

RESEARCH REPORT

2023 Executive Survey

The power of mobilizing the boundless workforce



dayforce

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Methodology

Hanover Research conducted Dayforce's *2023 Executive Survey* research online in May of 2023. The study included 2,020 leaders who are director level or higher in their organizations. Respondents represent six regions around the globe – Australia/New Zealand (ANZ), Canada, Germany, Singapore, the United Kingdom, and the United States – and work for companies with 1,000 or more employees.

A note from Susan Tohyama, CHRO, Dayforce

Are today's organizations truly maximizing the potential of their workforce? It's a question we're very focused on at Dayforce as we build innovative solutions to help organizations elevate their people operations and create value.

And it's especially important to consider in the current business climate. Organizations face a growing complexity crisis, fueled by rapidly changing workforce dynamics and a fluid compliance landscape. Leaders must balance employee flexibility with rigorous compliance, empathy with productivity, and workers' expectations with budget realities.

Amid these challenges, there is a generational moment of opportunity. Pacesetter organizations will embrace this new reality, conquering complexity so their people – and businesses – can thrive.

Today's boundless workforce – fluid, always-on, and borderless – has the potential to quickly mobilize and perpetually pivot, while delivering the flexibility that workers crave and the agility organizations need.

But are organizations optimizing the right technologies and strategies to ignite this potential? Dayforce's *2023 Executive Survey* of 2,000 leaders from around the globe reveals that despite progress, there is more work to be done.

Our data shows leaders are still grappling with pandemic workforce challenges, while also navigating new ones stemming from the current economic climate. The findings paint a picture of organizations that require a deeper, more strategic investment in technology and training to navigate growing complexity. The result is a series of contradictions.

Optimism vs. challenges

Leaders relay overall confidence about meeting their goals, while identifying significant workforce challenges that affect productivity and performance.

Layoffs vs. labor shortages

Layoffs and labor shortages coexist for many survey respondents, and they expect that to continue.

Foundation vs. innovation

Survey data shows leaders are investing in modern strategies to mobilize the boundless workforce, such as skills-based hiring and contingent workers. Yet, critical activities to reskill and foster internal mobility are much less common.

Where do employers go from here? We've put forth actionable and data-driven insights in this report to help you drive scalable and sustainable performance that's not only good for business, but good for your people too.



