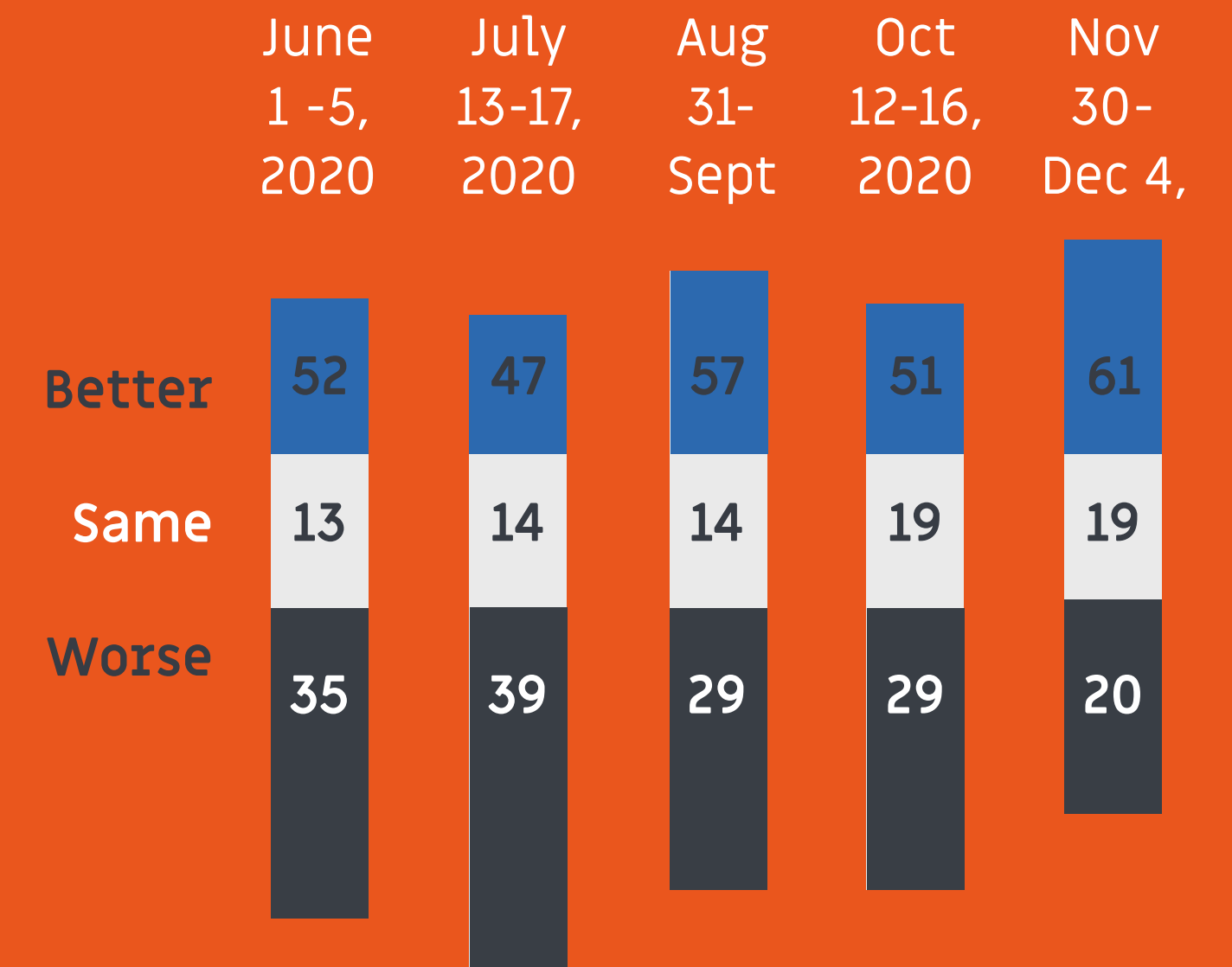
<sup>2</sup>"Economic Conditions Snapshot, December 2020: McKinsey Global Survey results." McKinsey & Company, December 18, 2020.

<sup>3</sup>"World Economic Outlook, October 2020: A Long and Difficult Ascent." International Monetary Fund, October 2020.

