



THE ADECCO GROUP

# The War for Talents

— Talent Shortage Whitepaper —

Flip the Strategy of Human Resources



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## Introduction

As the world enters a new post-pandemic normal, it is also facing energy, environmental and economic challenges, making the global labor market, which has long been affected by sub-replacement fertility, even more severe. According to the 2022 Global Workforce Survey released by the Adecco Group, three-fifth (61%) of employees surveyed worldwide are concerned that their current salaries will not be able to keep up with the rising cost of living. As a result, even with a looming recession, job changes continue to take place. Over 60% of respondents feel confident that they will find a new job in six months or less in a job market that currently favors job seekers. Another 27% of respondents said they plan to quit their jobs in the next 12 months, and 45% of them are already actively looking for jobs.

The “Great Resignation” has not only led to a loss of talents for companies, but also caused 70% of current employees to consider resigning or follow in the trend of “quiet quitting”. The impact of the Great Resignation is more pronounced among the younger Gen Z, who believe that they have more power to choose a better working environment, and that companies that are willing to treat job seekers like consumers will be better able to attract and retain talents.

Although companies around the world have been restructuring their organization and laying off employees since Q3 2022 as an early response to the economic downturn, companies need long-term

workforce planning to address the shortage of the “right” kind of talent in the long run to achieve corporate sustainability goals. When compensation is no longer the only indicator of employee job satisfaction and loyalty, companies should not only raise salaries as a recruitment tool, but also strengthen company culture as well as provide good work-life balance, successful interpersonal relationships between colleagues, and well-designed career development. To prevent the loss of talents and avoid a talent shortage crisis, now is the time for companies to seize the opportunity and reaffirm their commitment to their employees by supporting them during this turbulent period.

In July 2022, the Adecco Group Taiwan conducted the Talent Shortage Survey on 328 human resource executives and managers from foreign, listed and medium and large-sized companies in the manufacturing, information technology, finance, biotechnology and retail service industries in Taiwan to help companies keep track of market trends. The results of the survey will help companies understand what strategies companies in various industries have adopted in response to the talent shortage problem. In addition, this report also collected the opinions of veteran consultants from Adecco Group Taiwan, which will help companies to refine their human resource strategies, improve their recruitment and retention strategies, and cultivate a new generation of successors for their companies in order to remain competitive.

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<sup>1</sup> Refers to the work attitude of “only completing the minimum requirements of the job”    <sup>2</sup> People born between 1995-2009



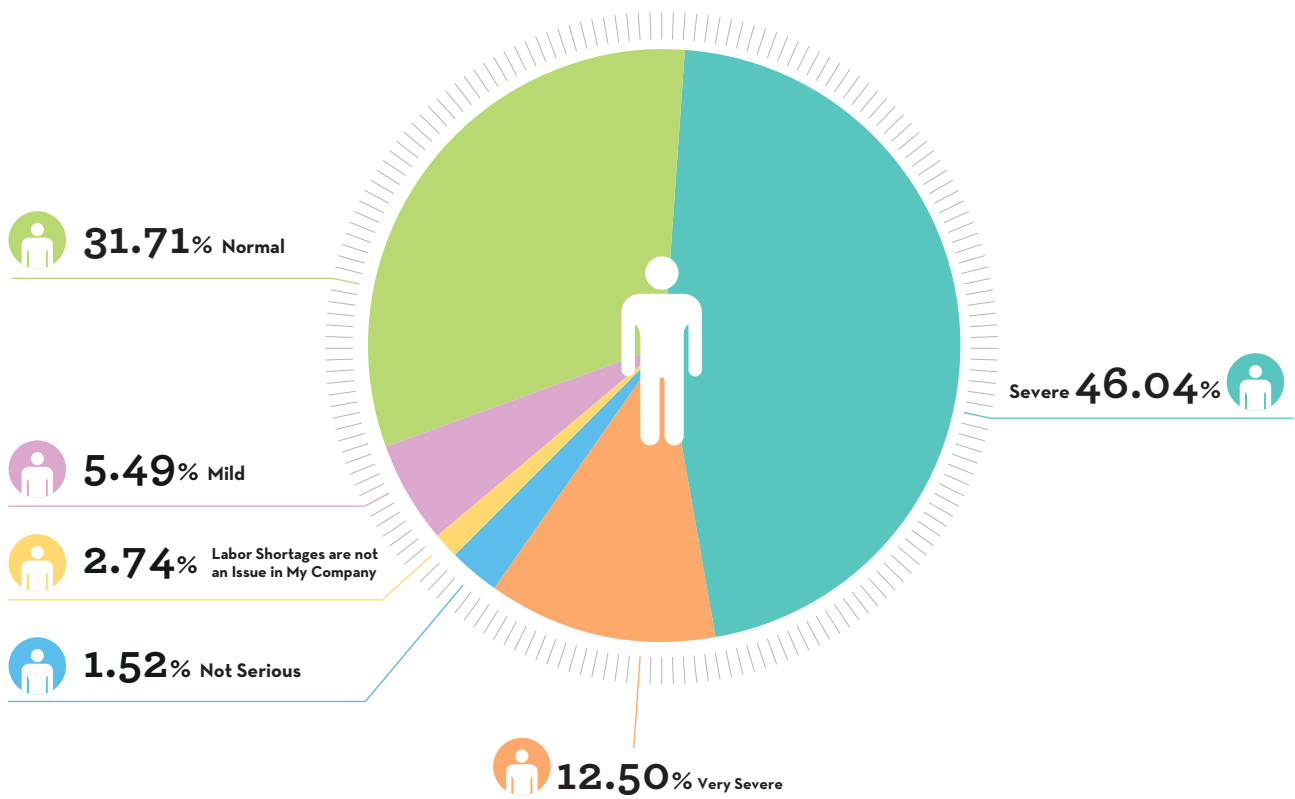
# 1

## Survey Result and Analysis

Talent Shortage : Salary Expectation Gap,  
The Crowding Out Effect in Industry Recruitment



