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Hidden workers: Uncovering untapped talent

Public service leaders can enhance hiring practices to close skills gaps, improve diversity, and deliver better outcomes for citizens

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The public sector is struggling to find workers, even though high-potential individuals struggle to find work

This year, against expectations, many organizations have found themselves struggling to find workers. And although the retail, hospitality, and manufacturing industries have been center stage, the public sector is no less affected.

In August 2021, for example, there were over 800,000 vacant jobs in the US public sector. And in the UK, where job vacancies recently hit an all-time record, public administration and defense departments had approximately 30,000 available jobs in September 2021, while the health and social care sector advertised 172,000 open jobs.

Even as public sector employers search to recruit new talent, they are facing considerable challenges with retaining talent and ensuring skill alignment of their current workforce. The

latest World Economic Forum (WEF) Future of Skills report shows that approximately 15% of government and public sector workers were at risk of displacement, with core skills expected to change for 39% of the entire workforce by 2024.

Meanwhile, a very large talent pool of high potential workers remains untapped.

These “hidden workers,” as we have come to call them, are either unemployed or underemployed. Most are eager to find work, or to increase their working hours. Some have withdrawn, discouraged, from the job market, but would work if given the opportunity. Many already have the skills they need to do well in their desired jobs; most are more than willing to learn.

Who are these hidden workers?

Hidden workers represent a diverse group spanning caregivers, veterans and military spouses, immigrants, and refugees. Also included are people with physical disabilities, mental health or developmental / neurodiversity challenges, those from less-advantaged populations, people with a criminal record, and those without traditional education qualifications.

These individuals are often vetted out early on in hiring processes, as a result of automated filtering and ranking by Recruitment Management Systems (RMS) that are intended to support and augment HR.

Our study examines this paradox of employers desperate for workers while suitable talent goes overlooked.

The global research, conducted in partnership with Harvard Business School's Project on Managing The Future of Work, surveyed more than 8,000 hidden workers and more than 2,250 executives across the US, the UK and Germany.

According to our research, in 2021 there are more than 27 million hidden workers in the US alone.

We estimate that there are similar proportions of hidden workers across the UK and Germany. These numbers underscore the potential impact that their integration or re-integration into the workforce would have—not just on the livelihoods of the individuals involved, but also on government workplaces and society as a whole.



Do you think employers' hiring processes discard your application when you could successfully perform the job, but don't fit the exact criteria in the job description?



■ Yes ■ No ■ I don't know

Figure 1



Our findings

show that similar to the global population of hidden workers, those affiliated with the public sector have faced enormous challenges in finding work or increasing their hours.

That's largely due to long-standing employer management practices and shortcomings in employer technology.

Within the overall group of individuals surveyed, 335 state and local government workers were either previously hidden workers currently employed by government, or hidden workers who had prior job experience in government.

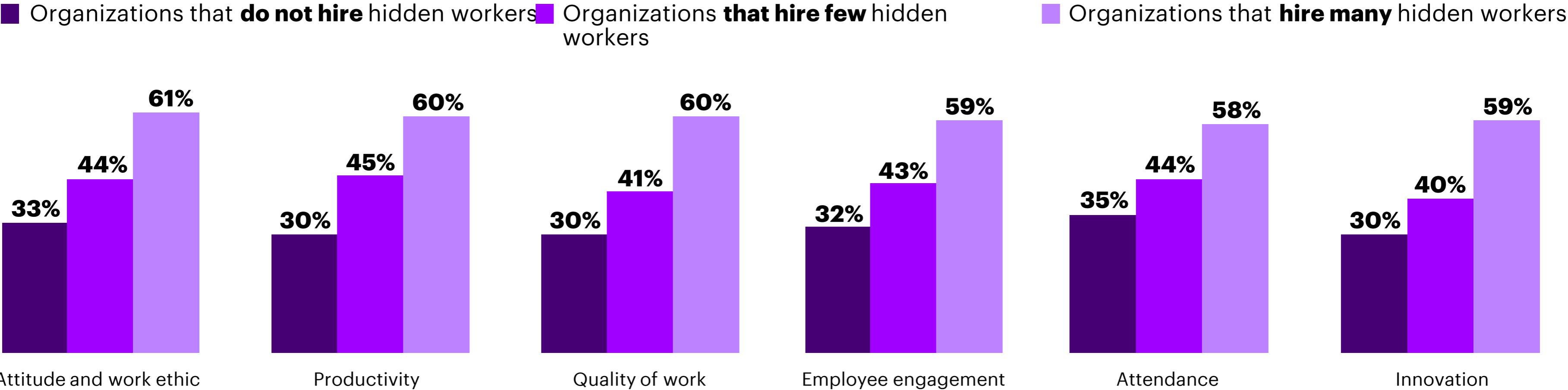
Approximately 90% of those 335 workers believe that employer hiring practices resulted in their