SUSAN TOHYAMA
CHRO, Dayforce



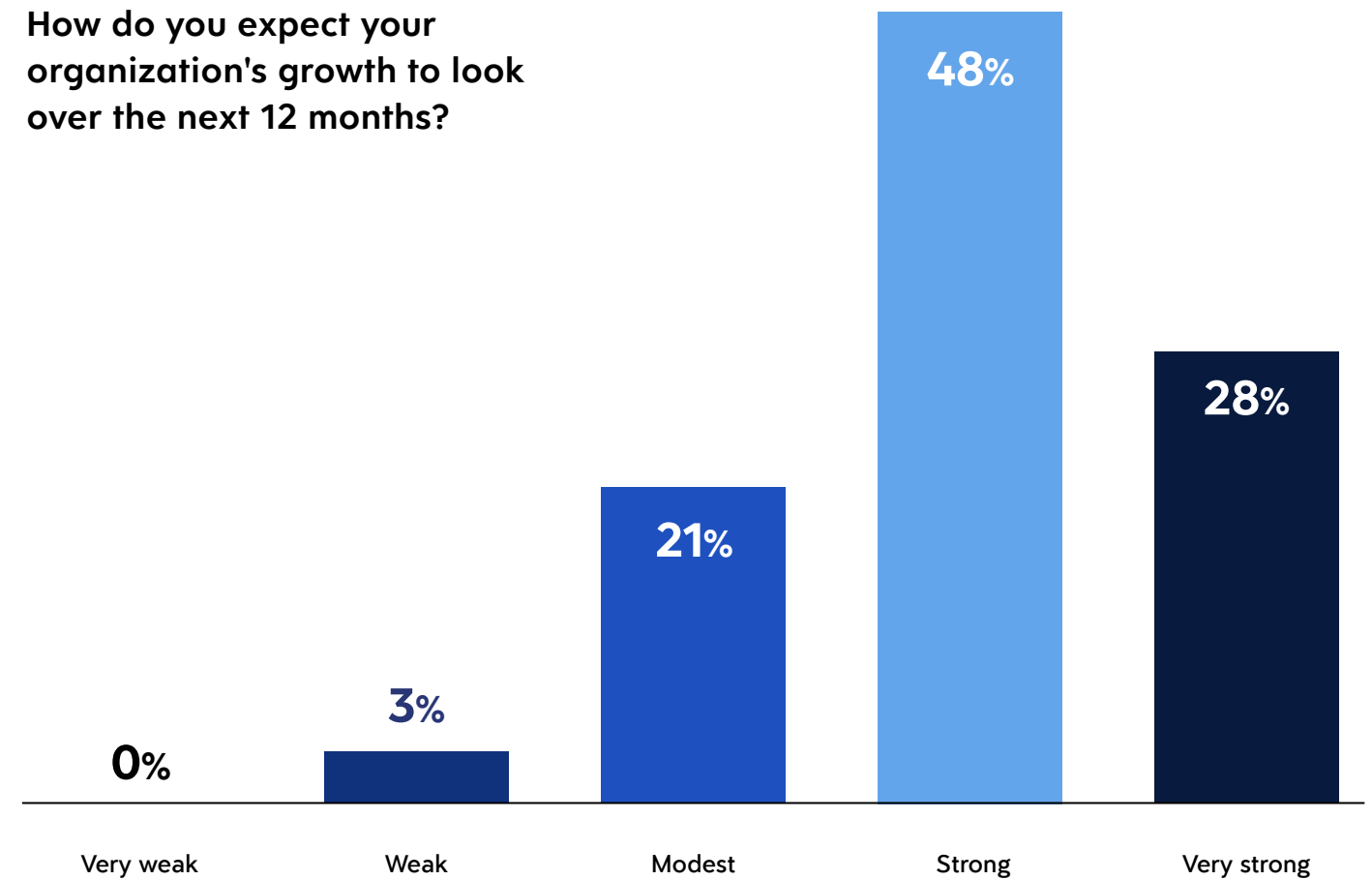
Building a foundation for the future

Today's leaders are confident they're on the right track when it comes to performance.

Eighty-five percent of respondents said it is very or extremely likely their organizations will achieve their 2023 goals.

And 75% expect their organization's revenue growth to be strong or very strong in the next 12 months. Notably, and likely an indication of varying economic and business conditions around the globe, this expectation for growth is highest in Australia and New Zealand (87%) and lowest in the United States (65%).

How do you expect your organization's growth to look over the next 12 months?



Results by region	ANZ	CAN	GER	SGP	UK	U.S.
Very weak	0%	0%	1%	1%	0%	0%
Weak	2%	3%	2%	4%	5%	4%
Modest	11%	16%	17%	18%	19%	31%
Strong	63%	53%	46%	46%	42%	40%
Very strong	23%	27%	35%	30%	33%	25%

While this confidence is positive, it is still challenging to maintain productivity, efficiency, and performance. [Gartner](#) predicts that productivity will be a top-five CEO strategic business priority by 2025, based on its annual CEO research. The 2023 findings show a 46% year-over-year increase in CEOs' mentions of productivity and efficiency in their responses.

Our 2023 *Executive Survey* data indicates organizations are taking steps toward engineering their businesses for sustainable performance by adopting broad workforce strategies that can help them mobilize and optimize talent in more flexible ways in the face of uncertainty and change. We saw high adoption of several key activities that support workforce flexibility.

74%

of leaders said internal mobility has increased in their organization because of pandemic effects

79%

said their organization uses skills-based hiring often or very often

81%

reported AI use in their organization to replace repetitive tasks

80%

said their organization uses contingent workers



Internal mobility, for one, is on the rise. Seventy-four percent of respondents say internal hiring has increased due to pandemic effects. It appears the Great Resignation and pandemic labor shortages showed many employers the value of leveraging existing talent.

Many organizations also appear to see the value of hiring for skills over specific degrees or positions held. Seventy-nine percent of the

leaders we surveyed said their organization is using skills-based hiring often or very often.

Hiring for skills can result in more workforce elasticity, where organizations can more easily move talent between projects and departments. This kind of flexibility also helps organizations fill critical open roles faster than relying on external hires.

Executives are using advanced technologies to reorient their talent toward higher-value work: 81% of respondents say their organizations use AI and machine learning to replace repetitive tasks.

Our findings also show a high degree of investment in contingent workers, which can help employers quickly fill workforce gaps. Eighty percent of respondents globally said their organization uses contingent workers. And 65% expect their organization's use of these workers to increase in the next two years.

While leaders' responses show many organizations are adopting these broad strategies to optimize the boundless workforce, our findings reveal significant workforce challenges for organizations to overcome.





A growing complexity crisis

Many leaders today feel confident about the future. But the growing complexity crisis they face is one that many workforce strategies and systems are ill-equipped to handle. This crisis is fueled by the velocity of compliance changes, the explosion in types of work and workers, the increasing impacts of AI automation, and expanding employee expectations. And no organization is immune.