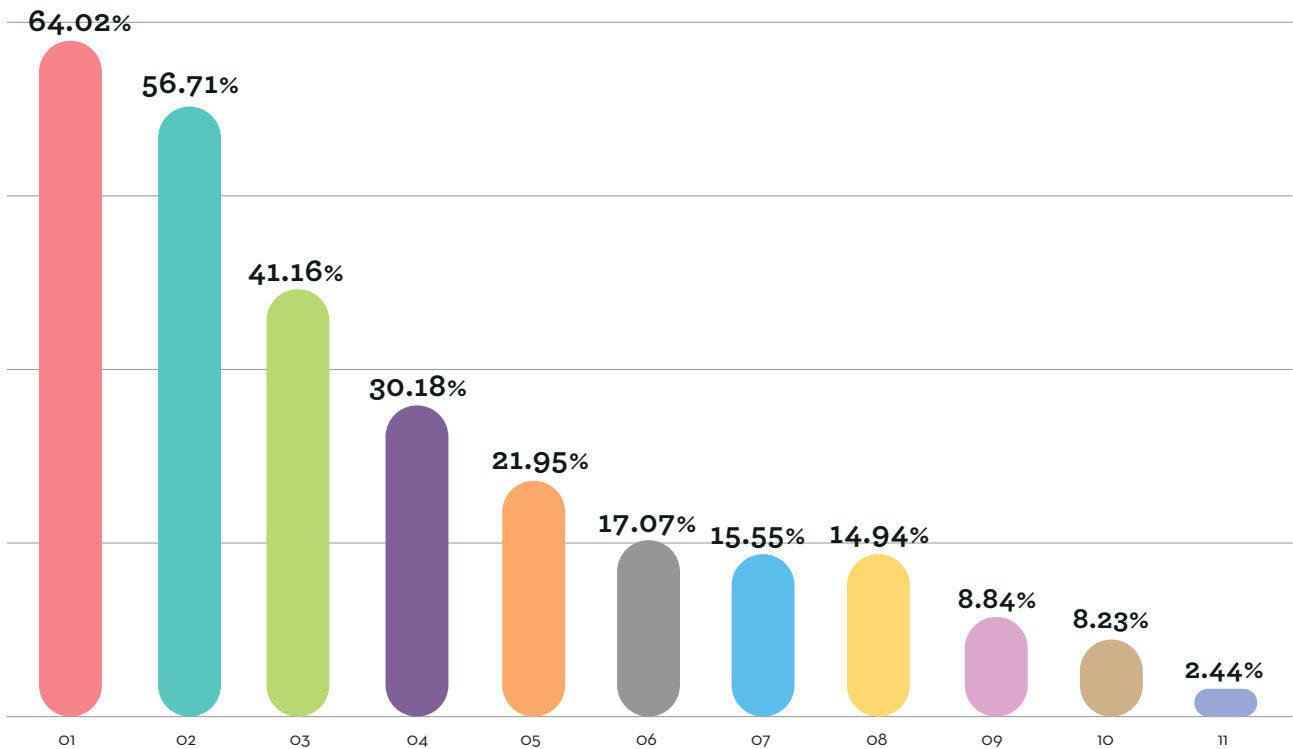
Figure 1: The severity of the talent shortage faced by companies



Taiwan has long had to deal with sub-replacement fertility, and the shortage of talents has become an urgent issue for companies. Nearly 75% of the respondents believe that Taiwan is facing a serious talent shortage. Nearly 60% (58.54%) of the companies surveyed said they are currently facing a serious lack of talent. (Please see Figure 1)






**Figure 2: The main reasons why companies cannot find talent  
(More than one choices is allowed)**



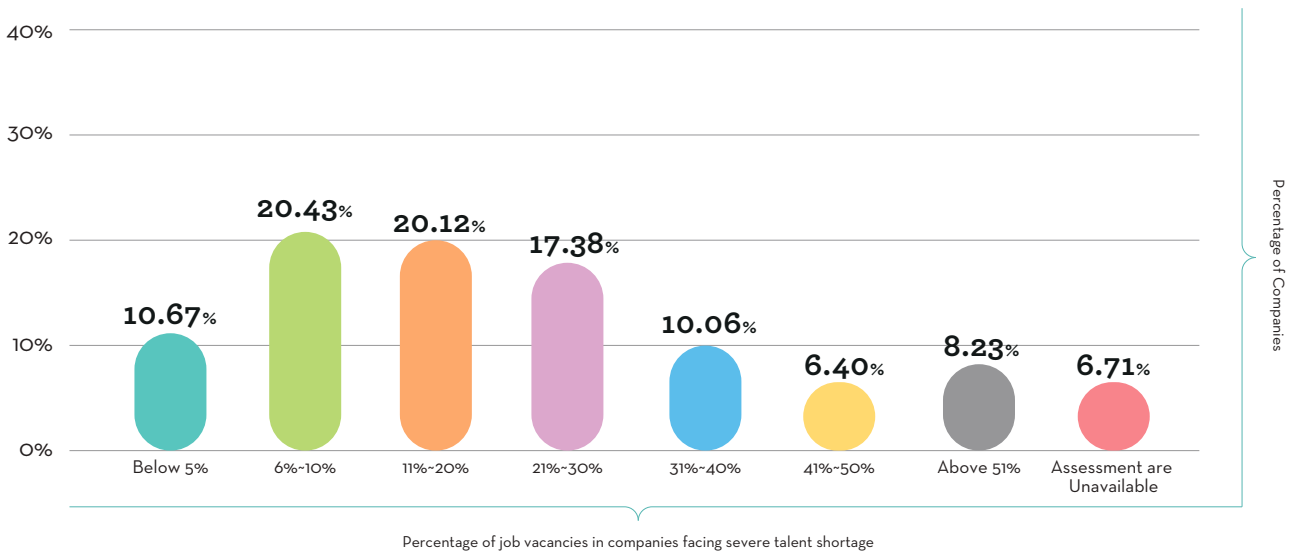
- O1 Candidates' salary and benefit expectations are higher than the company's standards
- O2 Talents tend to enter popular industries such as the semiconductor industry, crowding out other industries
- O3 Fierce competition among companies in the same industry for talents
- O4 Candidates have a heightened awareness of work-life balance
- O5 Fierce competition among companies in the same industry for talents
- O6 Candidates lack the relevant soft skills
- O7 Candidates lack the relevant experience
- O8 Candidates lack the relevant hard skills
- O9 Policies are not conducive to hiring talents from overseas
- O10 Candidates are unwilling to relocate for a job opportunity
- O11 Other reasons

**According to the respondents' observation,  
the top three reasons why companies cannot find talents are**

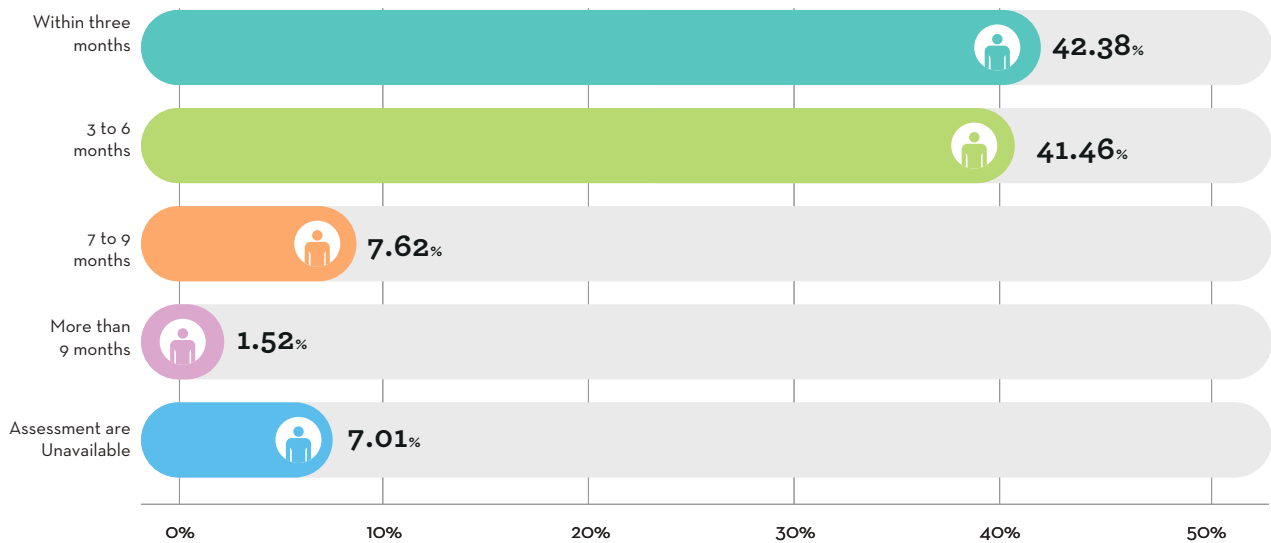
 <p style="color: red; font-weight: bold; font-size: 1.2em;">64.02%</p> <p>Candidates' salary and benefit expectations are higher than the company's standards</p>	 <p style="color: teal; font-weight: bold; font-size: 1.2em;">56.71%</p> <p>Talents tend to enter popular industries such as the semiconductor industry, crowding out other industries</p>	 <p style="color: lightgreen; font-weight: bold; font-size: 1.2em;">41.16%</p> <p>Fierce competition among companies in the same industry for talents</p>
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which far exceeds the factors such as “insufficient functions and experience of applicants”. It is clear that in order for companies to attract outstanding talent, they must not only meet the basic expectations of job seekers in terms of salary and benefits, but also cultivate talents who are more competitive than their peers in the same industry or even those in different industries (see Figure 2 for details).