## Forecasts point to economic improvement

### Expected change in global economy over the next 6 months

Source: McKinsey: Global Economic Outlook | December 2020

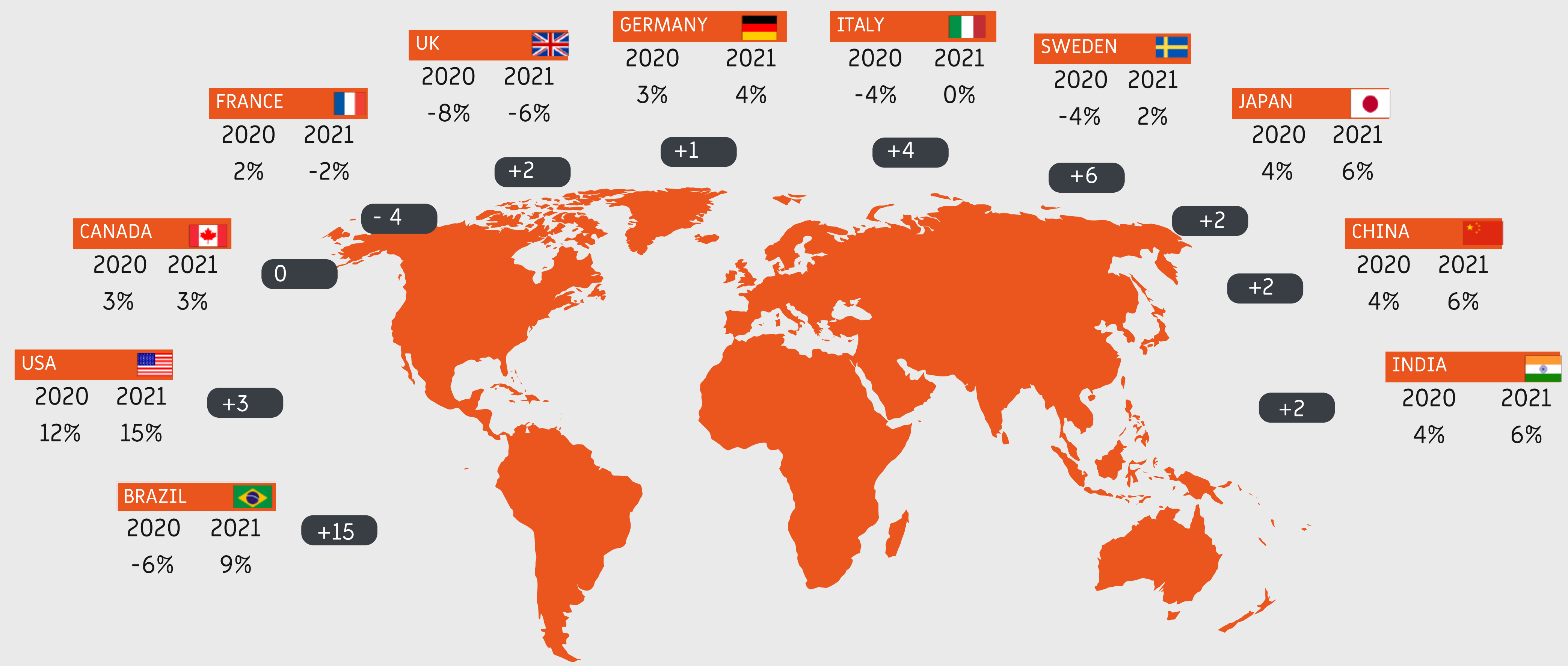




# Global hiring forecasts signal positive

## Hiring by country: Q4-2020 compared to Q1-2021

Source: Manpower Hiring Outlook | Q1-2021



## Employer branding still a priority during COVID-19

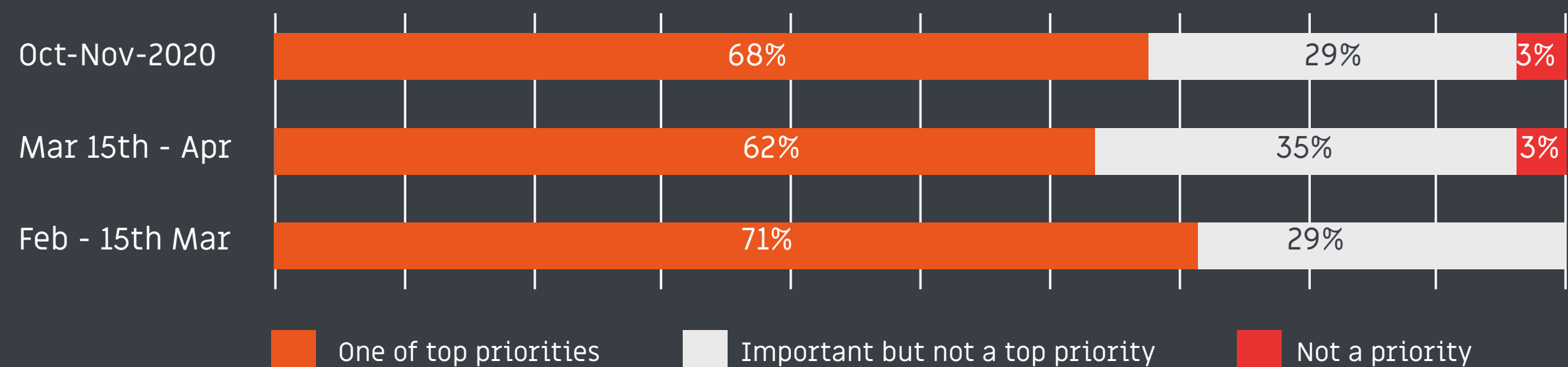
Universum's EB Now Survey | 2020  
Universum COVID-19 Pulse Survey | Oct - Nov 2020

Averages, of course, can hide a wide range of experiences, and this is particularly true in 2021. This downturn was unlike others in how it hit companies' financial statements unequally. **Demand for in-person products and services like hotels, restaurants, and brick-and-mortar retail plummeted, while digital services like video conferencing, telemedicine, and on-demand delivery all surged to record highs.** Some hard-hit niches like live events and restaurants may take years to recover from the fallout.

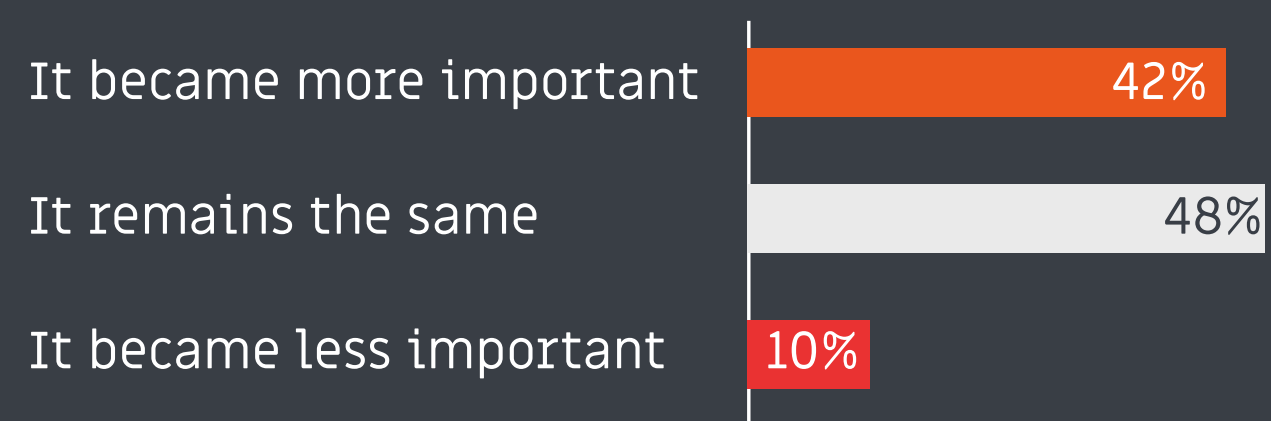
**No matter whether in a hard-hit industry or a high-flying niche, employer branding remains as important as ever.**

The Universum COVID-19 Pulse Survey, found employers in late 2020 were just as committed to employer branding as they were before the pandemic. It also found that 42% of talent leaders said employer branding became more important as a consequence of COVID-19.

### Where does employer branding rank among your organization's HR/talent management priorities for the coming year?



### How did the importance of employer branding change as a consequence of COVID-19?

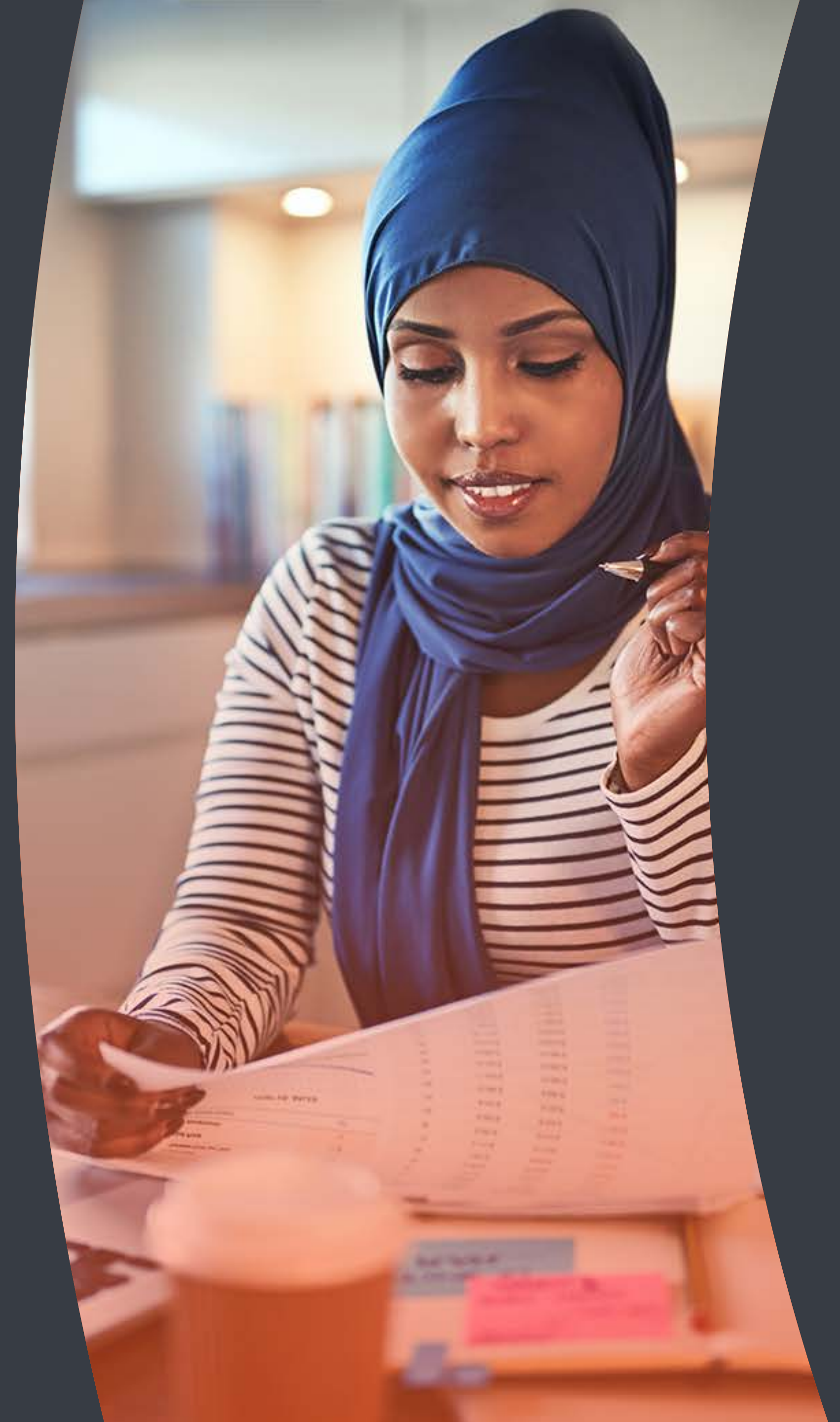


Sample: Large companies - 10,000+ Employees

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## Remote working:

It's here to stay but  
needs retooling  
post-COVID-19



# Remote working

The so-called “quickenings” is nowhere more true than the dramatic shift from in-office to remote work. One week in March, companies sent their employees home – and 10 months later, many still have not recalled them to work in person.