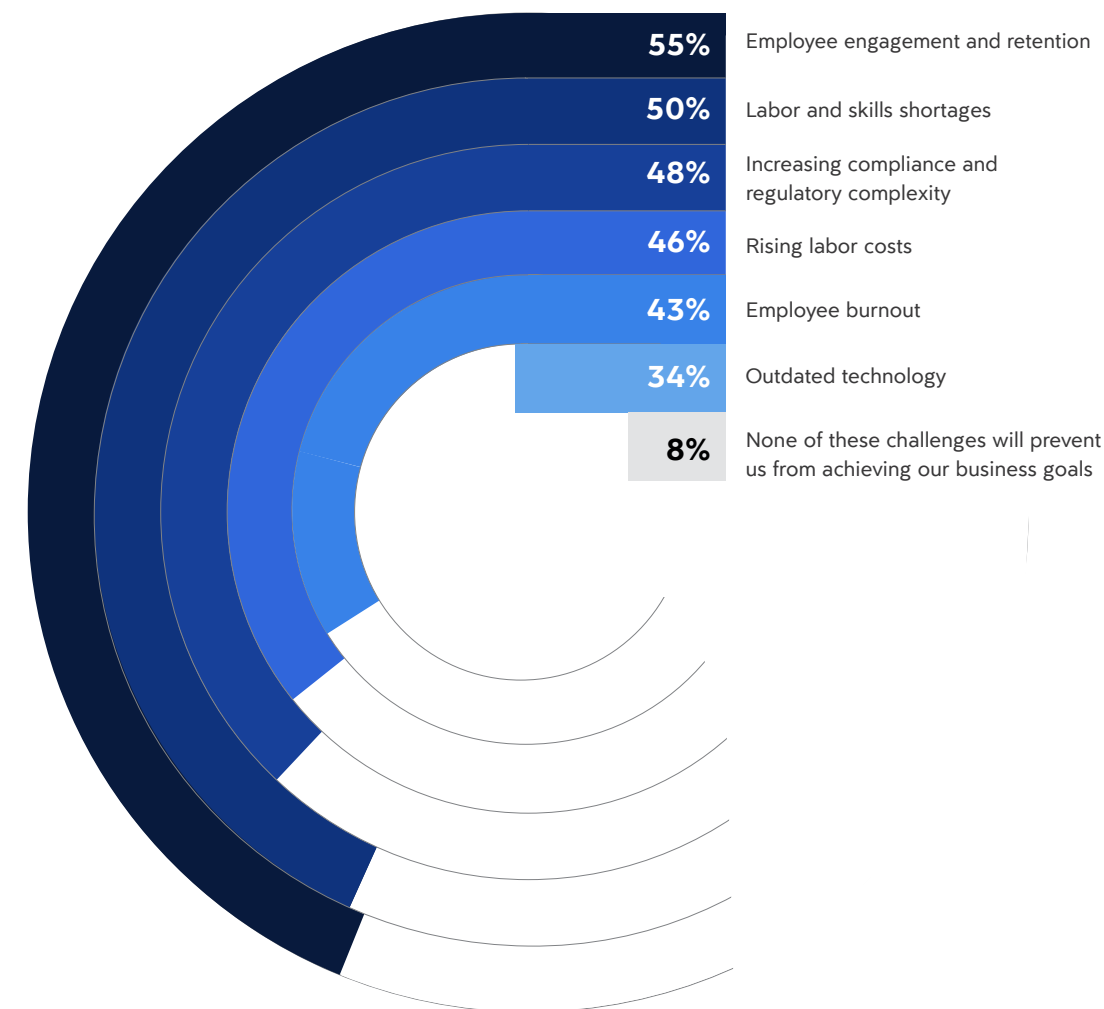
Our data illustrates the accelerating complexity, with nearly all respondents (92%) saying workforce challenges will limit their ability to achieve business goals in the next year.

And despite investing in strategies to build more flexible workforces, organizations are struggling with many of the same workforce challenges reported in Dayforce's [2020 Future of Work](#) survey of senior leaders, where we asked a similar question. For instance, in 2020, half of all respondents were experiencing skilled labor shortages – the same as in 2023. And the prevalence of employee engagement and labor cost challenges has increased.

Today's organizations need the right strategic approach to conquer this complexity and overcome enduring workforce challenges so their people can perform and thrive.

Which of the following workforce challenges will limit your organization's ability to achieve its business goals and priorities in the next 12 months?

(Select all that apply.)