**Figure 3: Percentage of job vacancies in companies facing severe talent shortage**



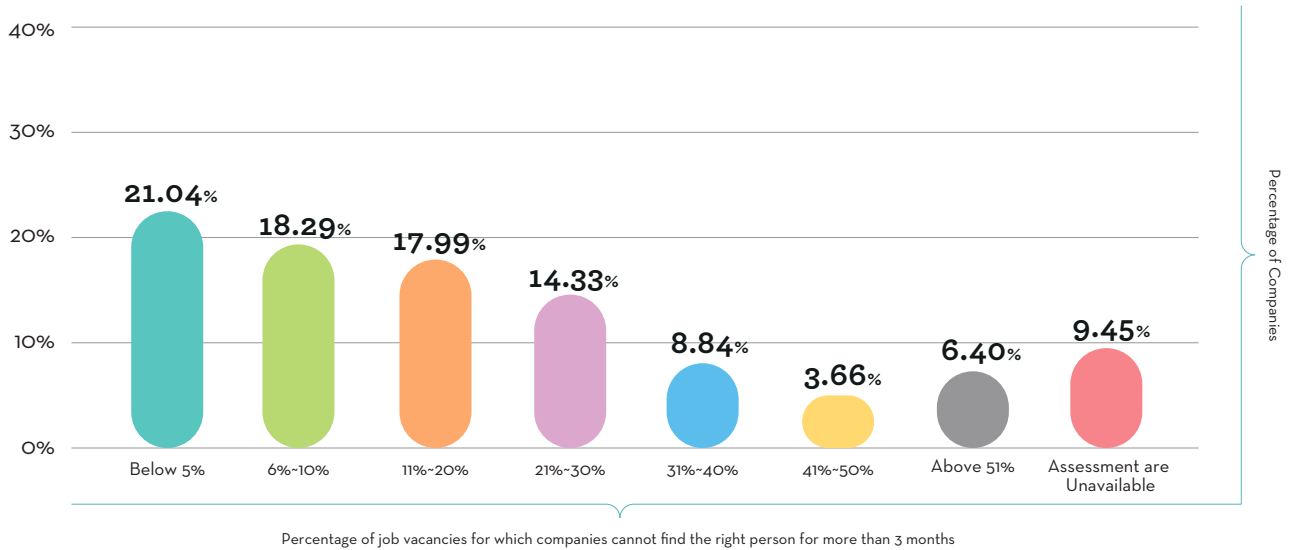
**Figure 4 : The current length of the recruitment process from announcing the job vacancy to conduct a written test/interview and formal appointment**



**Looking at the percentage of talent shortages**

40% of companies reported that more than 20% of their job vacancies are currently unfilled (see Figure 3), which is lengthening the recruitment process. In the past, most companies could complete the recruitment process within three months, but in this survey, only 40% (42.38%) of the respondents said they could complete the recruitment process within three months, and more than 50% (50.6%) of the companies took more than three months to complete the recruitment process, which shows that the lack of talent also lengthens the time for companies to replenish their workforce (see Figure 4).

**Figure 5: Percentage of job vacancies for which companies cannot find the right person for more than 3 months**



**If we look at the percentage of unfilled job vacancies and the recruitment time**

30% of the companies stated that they were unable to find suitable candidates for more than 20% of their job openings after recruiting for more than three months (see Figure 5), indicating that severe talent shortage is a long-term dilemma for companies. In addition to adjusting talent recruitment plans more quickly and flexibly, companies also need to establish long-term talent recruitment, training and retention plans.

Eric Wang, Associate Director of Permanent Recruitment suggests that to find a solution to the talent shortage problem, companies can identify potential talents from their existing workforce and enhance their professional functions through internal training. As for a long-term strategy, companies can use internship programs to find potential talents and provide comprehensive training.