job applications being discarded when they could have successfully performed in the role.

And employers agreed: roughly 90% of all executives surveyed noted that both qualified highly-skilled and middle- and low-skilled candidates are vetted out of the process because they do not match exact job criteria.

The benefits of hiring **hidden workers**

Employers who hire hidden workers report that doing so is good for business in more ways than one.



In our global survey, nearly two-thirds of executives hiring hidden workers reported that their new recruits were performing “significantly better” than average in key areas like attitude, work ethic, productivity, work quality, engagement, attendance, and innovation. (Figure 2)

Figure 2

Organizations that hire **hidden workers** are less likely to face talent and skill shortages

38%

less likely to face challenges finding workers with the necessary experience

44%

less likely to face challenges finding workers with the necessary skills

36%

more likely to find candidates who have the right attitude/motivation

35%

less likely to face challenges meeting diversity quotas

Organizations that hire hidden workers were less likely to face challenges hiring talent with the necessary experience and skills and were more likely to benefit from workers who have a positive work ethic and attitude and contribute to meeting diversity targets. (Figure 3)



What keeps **hidden workers hidden?**

Many structural barriers conspire to keep organizations from considering hidden workers. For example, job descriptions overladen with criteria and an unwillingness to redesign work and policies to meet worker needs contribute to keeping hidden workers at bay.

