The Great Skills Divide: Supply and Demand for Specialized Talent

The current employment market is characterized as “the great skills divide.” Those with specialized skill sets are in high demand and short supply, while the opposite rings true for the general workforce. Specialization in the job market translates into lower unemployment – particularly in accounting and technology, where proficiency and experience in regulatory, compliance, mobile and big data are driving hiring.

NEW!

Professionals focused on keeping their skills current in the most marketable areas often have multiple career opportunities. As a result, companies need to move quickly to recruit top talent and offer competitive salaries to get them on board.
The Perfect Storm: A number of factors are contributing to a shortage of candidates with specialized skill sets.

- **More companies are hiring.** There were 4.5 million job openings at the end of April 2014, up from 3.8 million one year ago.¹

- **Greater job growth for the college educated.** Professions that require a college degree are projected to grow significantly faster than jobs that require only on-the-job training or related work experience. In fact, 61% of occupations expected to grow by 8% or more require a college degree. Only 13% of occupations expected to lose jobs between 2013 and 2017 require a college degree.²

- **The year of the capability gap.** More than 60% of companies surveyed cited “capability gaps” as one of their top talent challenges. CEOs rank “human capital shortages” number one on their priority list for 2014.³

- **Skills gap will ... worsen?** Unfortunately, half of human resources managers surveyed said they’re stuck with open positions for which they can’t find qualified candidates. More worrisome, 46% said hard-to-fill positions will remain open for more than one quarter of the year. To accommodate this gap, many companies plan to provide training for workers they expect to hire in 2014 or send existing employees back to school for an advanced degree, footing all or part of the bill.⁴

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**Employee Confidence Is Building:** More job opportunities have made professionals increasingly selective when evaluating employment offers.

- **Job seekers are more optimistic.** Nearly 2.5 million workers voluntarily left their jobs at the end of April 2014, a 19% increase compared to two years ago.\(^5\) (See chart on Page 4.)

- **Employees are more willing to move on.** One in five (21%) full-time employees plan to change jobs this year — the largest percentage of expected turnover seen in the post-recession era. Many factors could be contributing to the expected rise in turnover, including employees' overall dissatisfaction with their jobs, low chances of being promoted within the company and lack of work-life balance.\(^6\)

- **Salaries are increasing.** Average U.S. starting salaries for professional occupations are projected to rise 3.7% in 2014. Technology salaries are expected to rise the most, by 5.6%.\(^7\) College graduates with engineering, computer science and business degrees can expect the most pay.\(^8\)

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### Q1 2014 Unemployment Rates by Occupation, for Select Positions

<table>
<thead>
<tr>
<th>Finance and Accounting</th>
<th>Technology</th>
<th>Creative and Marketing</th>
<th>Administrative and Office Support</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance officers</td>
<td>Computer network architects 0.8%</td>
<td>Web developers 0.7%</td>
<td>Human resources workers 2.4%</td>
<td></td>
</tr>
<tr>
<td>Chief executives (includes CFOs) 2.0%</td>
<td>Computer systems analysts 0.8%</td>
<td>Editors 1.3%</td>
<td>Administrative assistants 4.1%</td>
<td></td>
</tr>
<tr>
<td>Financial analysts 2.1%</td>
<td>Chief executives (includes CIOs) 2.0%</td>
<td>Marketing specialists 2.2%</td>
<td>Office clerks 5.4%</td>
<td></td>
</tr>
<tr>
<td>Financial managers 3.3%</td>
<td>Computer hardware engineers 2.1%</td>
<td>Public relations managers 3.1%</td>
<td>Legal</td>
<td></td>
</tr>
<tr>
<td>Payroll clerks 3.6%</td>
<td>Computer support specialists 2.3%</td>
<td>Public relations specialists 3.6%</td>
<td>Lawyers 1.3%</td>
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</tr>
<tr>
<td>Purchasing managers 4.1%</td>
<td>Computer programmers 2.6%</td>
<td>Advertising managers 3.8%</td>
<td>Paralegals and legal assistants 4.3%</td>
<td></td>
</tr>
<tr>
<td>Accountants and auditors 4.4%</td>
<td>Database administrators 2.7%</td>
<td>Marketing managers 4.2%</td>
<td>Court, municipal and license clerks 3.1%</td>
<td></td>
</tr>
<tr>
<td>Bookkeeping, accounting and auditing clerks 4.7%</td>
<td>Software developers, applications and systems software 2.8%</td>
<td>Designers 5.4%</td>
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<tr>
<td></td>
<td>Computer and information systems managers 3.0%</td>
<td>Technical writers 5.5%</td>
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<tr>
<td></td>
<td>Network and computer systems administrators 3.2%</td>
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</tbody>
</table>

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\(^3\) 2014 Salary Guides from Robert Half (roberthalf.com/salary-guides)
\(^4\) Salary Survey, Executive Summary, National Association of Colleges and Employers (NACE), April 2014.

**Workers Are More Willing to Quit Their Jobs**

U.S. Employees Who Voluntarily Left Their Jobs (in thousands)

| Month   | Apr '12 | May '12 | Jun '12 | Jul '12 | Aug '12 | Sep '12 | Oct '12 | Nov '12 | Dec '12 | Jan '13 | Feb '13 | Mar '13 | Apr '13 | May '13 | Jun '13 | Jul '13 | Aug '13 | Sep '13 | Oct '13 | Nov '13 | Dec '13 | Jan '14 | Feb '14 | Mar '14 | Apr '14 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|         | 2,080   | 2,151   | 2,148   | 2,139   | 2,140   | 2,260   | 2,286   | 2,233   | 2,342   | 2,364   | 2,382   | 2,414   | 2,475   | 2,473   |


**Spotlight! The Rise of the Extended Workforce**

- **Temporary and contract workers on the rise this year.** 42% of employers plan to hire temporary or contract workers in 2014, up 2% from 2013. Among these employers, 43% plan to transition some temporary employees into full-time, permanent staff.

- **Contingent workforce growth expected by end of decade.** By 2020, more than 40% of the U.S. workforce will be freelancers, contractors or temporary workers.

- **Work will shift from full-time to free-agent employment.** The long-term trends of hiring contingent workers will continue to accelerate. By 2020, more than 80% of large corporations plan to substantially increase their use of a flexible workforce. Small businesses are expected to minimize fixed labor costs in favor of an expanded talent pool of contingent workers.

11 Ibid.

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