Employers had long resisted allowing employees to work from home, fearing productivity and innovation would suffer without face-to-face engagement. In 2013, Yahoo’s Marissa Mayer famously recalled the company’s remote workers soon after she took on the role of CEO, saying, “To become the absolute best place to work, communication and collaboration will be important, so we need to be working side-by-side. [...] Speed and quality are often sacrificed when we work from home.”<sup>4</sup> And to be fair, this was arguably true in 2013, as tools like Zoom and Slack were still in their infancies. Many believed at the time that if Yahoo couldn’t reliably manage their work-from-home talent, then perhaps no company would be able to do it.

Yet after the pandemic forced legions of workers to set up offices at home, many skeptical employers found the new at-home format workable, and even preferable in some cases. **Universum’s COVID-19 Pulse Survey, which surveyed over 350 talent leaders worldwide, found a nearly threefold increase in those who said there were “unlimited possibilities” for remote work. And those who said there was no possibility of remote work at their companies dropped from 29% to 1% pre-COVID-19 versus post-COVID-19.**

<sup>4</sup>“Back To the Stone Age? New Yahoo CEO Marissa Mayer Bans Working From Home.” Forbes, February 25, 2013.

## Remote work is indeed the new normal

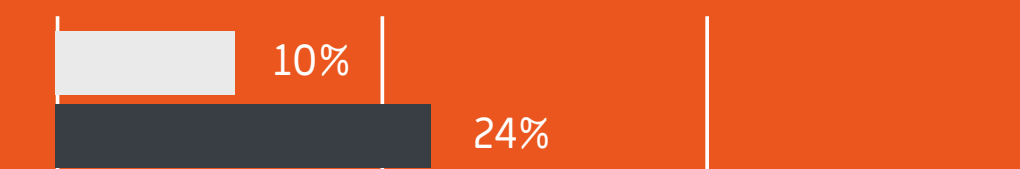
### What was your company’s stance toward remote work before and during the COVID-19 pandemic?

Universum COVID-19 Pulse Survey | Oct - Nov 2020

#### Unlimited possibilities for remote working:



#### Remote working possibilities only within the company’s geographical location:



#### Remote working possibilities for a limited number of days a week:



#### No remote working:



Before C-19    During C-19



# While tech enables remote teams... it's not the only critical ingredient

## What are the most important factors in making remote working sustainable?

Source: Deloitte Human Capital Trends 2021

A survey conducted by Deloitte asked what factors are likely to be critical in making remote work sustainable. Not surprisingly, tech-enabled collaboration was the top requirement, chosen by 39%. Yet other factors were important as well, including personal preferences, schedules, and management training. **The findings are important because so much time is spent ensuring the technology can support productive distanced working that companies lose track of the need for different managing styles and work processes.** As one American commenter from Austin, Texas, wrote on the New York Times website: "Telework isn't the problem. The problem is that corporate management hasn't caught up with the skills and techniques necessary to manage a remote workforce."<sup>5</sup>

<sup>5</sup>"The Long, Unhappy History of Working From Home". The New York Times, June 29, 2020.



# In fact, employees, while also enthusiastic about working from home, are slightly less so than their employers. Why the gap?

Research from Edelman shows not all employees view at-home work as productive, whether because they don't have a dedicated space to work, or they simply work more effectively in a social environment. And fear about work-life balance is an issue for some who struggle to separate work from home responsibilities when both share the same space.

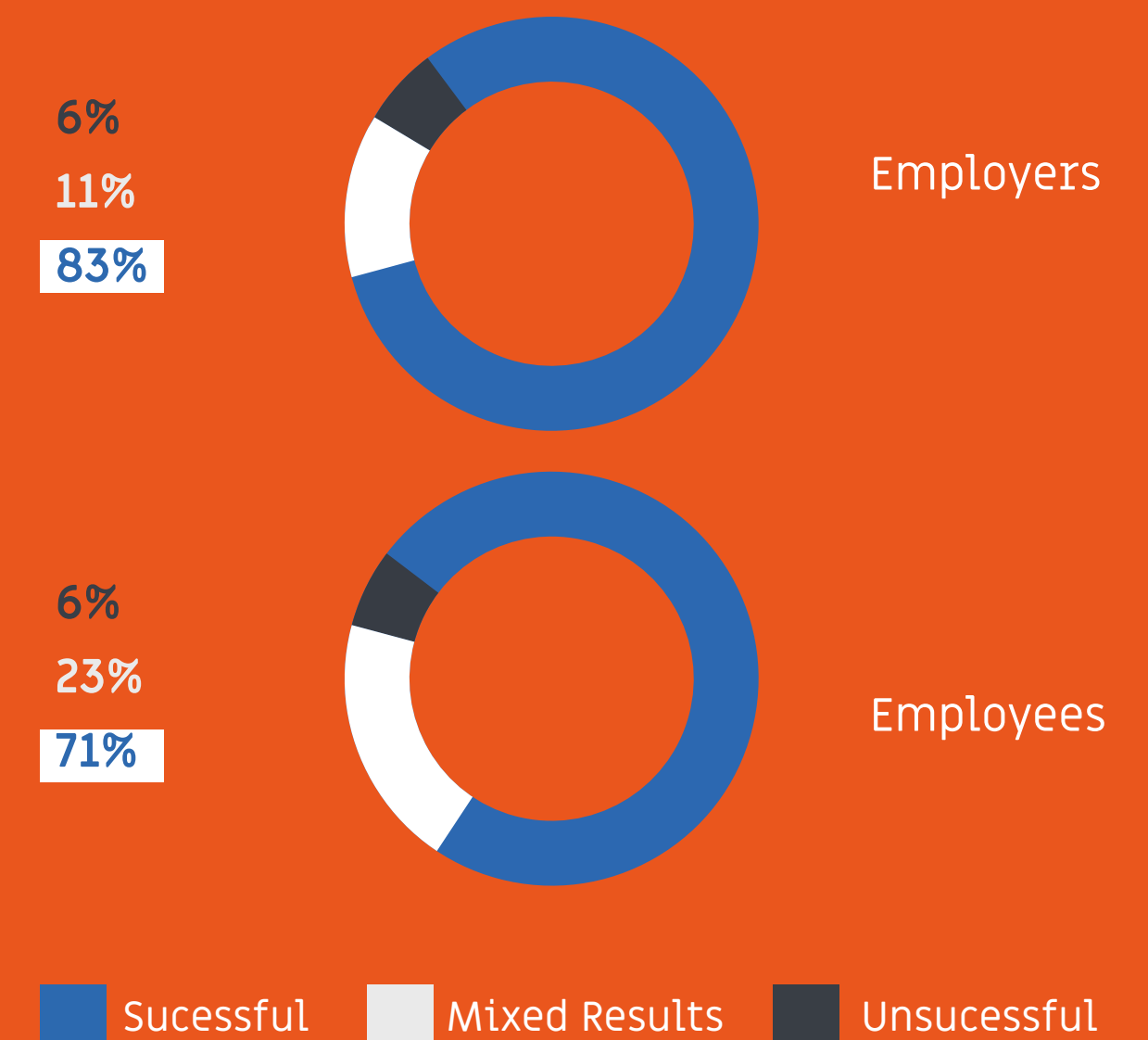
**One thing to remember: What employees currently experience as working from home will most certainly not be the post-pandemic experience of virtual work. One respondent on a Reddit thread about work-from-home burnout explains, "One thing I keep seeing reiterated is that this is not 'normal WFH'; this is 'WFH while a global pandemic is going on,' which makes a pretty significant difference. Not seeing my coworkers and not being able to go to the work gym is made many times worse by the fact that I live in an area that's sheltering in place so I can't supplement it with going to a local gym or seeing ... well ... anyone."**<sup>6</sup>

<sup>6</sup>Source: Reddit, 'Anyone Starting to Hate Working from Home?' Apr. 2020

## Employers mostly convinced remote work works; employees slightly less so.

How successful has the shift to remote work been for your company?