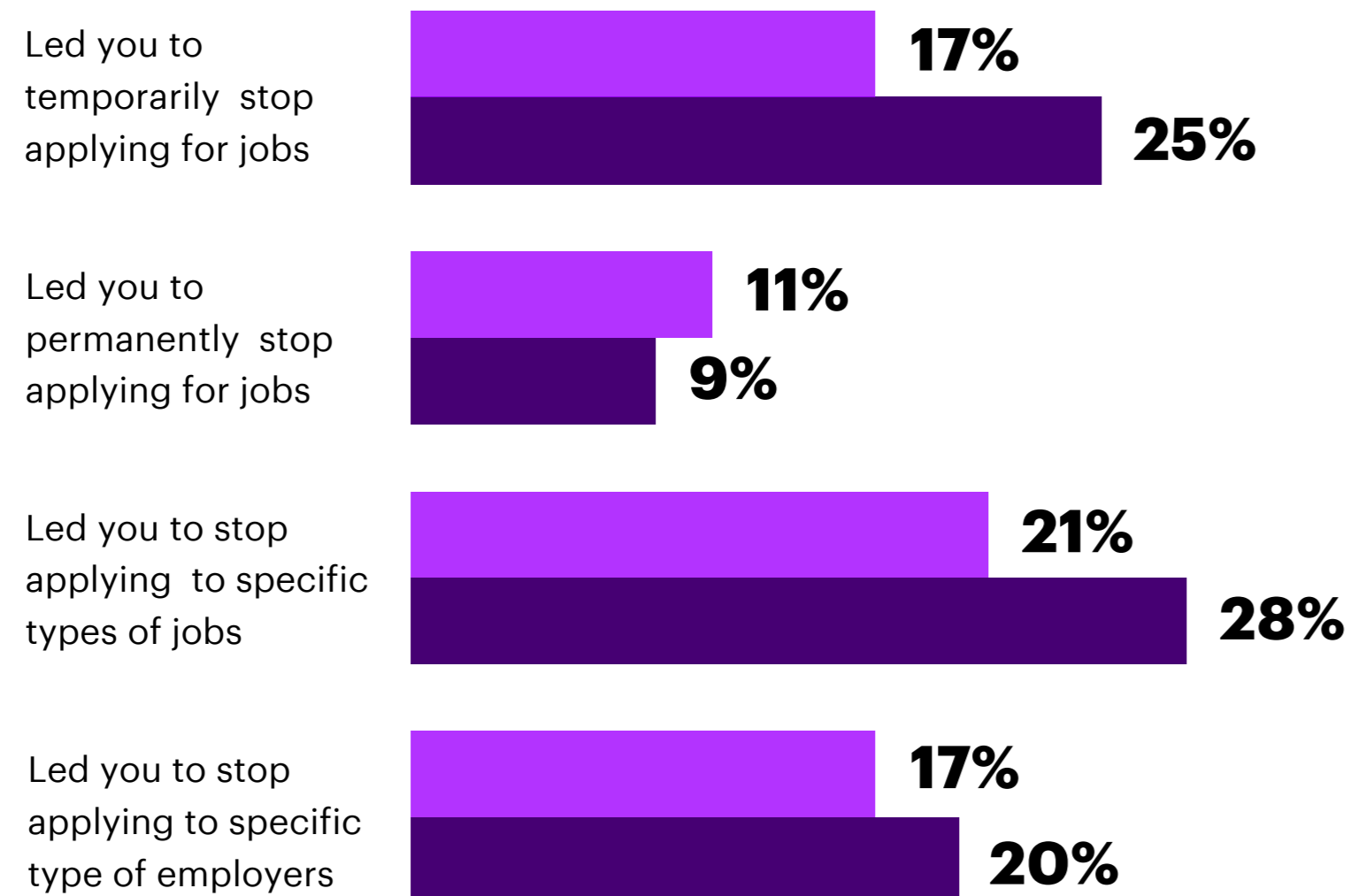
Additionally, hidden workers are often discouraged by the difficult job application process. In our study, hidden workers had only a 7% success rate in obtaining a full-time job offer.

For public service, roughly 1 in 2 hidden workers reported that the job application experience caused them to stop applying to certain types of jobs.

For 20% of hidden workers in the public sector, the experience was so discouraging that it stopped them from applying for jobs altogether. (Figure 4)

Hidden workers are discouraged by the job application process.

In your experience, has the job application process:



■ Middle skills workers (with more than a high school diploma/secondary education certificate, but incomplete formal higher education)

■ High skills workers (formal higher education degree completed)

Figure 4



At an aggregate level, we identified three critical barriers preventing organizations from considering a larger pool of talent to meet their skills needs:

- 1 Recruiting systems that automatically screen out eligible candidates**
- 2 Recruitment functions that don't elevate the business case**
- 3 A widening training gap**