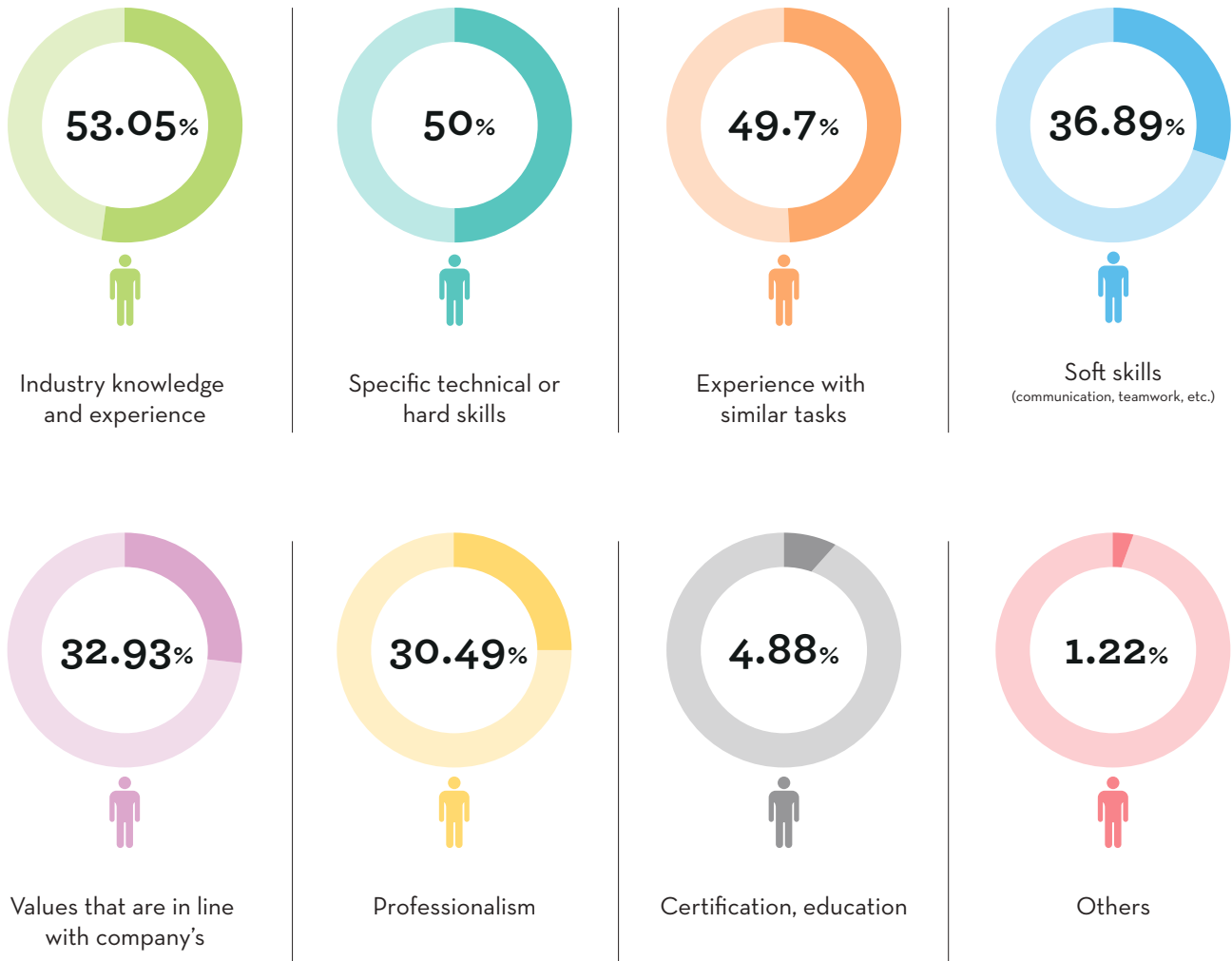


# 2 Survey Result and Analysis

Filling the Talent Gap : Expanding Recruitment Channels,  
Enhancing Education and Training



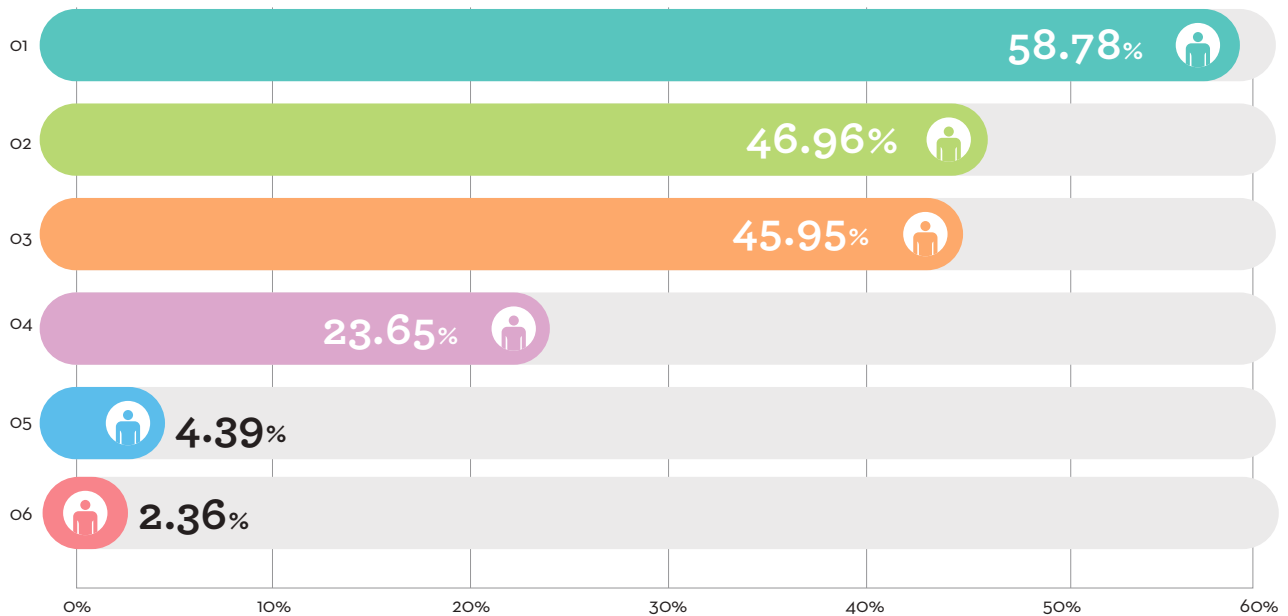
**Figure 6: Functions That Talents Most Often Lack  
(More than one choices is allowed)**



**For companies, the top three functions that job seekers lack most are**

For companies, the top three functions that job seekers lack most are “industry knowledge and experience” 53.05%, “specific technical or hard skills” 50%, and “experience with similar tasks” 49.7%. It is obvious that there is a gap between the requirements for job vacancies and the actual skill set possessed by job seekers (see Figure 6).

**Figure 7: The most common action taken when companies do not have a suitable candidate for a job vacancy (More than one choices is allowed)**



- O1 Extend the posting time of talent recruitment notices/advertisements
- O2 Adjust the requirements of the job vacancy, then re-post the recruitment notice
- O3 Seek help from external human resource providers to recruit talent
- O4 Transfer a current employee to the job vacancy
- O5 Cancel the job vacancy, and don't look for a replacement
- O6 Other

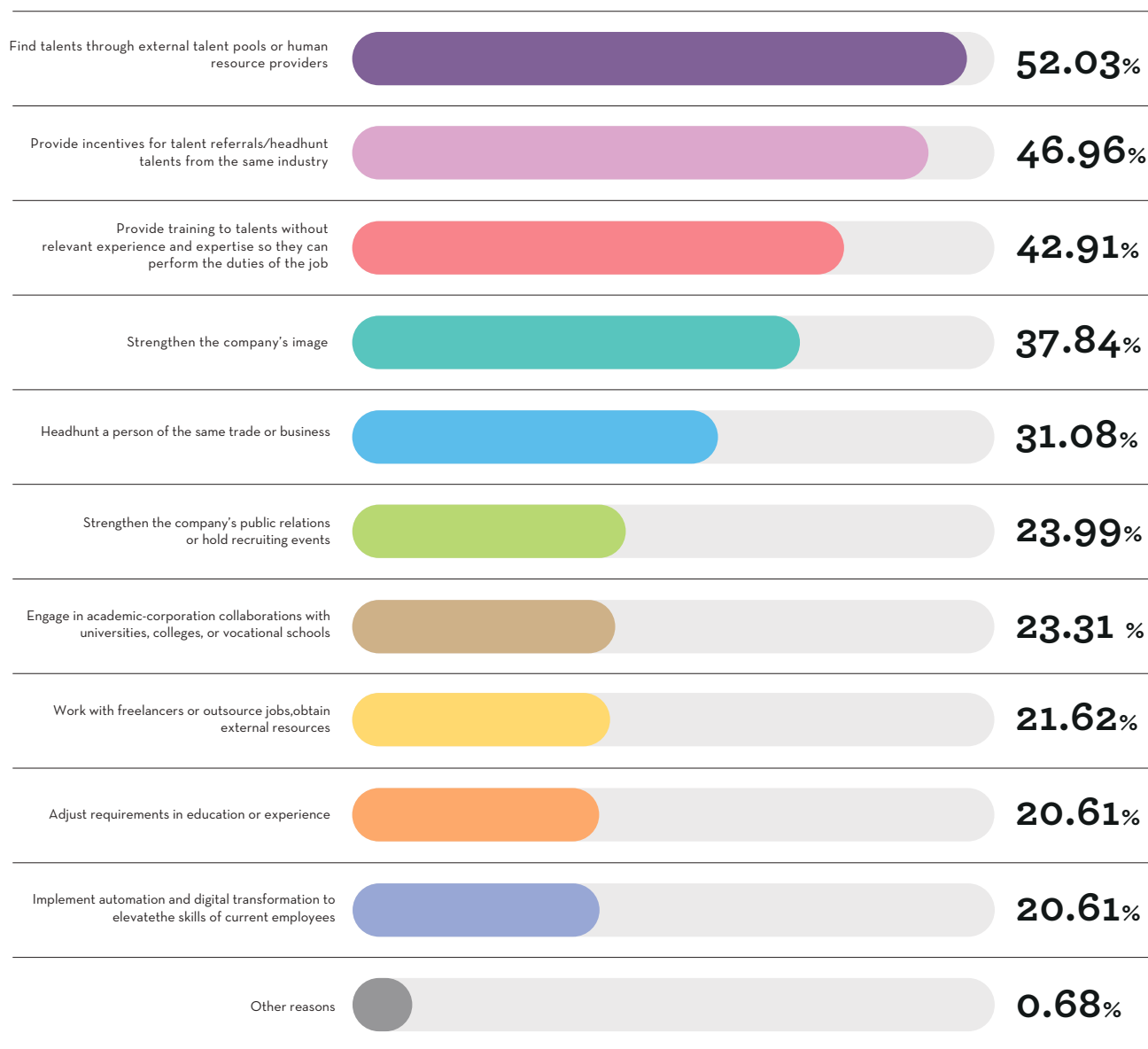
**However, when companies fail to recruit suitable talents for a period of time**