Source: PwC - US Remote Work Survey 2021



- Perceptions of remote productivity have increased over time
- But employers' productivity perceptions higher than employees
- 52% vs. 34% describing remote working as more productive

## Managing virtual teams

Source: Reddit, 'Anyone Starting to Hate Working from Home?' Apr. 2020

**This is not 'normal WFH'; this is 'WFH while a global pandemic is going on.'**

-Respondent to a Reddit post on work-from-home burnout

And employers can take strides to reduce the negatives of virtual work simply by changing their management practices. [See sidebar for more.](#)

Managing dispersed teams takes a different set of skills and workflows than what's required for in-office work ... and many simply aren't equipped to handle the shift. One manager for a remote development team explained how this works on the ground:

"A whole lot of managers out there just have no idea how to adapt their leadership style to this paradigm. A lot probably don't even realize that they need to adapt.

On top of that, some people simply don't have the right kind of personality, the required level of work ethic, or they need that constant social interaction and lose motivation and focus if they don't get it.

To help protect against this kind of stuff with my team, I'm either on a video call or sharing my screen while collaborating with another dev for about half my day on average.

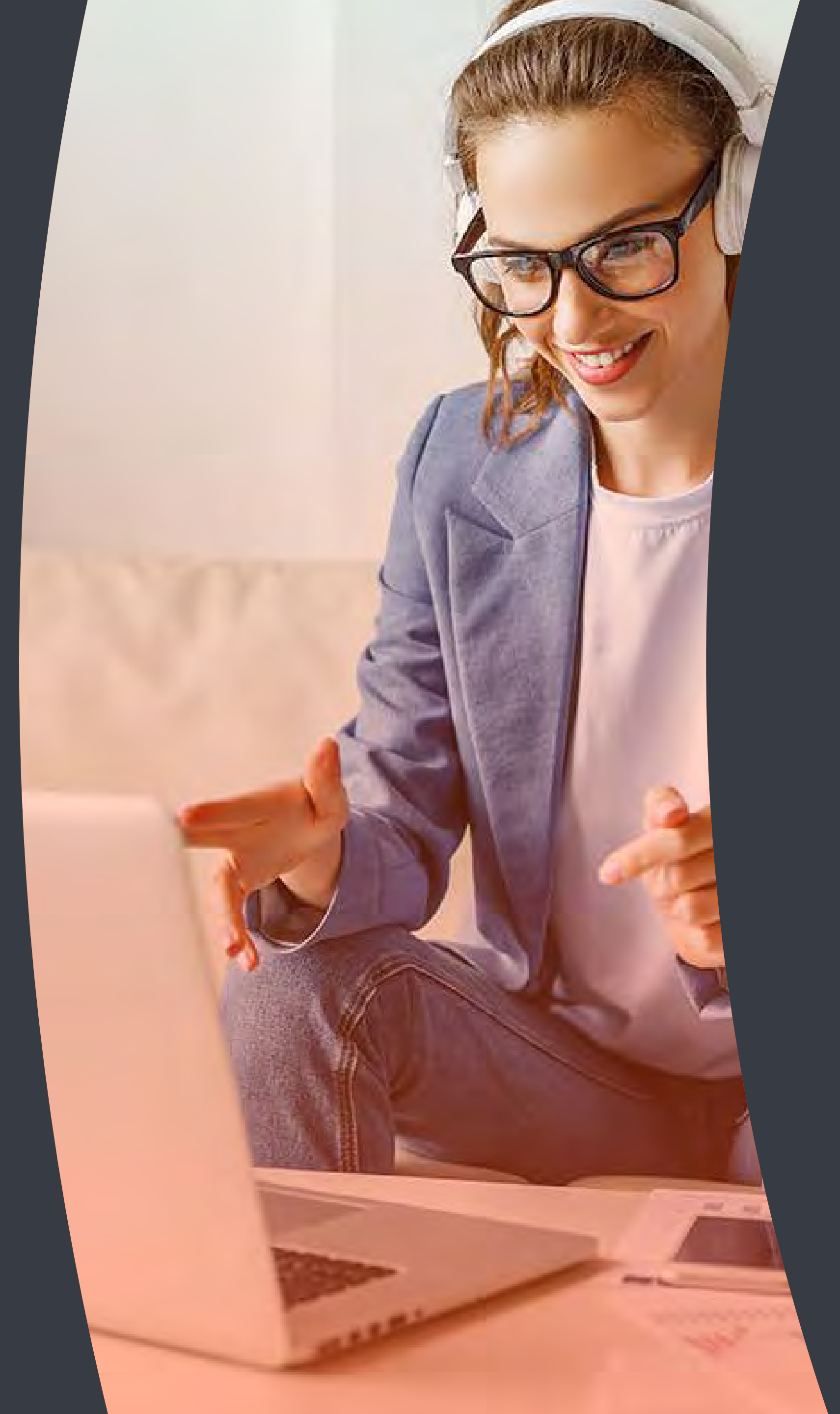
We also try to keep all non-sensitive text conversations in a department-wide Teams chat, so that people can more easily catch up on what's being discussed and worked on, and give their input.

No wonder so many people right now are struggling with remote work. They don't have the right work environment, the right leadership, and for many the implementation has been completely half-assed and rolled out in a big rush."

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## Virtual recruiting:

A way to empower more diverse hiring



# Virtual recruiting

When COVID-19 caused worldwide shutdowns in March 2020, many thought internships and graduate recruitment programs would be cancelled (and, to be fair, some organizations did rescind internship offers). **But the majority of companies decided against cutting off this critical source of next-generation talent and quickly found ways to maintain their programs in a virtual format.**

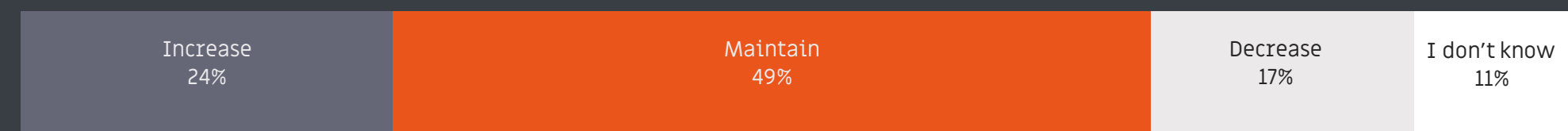
As of late 2020, 1 in 4 reported they will be increasing internship and graduate programs, and few (17%) planned to decrease offerings. Understanding the uniqueness of this moment in time, more than half of HR leaders surveyed (65%) said they were taking additional steps to make themselves “more approachable” to students due to the lack of in-person meetings.