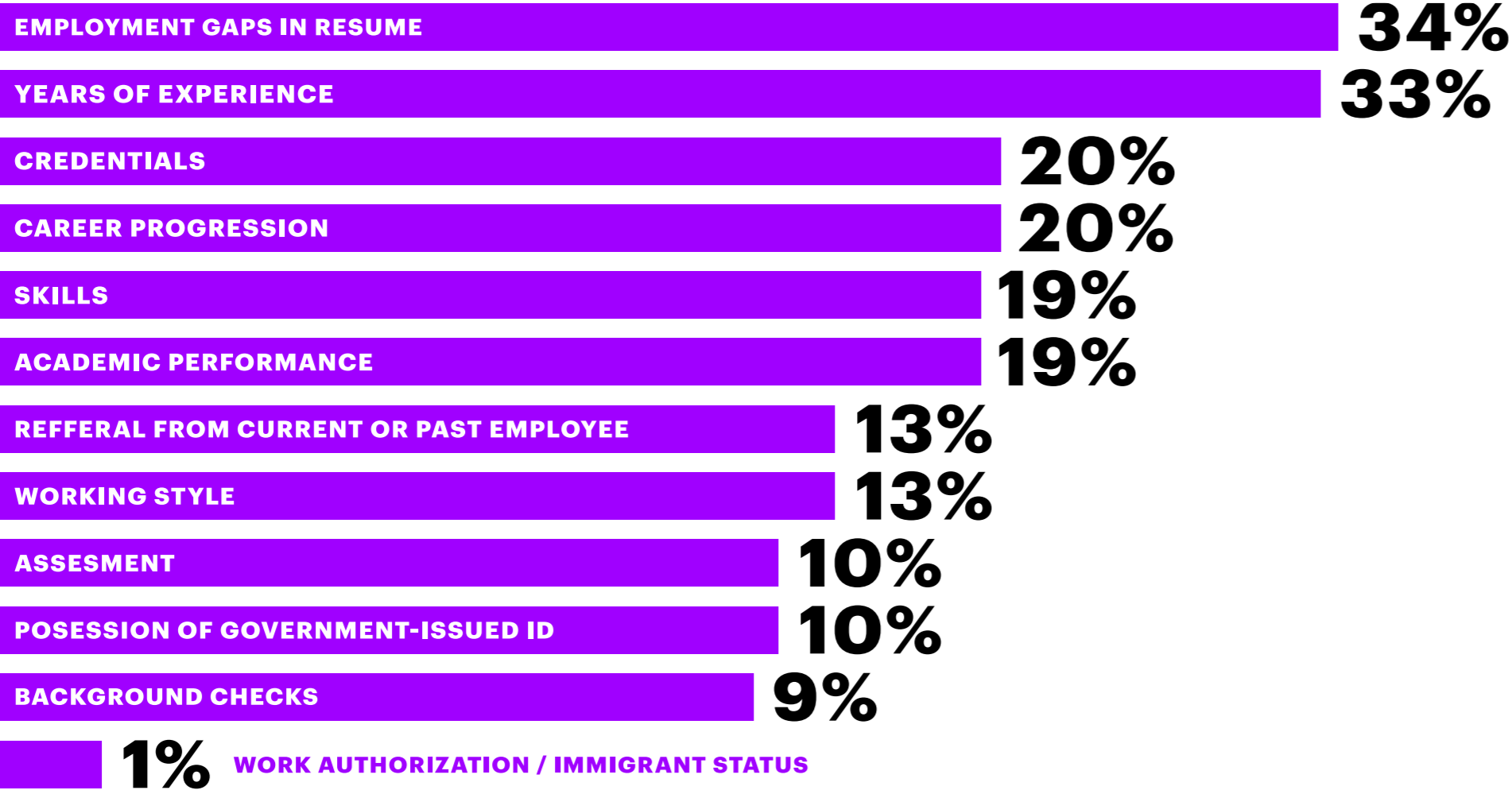


1 Recruiting systems that automatically screen out eligible candidates

Applicant tracking and recruitment management systems (RMS) play a vital role in automating aspects of the recruiting process. Our study found that more than 90% of employers use an RMS to filter or rank potential middle-skills (94%) and high-skills (92%) candidates. However, because these systems are designed to maximize the efficiency of the process, they typically rely on specific parameters to identify suitable candidates.

Job criteria that **hidden workers** feel may be working against them

Which of the following criteria do you think stops you from finding work?



Most systems also use a failure to meet certain criteria

(e.g. gaps in full-time employment history) as a basis for excluding a candidate from consideration—no matter what qualifications they may have. When analyzing data on hidden workers in the public sector, we found that employment gaps in

their resume and years of experience were the two largest issues that worked against successful job obtainment, though many other employment criteria also posed barriers. (Figure 5)

Figure 5

2 Recruitment functions that don't elevate the business case

Many organizations that engage with hidden workers do so as a corporate social responsibility initiative, rather than as part of a business strategy grounded in a return on investment. This sends a signal that hiring hidden workers is an act of charity or good corporate citizenship, rather than a genuine source of competitive advantage.

On the contrary, our research clearly shows that organizations that hire hidden workers benefit from improved potential, performance, and innovation. They're also 36% less likely to face talent and skills shortages than organizations that don't hire hidden workers.