Employers face enduring challenges

	2020 Future of Work	2023 Executive Survey
Labor shortages	50%	50%
Employee engagement	37%	55%
Rising cost of labor	33%	46%

Overcoming a critical contradiction

The contradiction of coexisting layoffs and labor shortages perhaps best demonstrates the complexity crisis leaders face today.

Two-thirds (66%) of our *Executive Survey* respondents said their organizations have experienced a labor shortage in the past year. And there is no end in sight for most of them – 88% said their organization is at least slightly likely to have labor shortages in the year ahead.

It's an expensive problem. Research from [Korn Ferry](#) shows that, if left unchecked, talent shortages could result in \$8.5 trillion in unrealized revenue by 2030.

Yet, despite struggling to fill roles, more than half (56%) of leaders surveyed said their organization conducted layoffs in the past 12 months. And most (81%) said it is at least slightly likely there will be more layoffs in the next year.

88%

of respondents said labor shortages are likely in their organization in the next year

81%

said layoffs are likely in their organization during the same time





Looking at the reasons behind coexisting layoffs and labor shortages indicates many organizations are experiencing fundamental changes in how they operate.

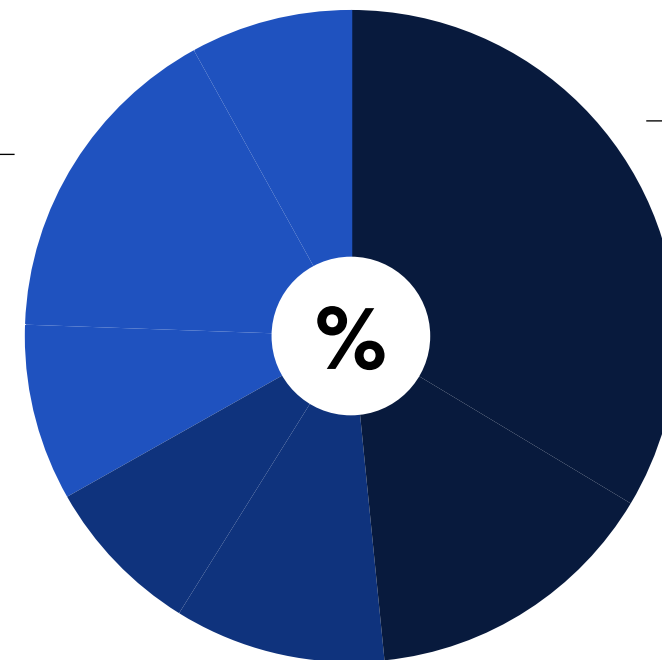
A strategic shift within the organization is cited as the primary reason for layoffs by nearly half (49%) of survey respondents. This shows that not all layoffs are the result of pandemic over-hiring or downsizing due to the slowing economy.

Meanwhile, labor shortages continue to occur because some roles are only increasing in importance and can be challenging to fill. Nearly a third of respondents said too much competition for talent was the top reason behind shortages (27%), with the same number citing a lack of workers with the right skills to match open roles.

What was the primary reason for conducting layoffs?

30%

Slow/uncertain economy



49%

Strategic shift within the organization

20%

Over-hiring during the pandemic

A high-angle, top-down view of a woman in a dark business suit and black heels walking up a curved concrete staircase. She is carrying a black briefcase and looking upwards. The staircase has a white metal railing and is set outdoors with greenery visible in the background.

Succeeding with modern talent systems and strategies

Conquering the complexity crisis is a long game. Winning organizations will focus on adopting comprehensive internal mobility, proactive upskilling and reskilling, a seamlessly embedded contingent workforce, and the right technology to optimize workforce performance.