## Follow-through on internships and graduate programs remains high

Universum COVID-19 Pulse Survey | Oct - Nov 2020

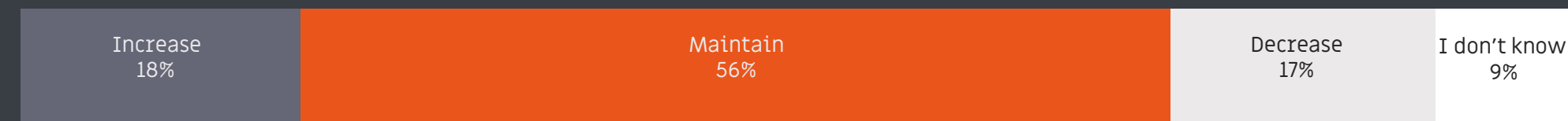
### Internships

**Almost 3 out of 4** Have maintained or even increased internship programs



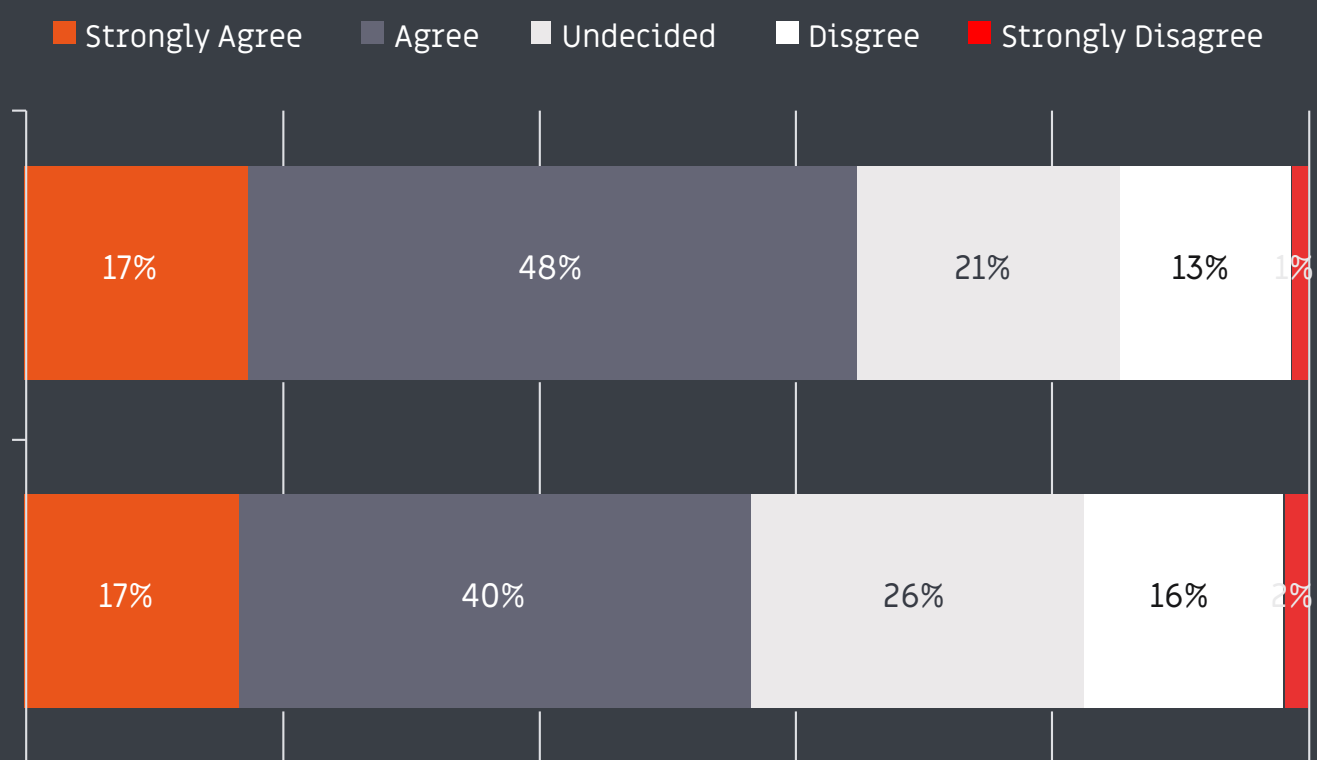
### Graduate Programs

**Almost 3 out of 4** Have maintained or even increased graduate programs



We have tried to make ourselves more approachable to students

We have made a greater effort to understand students' needs and preferences



What makes this shift to virtual recruiting interesting is the extent to which it hastens a broader movement away from “legacy” schools toward a more diverse talent pool. No longer do companies seek talent from only a handful of elite schools; with the move to virtual recruiting comes a parallel expansion of the number of schools companies recruit from.

**This translates to a more diverse pool of schools and a more diverse roster of candidates. According to a student survey by Ripplematch, underrepresented minorities were 33% more likely to attend a recruiting event if it was given virtually.**

**In 2021, “diversity” also takes on a bigger meaning. Racial and ethnic diversity are still key priorities for most leading employers (83% told Universum this is a high priority in our recent EB Now study), but the shift to virtual recruiting and virtual work opens up opportunities for more diverse areas of study, geography, and work experience as well.**

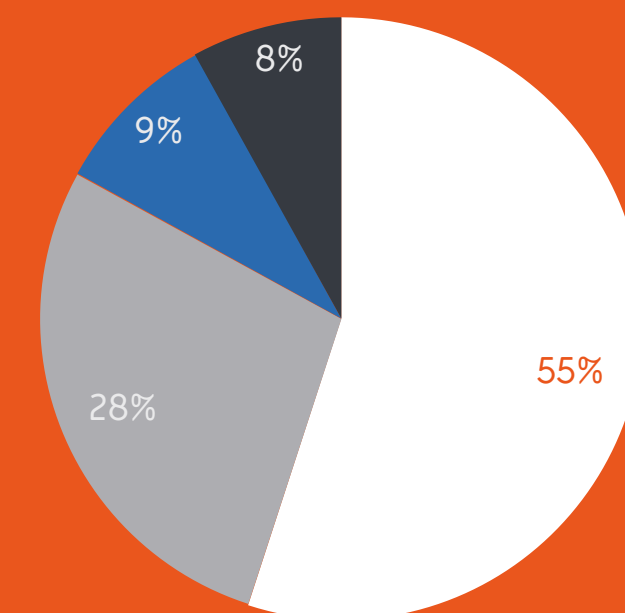
For example, where a company previously only considered business students for roles in marketing, they would now open up to liberal arts majors more generally who possess the right combination of soft skills and the willingness to learn technical skills. And given that so many positions are now remote, companies no longer need to recruit from specific regions where their offices are located. This is good news for both employers and employees — employers because it widens their pool of job applicants for hard-to-fill positions, and employees because they are no longer forced into expensive urban markets to find the most sought-after positions.

## Virtual recruiting has broadened campus recruiting

As we move to more virtual recruiting on campus, our list of target schools has...