3 **A widening training gap**

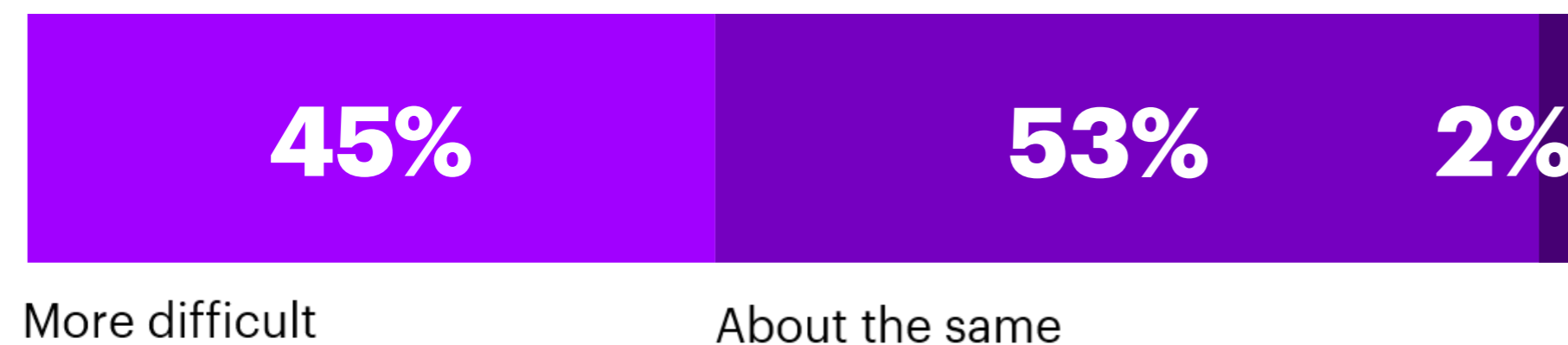
Driven in large part by advancing technologies, roles in many organizations, including public service agencies, are changing rapidly.

Evolving job requirements are often outstripping the capacity of traditional skills providers, like education systems and other workforce intermediaries, to adapt.

This can make it very difficult for workers to obtain relevant skills—a challenge that is magnified if candidates are not already employed.

The pandemic has heightened **hidden workers'** challenges

Since the pandemic began, barriers I face with finding work have become:



The pandemic made it:

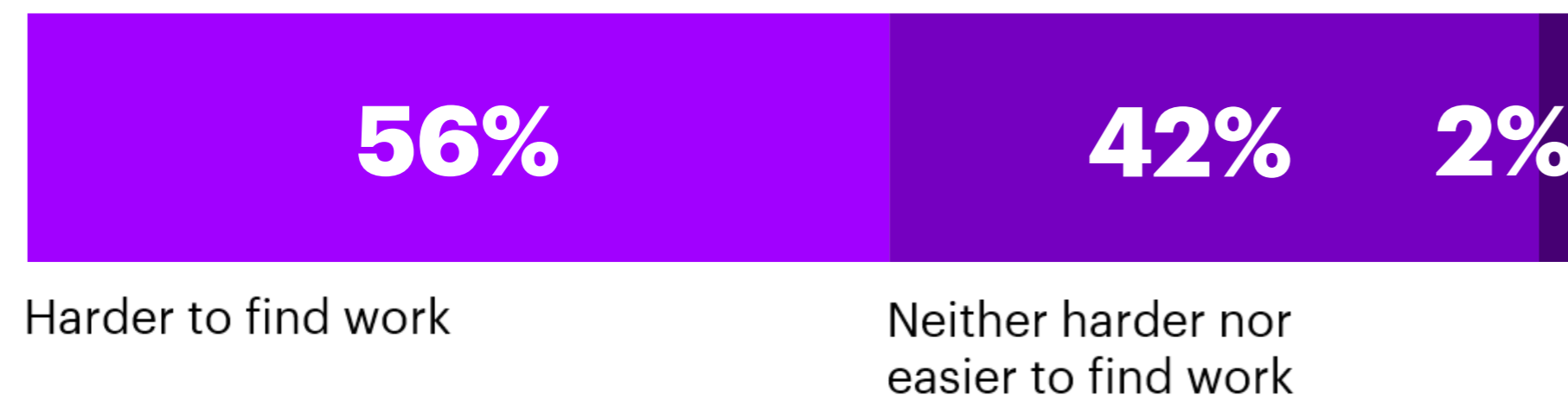


Figure 6

Our research shows that the pandemic has heightened the challenges facing hidden workers.