60% of them most often take the following actions: “extend the posting time of talent recruitment notices/advertisements” **58.78%**, followed by “adjust the requirements of the job vacancy, then re-post the recruitment notice” **46.96%** and “seek help from external human resource providers to recruit talent” **45.95%**. In contrast, less than a quarter of companies **23.65%** “transfer a current employee to the job vacancy” to fill the post (see Figure 7).

“Companies can make use of external professional recruitment services and outsourcing services to replenish their workforce so that they can focus on their core business, while their HR department can focus on improving the management and leadership skills of supervisors, brand management in the talent market, talent retention and talent training to enhance the professional functions and development potential of their employees,” suggested Spencer Chang, Director of Outsourcing.



**Figure 8: Strategies adopted by companies in response to widespread talent shortage (More than one choices is allowed)**

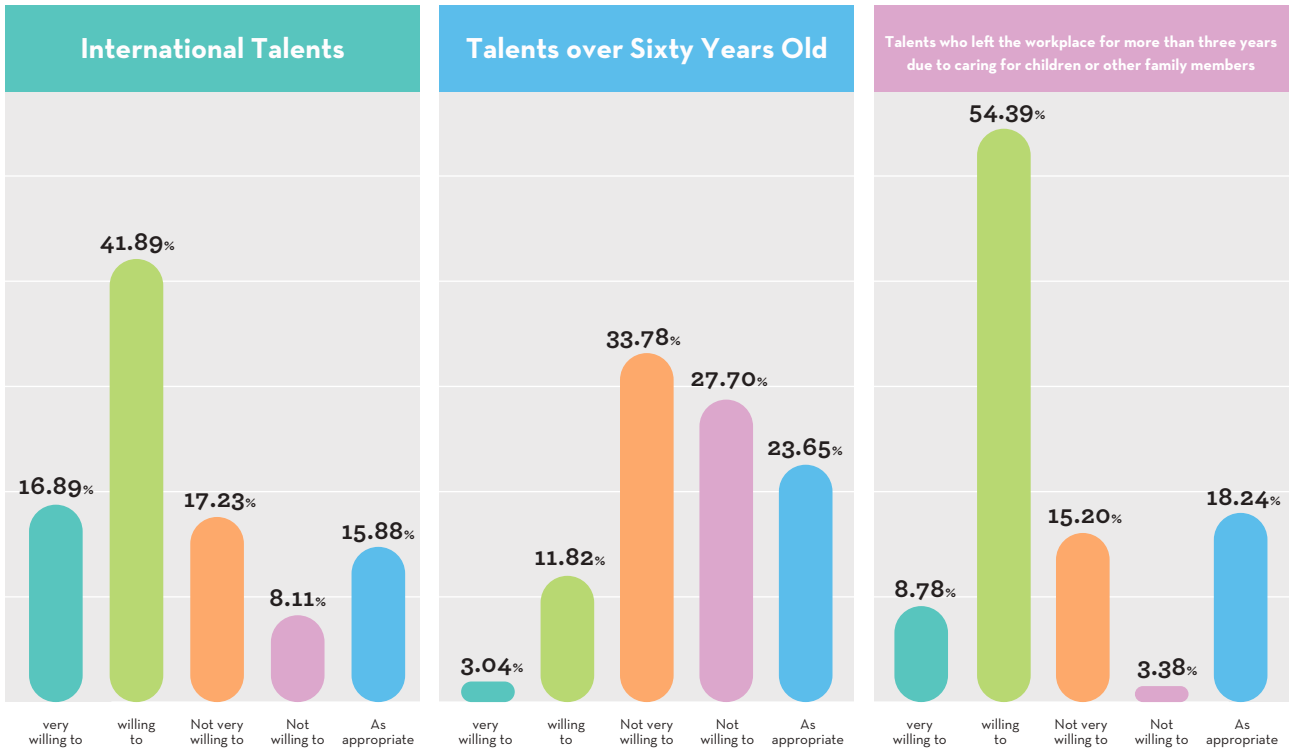


### For long-term recruitment strategies

Over 50% of companies chose to “find talents through external talent pools or human resource providers” **52.03%** as a solution to the talent shortage. Nearly 50% of companies would “provide incentives for talent referrals” **46.96%** and find talent through the recommendations of current employees, or simply “provide training to talents without relevant experience or expertise so they can perform the duties of the job” **42.91%**, and nearly 90% of companies are willing to invest in technical and functional training for new talents so they can perform their duties (see Figure 8).

“Education and training are the key to retaining talents. It is important for companies to know which human resources need to have their functions upgraded, such as management skills, technology knowledge, digital empowerment, etc., for future talent training programs,” said Cindy Chen, Regional Head of Adecco Taiwan & S. Korea