Universum COVID-19 Pulse Survey | Oct - Nov 2020

March-April 2020



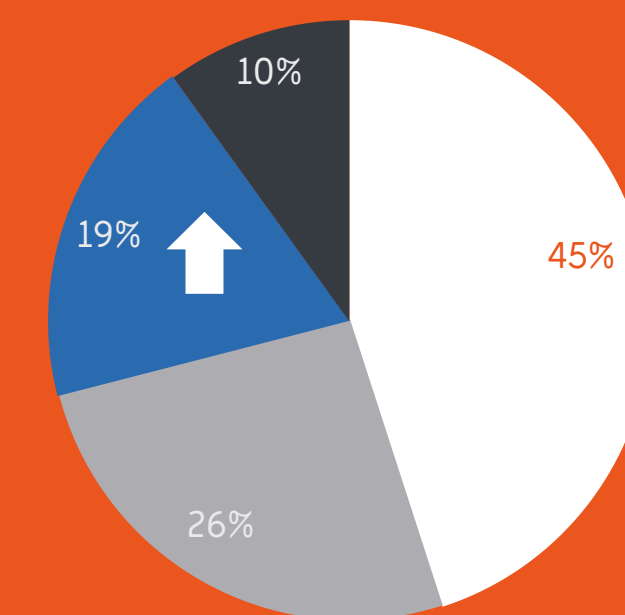
Stayed the same

Re-evaluating list of schools

Grown

Become smaller

October-November 2020



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# Reskilling and just-in-time talent



# Critical thinking and decision-making a hotly sought-after skill by employers

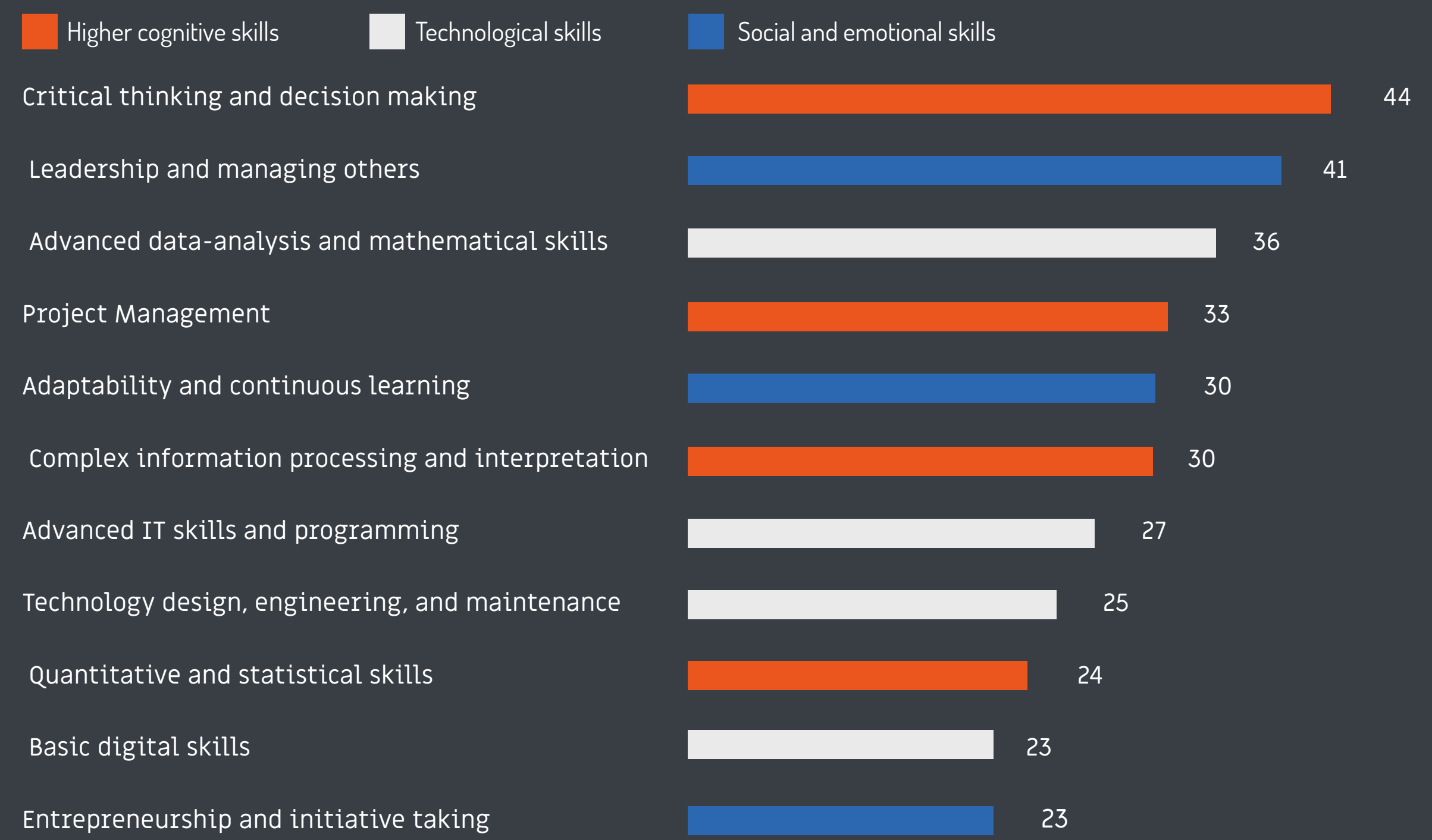
## Skills prioritized to address through reskilling (%)

Source: McKinsey - Beyond Hiring

In 2021, companies are spending considerable effort on making their talent supply pools more agile and adaptable — and a new focus area is “reskilling” existing employees to take on hard-to-source roles.

**A survey by Gartner found the top priority for HR leaders was building critical skills and competencies, scoring 40% higher than “employee experience.”<sup>8</sup>**

And the skills that are in shortest supply are not role-specific technical skills, but broader skill sets required across many disciplines, including critical thinking, leadership, and data analysis.



Out of 35 skills included in survey question. Question was asked only of respondents who say their organizations have a reskilling program currently under way or have already reskilled >1 group or class of employees; n= 394.

<sup>8</sup>“Gartner Top 3 Priorities for HR Leaders in 2021.” Gartner, October 23, 2020.



Many companies have found that it is more efficient and effective to train their existing talent in these areas rather than to recruit new workers due to short supply. Using a “build” rather than “buy” philosophy, enterprise companies like PwC, IBM, and Amazon are all investing heavily in training programs. IBM has reported it is spending \$1 billion to train its workforce, and PwC is spending three times that much.

These new training initiatives are a win for both talent management and brand management. Research from McKinsey shows that companies that invest in reskilling see increased employee satisfaction (73%) and employee retention (50%).<sup>9</sup> And more than half of those surveyed report jumps in customer experience (62%) and brand perception (53%) due to reskilling programs.

A study by PwC found similar results: **Organizations with effective upskilling training programs are much more likely to say they have a strong culture, higher productivity, and greater levels of innovation.**<sup>10</sup>

**To make workforces more agile, companies are also reevaluating gig workers as a dynamic part of the supply chain. The pandemic will accelerate the rise of a high-skill, high-compensation gig labor force. With so many people trying out virtual work for the first time, there is a growing interest in independent work — both on the part of employers and employees.**

As of early 2020, roughly 1 in 4 mid- to larger-sized companies were using freelance labor, and smaller businesses were doing so at much higher rates. We expect this to rise as companies become more familiar with virtual collaboration tools and expand their ability to use them effectively.

<sup>9</sup>“Beyond hiring: How companies are reskilling to address talent gaps.” McKinsey & Company, February 12, 2020.

<sup>10</sup>“Upskilling: Building confidence in an uncertain world.” PwC, 2020.