We found that **45%** of hidden public sector workers felt that barriers to finding work increased during the pandemic, with **56%** reporting that the pandemic made it more difficult to find work. (Figure 6)

Public service agencies today have an outstanding opportunity to reverse this trend and empower this untapped source of talent. Additionally, it's an opportunity that stands to benefit everyone.

Agencies stand to tap into a rich community of skilled, motivated and dedicated workers. And for these hidden workers, after months or years of being jobless or underemployed, there's a chance to get back into rewarding paid work.

How can public service organizations tackle this issue?

Tapping into hidden talent holds the promise of reducing job vacancies, stemming skill shortages, and boosting diversity and belonging across government agencies. So what is needed to find, attract and retain hidden workers?

Accenture has identified five ways agencies can make a significant positive difference:

- 1 Shifting job filters from negative to affirmative**
- 2 Refreshing job descriptions to focus on critical skills**
- 3 Adopting an experience mindset to make the recruitment processes more tailored and personal**
- 4 Undertaking more targeted outreach**
- 5 Fostering a culture that is more explicitly supportive and inclusive of hidden workers**



1 Shift filters from negative to affirmative

Automated or semi-automated processes filter out many high-potential candidates before the first gate. One way that organizations can continue to find workers with critical skills is to make automated job filters more inclusive. Rather than focusing on “the one thing” that differentiates suitable applicants, public service employers should pick six to eight “minimum” skills that filter more applicants in. Designing affirmative filters can help to ensure that hiring is based on genuinely relevant skills, rather than proxies, such as ‘continuous employment’ or ‘college graduate.’

Additionally, greater testing for bias in sourcing, screening and selection algorithms and consideration of new recruiting technologies that help to boost diversity in the workplace can also support transformational change. In certain instances, agencies may even need to consider changing their recruiting technologies.

2 Refresh job descriptions to focus on critical skills

Long and complicated job descriptions, laden with jargon and long lists of requisite skills and other criteria can discourage workers from applying. Research shows that women are particularly discouraged, as well as recent college graduates. Often, new skills preferences are layered on to existing descriptions, creating an idealized profile that keeps many capable candidates from applying.

Refreshing job descriptions based on an analysis of skills that correlate to performance, would help both candidates and employers focus more on the critical skills that are relevant. To do so, recruiters must engage with hiring managers, supervisors and incumbent workers to identify the mix of technical and social skills which are associated with on-the-job success.

Some jurisdictions have begun this work. Under a US presidential order last year, the Office of Personnel Management was charged with revising job descriptions for roles with the federal government to ensure that skills- and competency-based hiring replaces degree-based hiring. Steps such as this will invite a broader talent pool to apply for government jobs and ensure greater equity.

In a two-year pilot called “Recruit Smarter,” University of Melbourne researchers found that simple strategies like changing the language in job advertisements can have a huge practical effect in overcoming unconscious bias.

The program was implemented in 46 organizations, across public, private, and NGO sectors, including the Victorian State government. In one finding, by specifically including diversity-friendly language and information in the job advertisement, researchers saw the number of applicants with disabilities more than double during the trial period at the Transport Accident Commission.



3 Adopt an experience mindset to make the recruitment processes more tailored and personal

Redesigning the application process with a user experience lens is important for ensuring that hidden workers feel comfortable on their journey back to work or extending their working hours. That means being transparent on skills and credentials requirements at the start of the application process and providing clear criteria for decision-making. In addition, an experience mindset will enable government employers to identify the channels hidden workers may favor for seeking new jobs.

For example, our global findings showed that 40% of employers use social media to reach middle-skills job candidates, but only 28% of middle-skills hidden workers report looking for work through that medium.