**Figure 9: The willingness of companies to hire diverse talents**



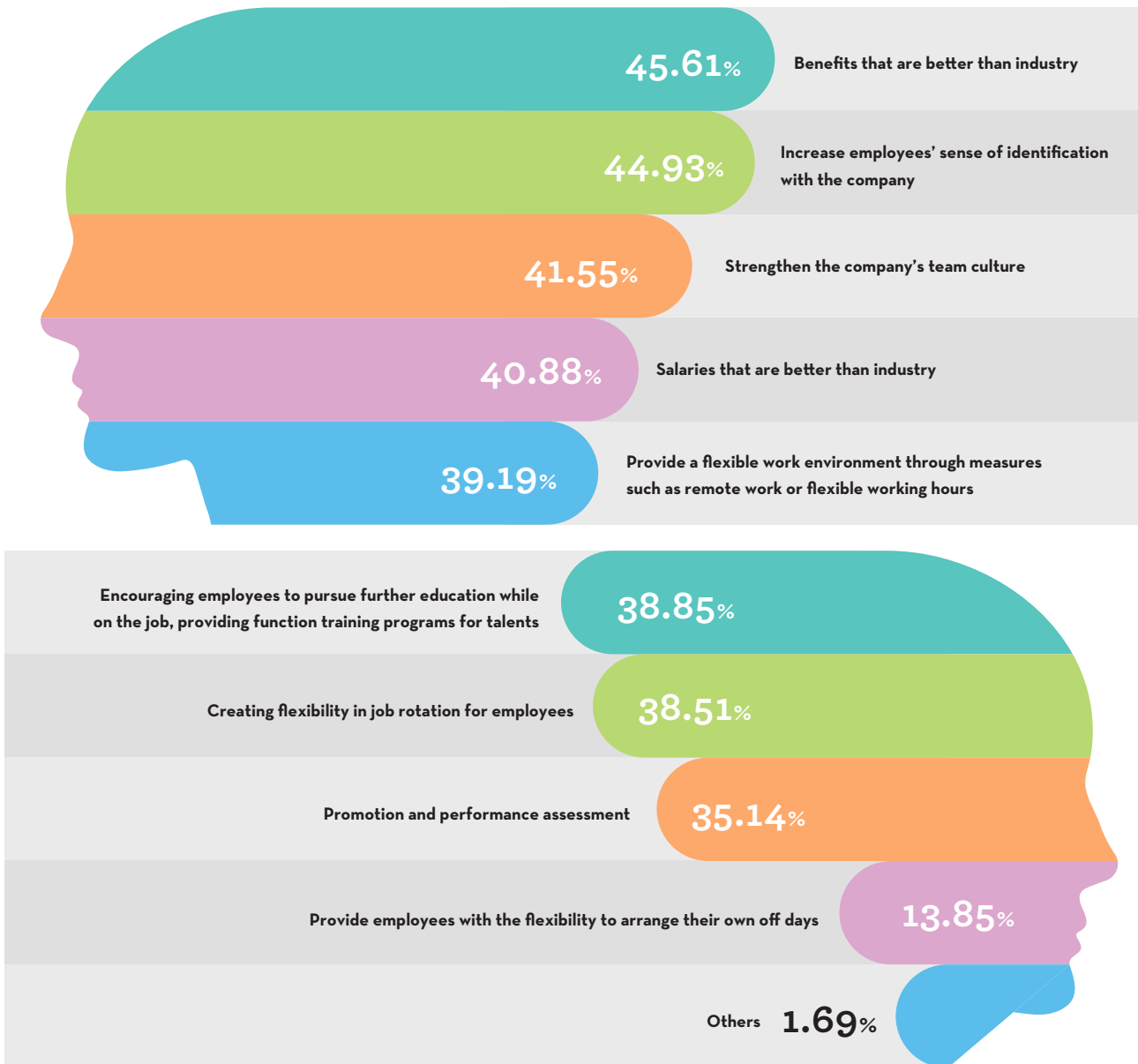
**As for the diversity of talent sources**

Nearly 60% of companies are willing to hire international talent. “The top 15% of Taiwan’s top talents have an international perspective and are willing to actively seek development opportunities overseas for the most part. During the pandemic, there were many talents who returned to Taiwan from overseas, which filled the vacancy in the demand for international talents,” said Eric Wang.

However, in terms of age, more than 60% of companies are reluctant or unwilling to hire people over 60 years old, while 23.65% will hire them depending on the situation. As for those who have left the workplace for more than three years due to caring for children or other family members, more than 60% of companies are willing to hire them. At the same time, nearly 20% of companies tend to be reluctant, while another 20% said it depends on the situation.



**Figure 10: Talent retention strategies adopted by companies**



**For companies, knowing how to retain talent is the key to dealing with the challenge of talent shortage**

When the competition for talent is fierce among companies in the same industry, companies generally use benefits, subsidies and salaries that are better than industry standard as a way to retain talent. However, nearly 45% of companies choose to “increase employees” sense of identification with the company” or “strengthen the company’s team culture” to retain talents (see Figure 10). Nearly 40% of the companies are trying to retain talents through talent cultivation, including encouraging employees to pursue further education while on the job, providing function training programs for talents, and creating flexibility in job rotation for employees. In contrast, only nearly 40% of the companies are willing to provide a flexible work environment through measures such as remote work or flexible working hours to attract talents, something that greatly matters to Gen Z, and only 13.85% of the companies are willing to provide employees with the flexibility to arrange their own off days.

Cindy Chen analyzed that in the post-pandemic era, the younger generation attaches greater importance to whether companies provide a flexible working environment and remote/hybrid work models, so she recommended that companies need to incorporate new thinking into their corporate culture to retain their talents.



## 3 Suggestions for CEOs and HR Supervisors



**Cindy Chen,**  
Regional Head of  
Adecco Taiwan & S. Korea



## Emerging technology and digital transformation drive massive shifts in the labor market, so companies need to pay more attention to their retention strategies

In 2022, the labor market is in an urgent demand for talents, and companies are recruiting talents. The main reason is that the digital transformation is gradually being implemented across industries around the globe. Not only are the industries related to digital transformation booming, which simultaneously drives up the demand for talents, but also affects the existing human resource structure of companies, which urgently need new blood in the form of talents specializing in digital transformation, resulting in a short supply of such talents in the labor market.

In addition, the CIA's 2022 report on world fertility rate showed that Taiwan continued to be ranked last among 227 countries and regions in the world, with a fertility rate of 1.08. Under the influence of sub-replacement fertility, shortage of talent has been a chronic phenomenon in Taiwan. The year 2022 in particular saw companies in the semiconductor, 5G and off-shore wind power sectors conducting massive recruiting campaigns that attracted many talents, which in turn posed a greater challenge for other companies in recruiting talents.

In recent years, the service, tourism, and hospitality industries have been affected by the COVID-19 pandemic, releasing a large number of talents that have switched to other industries or started their own businesses, altering the labor structure of industries significantly. With the gradual lifting of pandemic prevention restrictions in Q4 2022, the demand for manpower in the service and retail industries have slowly increased, but those who have switched to other industries may not choose to return to the service industry, which has also contributed to a shortage of talent.

In order to solve the problem of talent shortage, some companies have redistributed duties and given the core tasks of the vacant post to existing employees while other tasks are outsourced or executed by dispatched workers. In addition, in the post-pandemic era, young digital talents attach more importance to whether companies provide a flexible working environment and remote/hybrid working models, so the corporate cultures of companies need new mindsets in order to retain talents. From this survey, we find that there is still room for improvement in companies' strategies to provide a flexible working environment.

**"Recent issues such as the 'Great Resignation' and 'quiet quitting' show that if companies can change their mindset and provide a more flexible working environment, they will be better able to attract and retain new generation talents," said Cindy Chen.**

With the global market generally taking a conservative attitude toward the 2023 economy, the overall demand in the labor market is expected to re-stabilize. In addition to regular talent replenishment and continued recruitment in emerging industries such as semiconductors, retention of talent will be a major HR management issue for companies in 2023 as talent specializing in digital transformation settle into their positions in 2022. Companies need to take stock of their existing workforce and identify which human resources need to have their functions—such as management skills, technology knowledge, and digital empowerment—upgraded as part of their future talent training programs, as well as continue to implement education and training, the key to retaining talent in 2022. At the same time, enterprises can make use of HR data analysis software or solutions to help them review and predict talent loss.