Recent research from Engineering Management Institute and ActionsProve shows more than 40% of engineers are at least moderately interested in gig work and nearly 1 in 5 are highly interested or actively considering the shift. And the ratio is even higher for younger talent.<sup>11</sup>

**“Upskilling and reskilling will be absolutely necessary to remain employable and attractive in the labor market because, due to the acceleration of technology, people are losing around 40% of their skills every three years. It means after less than 10 years, you are obsolete on the skills side.”**

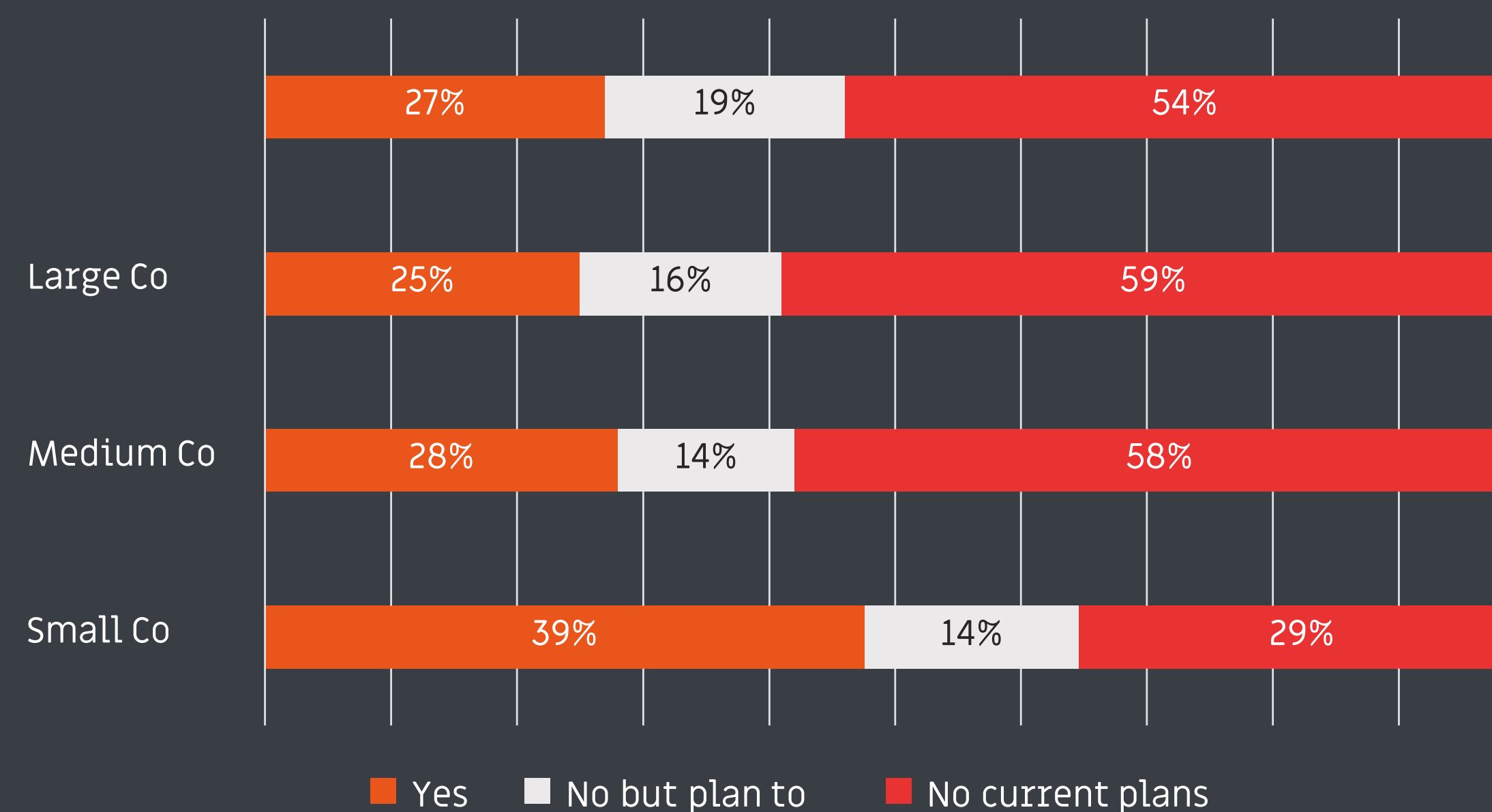
Alain Dehaze, CEO of Adecco<sup>12</sup>

<sup>11</sup>Q4 – 2020 Research by [Engineering Management Institute](#) and [ActionsProve](#)

<sup>12</sup>“Remote Work Forever? Not So Fast, Jobs Guru Says.” Wall Street Journal, June 10, 2020.

## Gig workers still not used by majority, but interest continues to grow

Do gig workers / freelancers play a role in your current sourcing strategy?



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## Talent insecurity:

How COVID-19 is  
reshaping what  
we want from  
work



# Talent insecurity

Due to COVID-19, millennials and Gen Z have signaled a drop in confidence in their financial position, says Deloitte's MillZ Mood Index.<sup>13</sup>

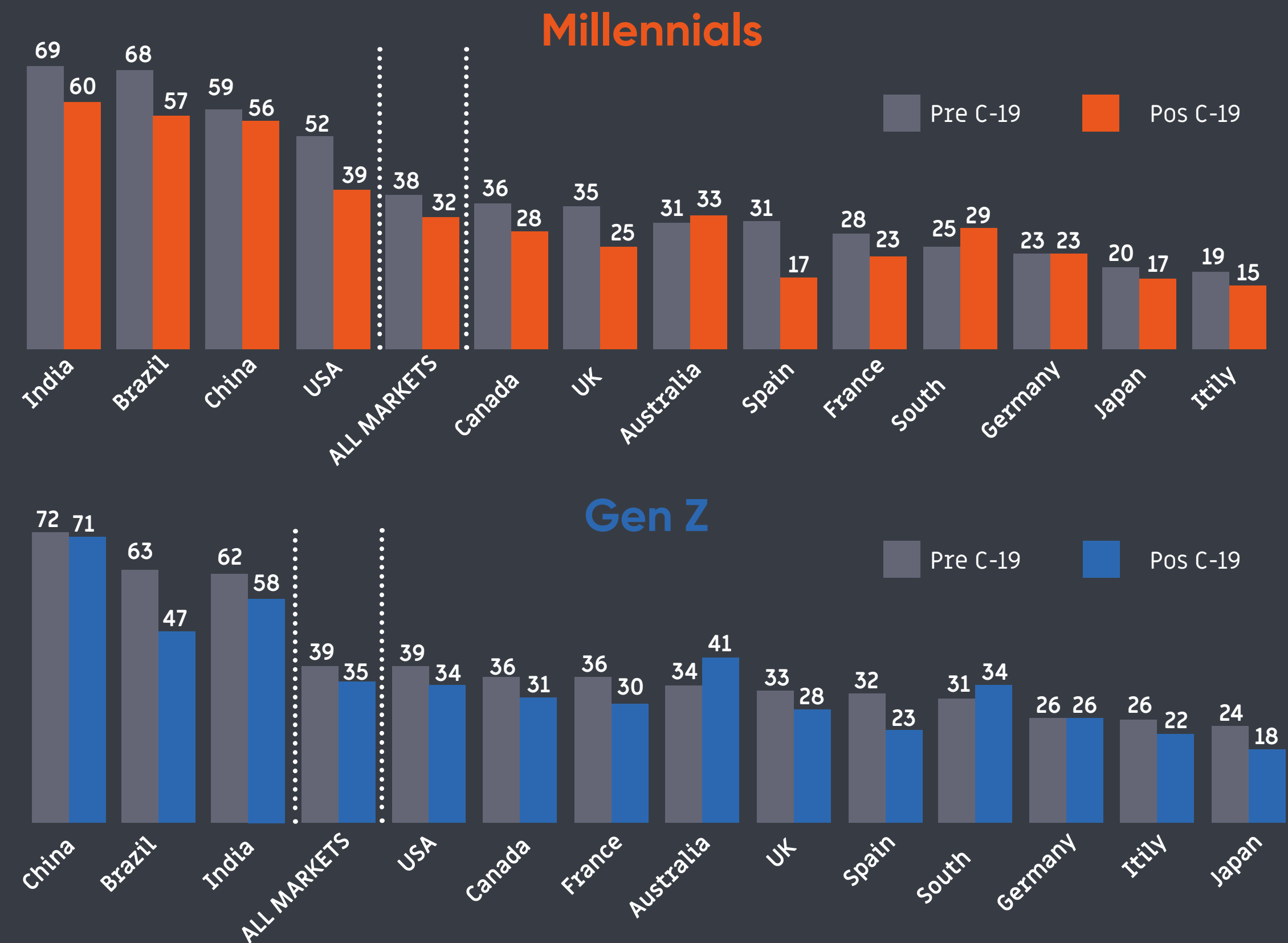
That said, other indices predict this feeling will likely be short lived as the economy opens up and social distancing measures are relaxed. Edelman's Trust Barometer (which does not target the younger generations but looks at confidence across consumers more broadly) reports confidence about the future is rising again after a sharp decline last year.<sup>14</sup>

<sup>13</sup>"The Deloitte Global Millennial Survey 2020." Deloitte, June 2020.