Job centers and advertizing through non-profit partners may be better ways to connect with hidden workers looking for employment. A user-centric lens can help employers to get this and other recruitment processes right for different groups of hidden workers.

In the past few years, the UK Civil Service has shifted hiring and recruitment towards a centralized 'Success Profiles' platform, which includes applicant profiles and online assessment delivery. Reflecting the Civil Service ambition to be the UK's most inclusive employer, the platform is constantly being tested and updated with improvements for historically under-represented groups, including neurodivergent applicants.

Recent improvements include: researching the needs of people who have autism to improve the way the tests are worded, upgrading all tests to make them fully accessible to test takers who use accessibility features; and using tests which adapt to the way the test taker responds, rather than a one size fits all approach, so that they have **the best possible chance to demonstrate their true abilities.**

4 Undertake more targeted outreach

Since hidden workers are a diverse group of individuals, employers can segment the talent pool to understand the specific needs of subgroups and identify those which make most sense to target. Almost three-quarters of executives we surveyed, said they engage five or fewer types of hidden workers.

By focusing on select types of hidden workers employers can tailor experiences and recruiting and onboarding processes can be made more relevant and inclusive. And when formerly hidden workers join the organization, such a focus will help identify specific supports to better their work life experience, benefiting both individual and employer.

Through transition programs such as the US Defense Department and US Chamber of Commerce’s “Hiring Our Heroes” initiative, veterans can be placed at civilian organizations up to 18 months before their separation.

The program has high success rates for translating those military skills directly into post-military employment, smoothing the transition process for service members and providing a valuable pipeline of candidates to a variety of public and private organizations. Veterans join city, state, and federal governments at higher rates than civilians, including police departments, postal service, and security agencies.





5 Foster a culture that is more explicitly supportive and inclusive of hidden workers

The full potential of hidden workers can only be realized by providing a supportive workforce culture and environment. Among the keys to fostering this culture? Visibly debunking any preconceptions that may exist about hidden workers and enlisting a senior leader to champion hidden worker hiring, acceptance and retention.

Ensuring that incumbent workers understand the circumstances surrounding a target segment of hidden workers, and the strong performance of hidden workers generally, will enhance the likelihood of their acceptance. Based on our interviews with select employers, it's clear that hidden worker success stories tend to highlight an influential leader who champions the business case to others in the organization. This senior leader also evaluates the hiring strategy and ensures that targets and goals are met.

A recent Accenture report on belonging at work supports these findings. The importance of supportive leadership and creating supportive and diverse workplace cultures was found to positively influence productivity, human potential, and workers' sense of belonging to organizations.

Charting a path forward

Hiring systems today are ineffective at closing the skills gaps and supporting diversity, equity, and inclusion initiatives. As organizations continue to experience a 'great resignation' and develop more flexible workforce models post-pandemic, the time is ripe for overhauling certain recruiting and hiring processes.

Encouragingly, some businesses and parts of government are already making strides to change. Increasing numbers of business coalitions have launched within the past year, with goals ranging from hiring more individuals with a criminal record, to bringing more caregivers back into the workforce. We also see an uptick in discussions in certain

pockets of governments, about how to change hiring practices to reach more diverse hires and focus on skills-based hiring.

Governments are often a country's largest employer. As private sector companies begin to recognize and champion the case for hidden workers, government agencies have a responsibility to do the same and take the lead and provide a model of how to integrate hidden workers successfully into the workforce. Doing so will enable those workers to thrive, alongside the public agencies for which they work.

These initiatives help normalize the hiring of hidden workers for other large businesses, and support the broader economy and society as a whole.



About the Research

Accenture’s “Hidden Workers, Untapped Talent” research was conducted in partnership with Joseph B. Fuller, Professor of Management Practice and co-lead of Harvard Business School’s Project on Managing the Future of Work. It focuses on quantifying the business case and mechanisms by which individuals who are often restricted from realizing their full potential in the workplace, such as people with disabilities, family care commitments, veterans and ex-offenders, can increase and deepen their participation. The research is based on both official labor market data, as well as proprietary 2019-2020 surveys of over 2,000 employers and 8,000 employees in Germany, the UK, and the US.

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