Faced with the ever-changing talent market, how can companies effectively retain talent in the future? First of all, it is crucial for companies to establish a talent pool through talent assessment to ensure that there are successors at every level of management and to reduce the talent gap as workers age and are replaced by those of a younger generation. Through communication and training, companies should let potential successors feel that they are valued by the company and pay attention to talent career planning to reduce the risk of talent leaving and talent shortage.



**Spencer Chang,**  
Director of Outsourcing



## Invest in flexible work models and multiple human resource channels to effectively deal with talent shortages

Currently, the entire world is tackling the challenge of talent shortage, and Taiwan and other countries in the Asia-Pacific region, such as Japan, Korea and Singapore, are no exception, since they have all been impacted by sub-replacement fertility and their workforce is aging, making talent shortage a long-term trend. Moreover, international companies are competing to recruit talents across the world, such as software engineers, and they are offering salaries much higher than those in Taiwan, some of which are even 1.5 times higher than those in Taiwan. Thus, many Taiwanese talents choose to work overseas or join foreign companies through remote work. The brain drain from Taiwan has also made the challenge of talent shortage even more severe. From the industry perspective, the current shortage of Taiwanese talents mainly lie in the IT, software engineering and semiconductor sectors.

Moreover, the flexible work culture and liberal atmosphere of new start-up teams attracts a younger generation of job seekers. If traditional companies do not adjust their organization and management strategies to keep up with the market, it will be difficult to recruit talents from a new generation.

Ten years ago, companies expected talents to be loyal and stay with the company for a long time because technology was not as developed as nowadays and the turnover rate was not as high; talents and patents were the intellectual property of the company. However, ten to fifteen years ago, Europe and the United States began to talk about remote and flexible work models, but due to the lack of research data at the time to support whether remote work would affect work efficiency, many companies in the Asia-Pacific region were unable to formulate strategies, so the practice was not

implemented. Today, due to the impact of the pandemic, the need for companies to upgrade IT systems to allow employees to work from home has led to a shift in the work models of companies in the Asia-Pacific region. In the case of companies that have implemented flexible work models both in Taiwan and abroad, employee productivity is not only unaffected, but employees are even more motivated since the model allows them to take care of their families.

**"In the future, the provision of a flexible work environment is likely to be a global trend, and the willingness of companies to invest early and plan for it in the face of the challenge that is the talent shortage depends on the vision of decision-makers and their confidence in the transformation," said Spencer Chang.**

In addition to providing a flexible work environment, corporate decision-makers also need to have more flexible planning in the area of human resources to meet the challenge of talent shortage. Companies can use external professional HR consulting services to help management and HR departments diagnose and analyze the pain points and blind spots of HR management as well as find solutions to them. Besides taking stock of human resources, outsourcing or dispatch worker providers can be used to find professional talents for departments or projects that are short on manpower, so that companies can focus on their core business, and their HR department can focus on tasks such as improving the management and leadership skills of supervisors, brand management in the talent market, talent retention, and talent training.

For job seekers, they need to know that it is not only their professional skills that is desired by companies; the enrichment of their soft skills, including patience, empathy, conflict resolution, and the ability to face setbacks are important as well and more conducive to career development.



**Eric Wang,**  
Associate Director of  
Permanent Recruitment



## Flipping the existing organizational framework of enterprises, and begin thinking from the perspective of the new generation from education and training

The main reason for the talent shortage is that there is a gap between the companies' definition of "talent" and the skill sets possessed by actual job seekers. At the same time, there is also a difference between the working atmosphere expected by the younger generations and that which is expected by the corporate mindset. The digital world is awash with opinions that encourage young people to "be themselves", to bravely quit when they encounter an unsuitable employer, to choose a work environment that suits them better, or to choose to be one of the tang ping (those who "lie down" and reject overwork) and not rush to find a job. Meanwhile, companies think that they have done everything they can to retain their talents, but why can't they keep them? The cognitive gap between companies and the younger generation has made companies reluctant to understand and cultivate talents, and employees to find other jobs because companies do not want to cultivate them or lack a talent development program.

In fact, a careful look at trends in Taiwan's talent flow revealed that the top 15% of Taiwan's top talents are mostly those with an international perspective and the willingness to actively seek development opportunities overseas. During the pandemic, many talents returned to Taiwan from overseas to develop their careers, which filled the gap in the demand for international talents. On the contrary, job seekers who often switch jobs may lose their competitiveness in the labor market if they fail to look further ahead and cherish job opportunities.

In terms of talent demand, there are many job vacancies for salespeople, who need to bear the pressure of hitting performance targets; entry-level R&D personnel; and administrative personnel, who need to be meticulous. In comparison, there are fewer vacancies for marketing positions. As for foreign companies, they are

starting to recruit overseas talents for senior-level executive positions rather than promote current employees, which shows that competition for senior-level talents is becoming international.

From the perspective of function, the talent shortage is mostly due to the fact that talents do not meet the expectations of enterprises in professional skills, types of experience and years of experience, nor are enterprises unwilling to give in and lower their standards. On the other hand, when talents are faced with multiple job opportunities, jobs with a lot of pressure and complicated job content are usually not their first choice. Also, if new opportunities do not differ much from their old jobs, talents often choose to stay at their old jobs. Moreover, due to the influence of high-salary recruitment tactics used by the technology industry, talents expect a 20% to 30% increase in salary when they change jobs. However, if this expectation exceeds the salary level offered by their prospective employer, the company may not be able to afford to pay the salary and will look for other candidates even if certain talents meet the company's requirements.

In order to tackle the problem of talent shortage, companies will adopt multiple methods. They can identify potential talents from their existing workforce and enhance their professional functions through internal training, or they can raise salary levels to attract talent as well as replace unsuitable employees or restructure the organization at the same time to make the workforce more competitive.

For their long-term strategy, companies can make use of internships to attract job seekers, observe the potential of talents during the internship process, and provide comprehensive training for those with potential.

**"When companies recruit talents through internships, they are also developing talents for the next three to five years, allowing these talents to become more integrated into the company during the training process," said Eric Wang.**