<sup>14</sup>"Edelman Trust Barometer 2021." Edelman, January 2021.

## COVID fuels uncertainty among Millennials and Gen Z Pessimism/Optimism Scale (1 - 100)

Source: Deloitte - The MillZ Mood Index



**Despite this, Universum’s research shows students are increasingly prioritizing factors like financial security and job stability – and unlike in years past, these employer traits are highly correlated with factors like “embracing new technology” and “innovation.”**

Whereas students once considered jobs in traditional industries like financial services and management consulting as secure, now they look to high-growth innovators for greater security. This turnabout means traditional industries will continue to face headwinds when recruiting talent.

**Finally, younger generations also connect “security” with non-financial factors that affect workplace satisfaction. Students seeking security at work are also more likely to be attracted to employers that show respect for their employees, encourage work-life balance, and support flexible work. This holistic approach to professional life is an important indicator to employers – particularly as they ask workers to set up home offices and partially erase the barrier between work and home.**

## Security is no longer a financial position

**Perceptions of job security correlate strongly with companies that are associated with a respectful and empowering culture**

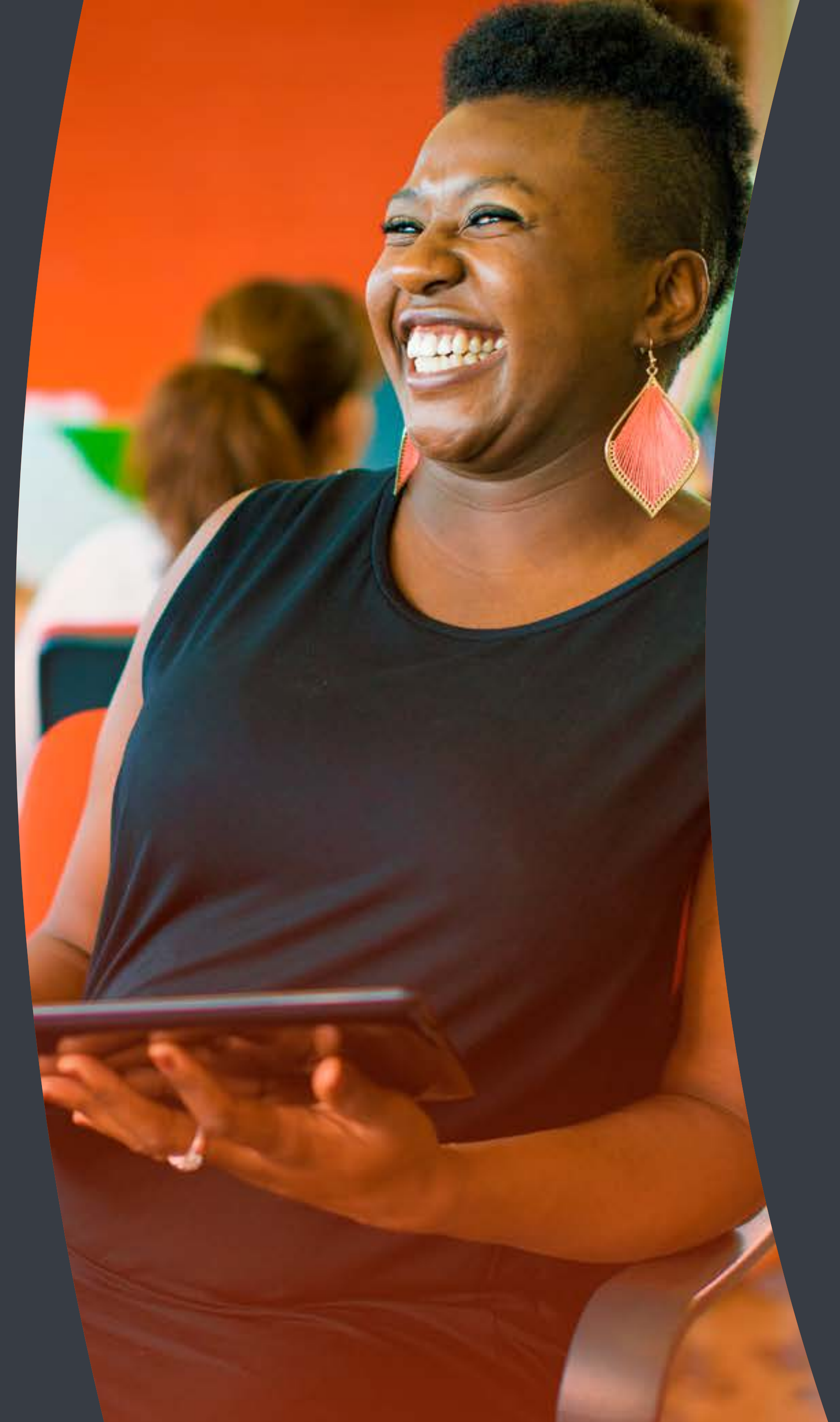
Universum COVID-19 Pulse Survey | Oct - Nov 2020


**Leading associations among those employers perceived to be the most ‘secure’**

- 1 SECURE EMPLOYMENT
- 2 Embracing new technologies
- 3 Respect for its people
- 4 Encouraging work-life balance
- 5 Flexible working conditions
- 6 Innovation

6

**What does  
recent  
research  
tell us?**



- 
- **Multiple economic and market signals show reasons for hope.** By most measures, consumer confidence is rising and forecasts signal economic expansion in 2021. Predicting the size of the expansion is difficult, however, as local responses to the pandemic are still highly changeable.
  - **Employer branding is still a critical competency.** Few would argue employer branding is less important post-pandemic, but what is clear is that the elements of employer branding will need to be optimized. How, for example, do employers talk about the “work environment” when there is no physical office? How does culture express itself for a dispersed workforce?
  - **Remote work is now common, but employers still need to define post-COVID-19 norms.** Many employers once reticent to allow working from home now see that it can be much more productive and cost-efficient. Yet pandemic-fueled virtual must look different from permanent virtual, and most employers are still navigating this path.
  - **Virtual recruiting is now standard practice.** Virtual recruiting, once a nice-to-have, is now standard practice for most companies — and most plan to rely heavily on virtual events even after they can safely return to campuses. Employers should think carefully about how the virtual format can advance diversity initiatives inside their organizations.
  - **On-demand labor is on an upswing; current priority is re-skilling.** Reskilling is a key mantra for 2021, particularly as companies look to hire talent in an economic upswing. And the research shows reskilling pays bigger dividends than simple learning. Still to be seen: whether the move to virtual work will spur a greater appreciation for on-demand freelance workers.
  - **Young talent seeks “security” — and looks to future-oriented companies.** Security means something much different in 2021 than it did a decade ago. For young talent, security is about working for a future-oriented company (think digital savvy or tech-fueled innovation) as well as working for a company that respects employees as people rather than productive units.



# ABOUT UNIVERSUM

Universum, part of the StepStone Group, is a global thought leader in Employer Branding. With 30 years of valuable experience in the field of employer branding, we have established ourselves in 60 markets globally, and our diverse workforce is physically present in 20 countries. We are uniquely positioned through our talent surveys to deliver key insights to recruiters about what future talent is looking for in a company. Our data-led, human and meaningful output has attracted 1,700 clients, including many Fortune 500 companies, as well as global media partners that publish our annual rankings and trend reports.

Find out more at  
[www.universumglobal.com](http://www.universumglobal.com)