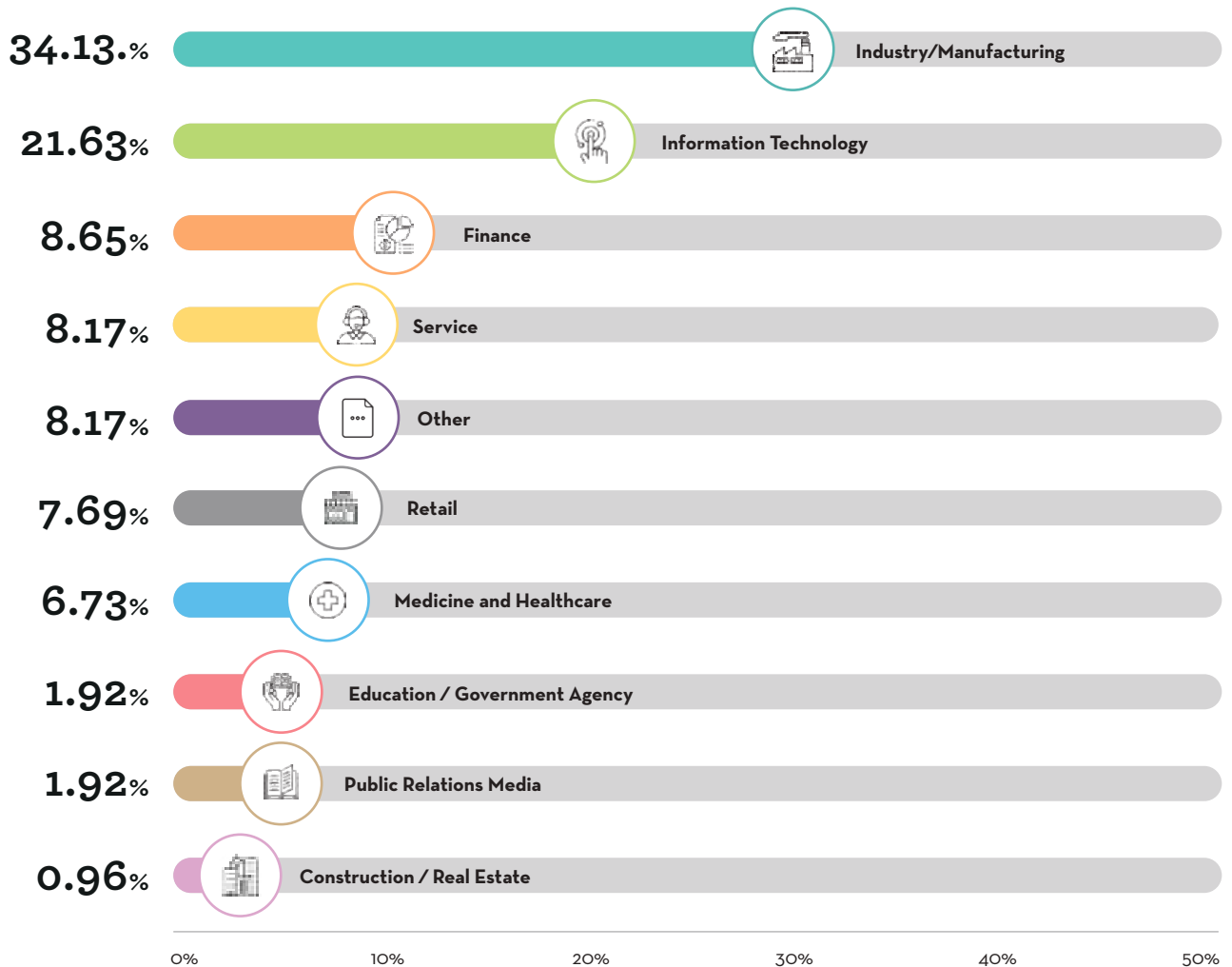
### Conclusion

Since talent is urgently needed in various industries, it is recommended for talents to not only focus on one industry when they are choosing among their opportunities, but to broaden their horizons and look at opportunities from various industries that allows them to play to their own characteristics. Or, they can explore new possibilities through exposure to different fields or positions via dispatch work. At the same time, continuing to invest in their professional abilities is a way to build on their strengths and increase their number of opportunities.

In the face of talent shortage, companies are advised to re-examine their organizational framework to identify the causes of talent loss and talent recruitment problems, and resolve core issues. In addition, by bringing in external resources such as education and training, they can get to understand market trends and the latest developments, motivate their current staff to enhance their functions, and change their management mindset to help themselves overcome the plight of talent shortage.

## Industry Type

Adecco Group Taiwan's 2022 Talent Shortage Survey was conducted in July 2022, with the sample coming from companies in a wide range of industries, many of which are in the industry/manufacturing and information technology industries, accounting for 34% and 22% respectively, followed by companies in finance, service, and retail, each accounting for 8%.



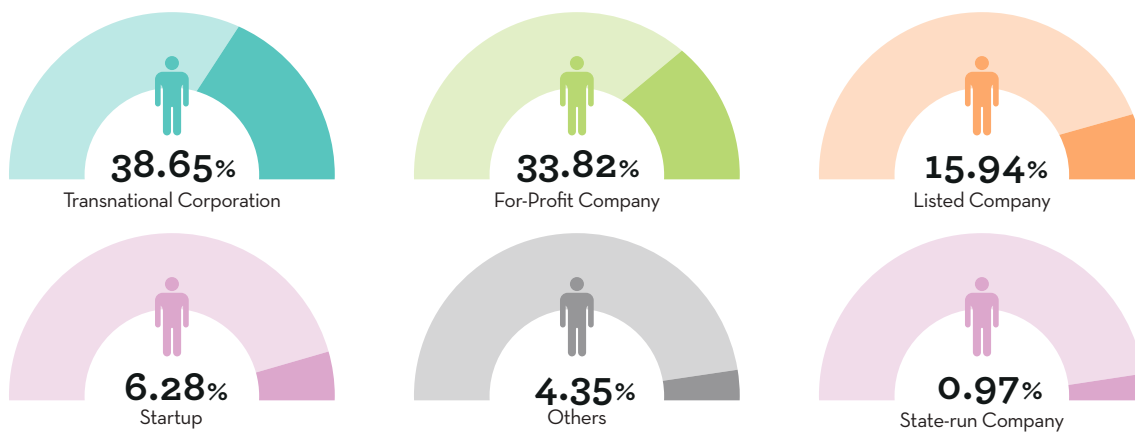
## Number of Employees

In terms of company size, companies with more than 1,000 employees accounted for 22.12% of the sample; those with 250 to 999 employees accounted for 24.04%, and those with less than 250 employees accounted for 53.85% of the sample.



## Corporate Organization Type

In terms of company type, about 39% of the sample were transnational companies, 34% were for-profit businesses, and 16% are listed companies.





THE ADECCO GROUP

## Profile of Adecco Taiwan

Based in Zurich, Switzerland, the Adecco Group is the world's largest international human resource provider, ranked among the Fortune 500 and publicly listed on the SIX Swiss Exchange. The Adecco Group has been recognized as one of the best companies in the world to work for, with over 5,000 locations serving 60 major national and regional markets and more than 34,000 full-time employees. Every day, more than 700,000 of the company's contract partners provide the most comprehensive human resource services to more than 100,000 companies.

As the world's largest human resource provider, the Adecco Group Taiwan aims to realize our vision of "Making the future work for everyone" to help individuals achieve sustainable employability and thrive in a rapidly changing world, and to help companies optimize talent cultivation, transform it into team power, and build a better work environment for people. We provide services that unlock talent potential, create employability, and seamlessly connect talent and employment opportunities, and we have also built a unique 360° talent solution and consulting ecosystem that provide our corporate clients with solutions that optimize their talent needs and organizational models, help them achieve their sustainable management goals, and produce a prosperous and inclusive society together with us.

The Adecco Group established a branch company in Taiwan in 1989, with an international perspective and a customer-friendly service network. We provide a wide range of human resource services to various industries and enterprises of all sizes in Taiwan, and our services are available in the Greater China region. As the technology manufacturing industry boomed in Taiwan, we founded another company named Spring Professional, which was established in 2013, to focus on providing professional and technical consulting services to the technology industry; moreover, Spring Professional will be transformed into an LHH branch company in 2023 to provide one-stop HR solutions for companies, from selection, onboarding, development, transfer, resignation, to counseling and transformation.







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