Comprehensive internal mobility

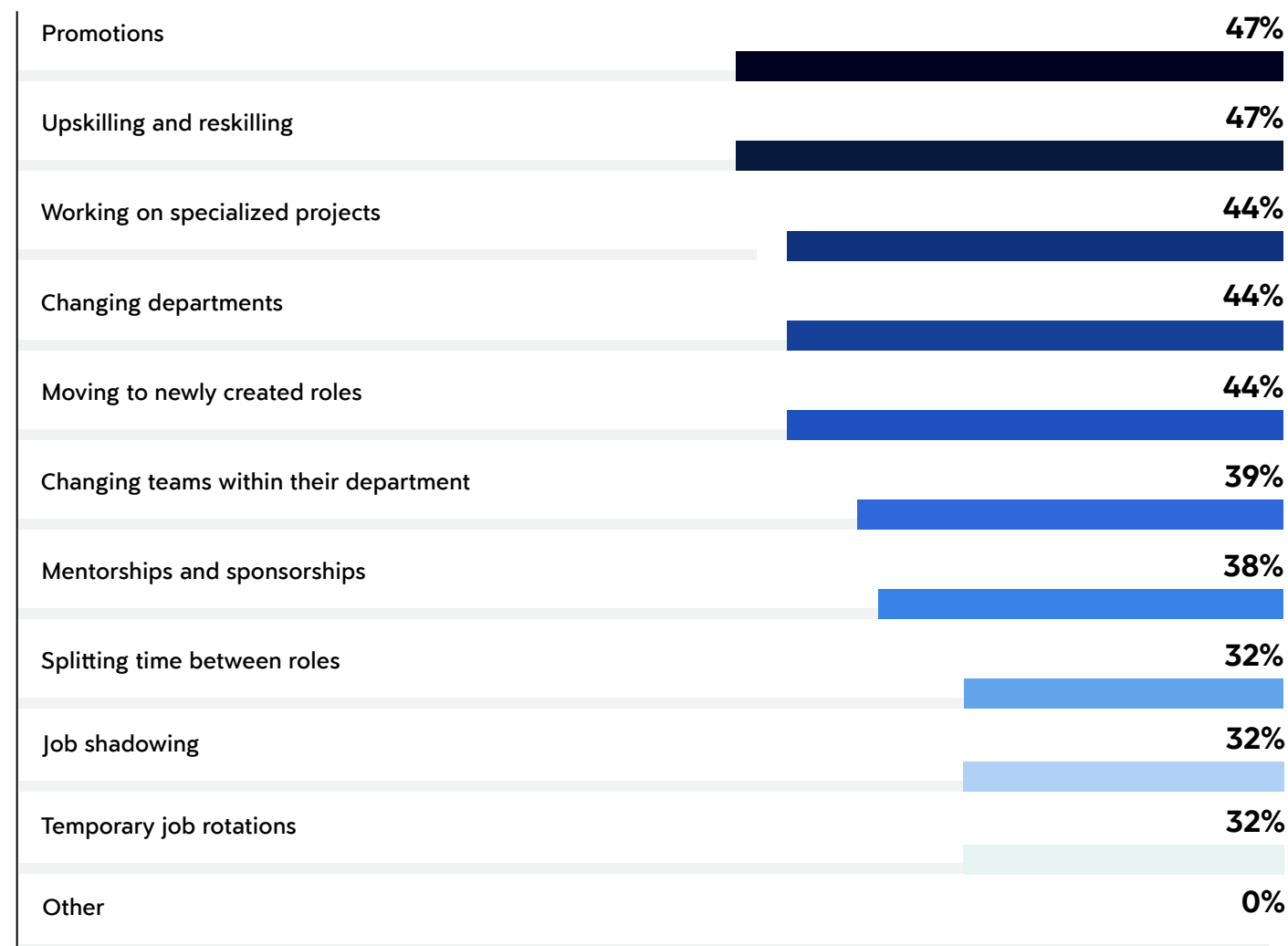
Internal mobility can help organizations move faster and develop talent with the right approach. Employers don't just need employees to move up in an organization. They need people to move in all directions internally to solve the labor shortages and retention challenges that hinder productivity and performance.

But when we asked *Executive Survey* respondents which internal career opportunities are offered within their organization, promotions land at the top of the list at 47%. This increases to 60% in the U.S. and 52% in the UK, but respondents in those countries also report more robust internal opportunities.

Our data shows that leaders are largely stuck on the upward movement of employees, suggesting that the increased internal mobility they reported is not supporting their need to move faster and develop talent in new ways. Fewer than half of all respondents are moving people around the business or giving them opportunities to try out new roles.

Broadening their definition of internal mobility and being more intentional in their strategy would allow employers to fill critical open roles quicker, build talent pipelines, and improve retention.

Which of the following internal career opportunities does your organization offer employees? (Select all that apply.)



Results by region	ANZ	CAN	GER	SGP	UK	U.S.
■ Promotions	42%	38%	25%	45%	52%	60%
■ Upskilling and reskilling	43%	41%	43%	46%	50%	53%
■ Working on specialized projects	40%	39%	37%	46%	46%	51%
■ Changing departments	35%	39%	31%	46%	51%	51%
■ Moving to newly created roles	34%	39%	39%	37%	40%	50%
■ Changing teams within their department	33%	32%	37%	37%	41%	48%
■ Mentorships and sponsorships	31%	32%	30%	35%	44%	43%
■ Splitting time between roles	28%	30%	37%	27%	31%	36%
■ Job shadowing	31%	29%	30%	32%	33%	34%
■ Temporary job rotations	32%	28%	32%	34%	38%	31%
□ Other	0%	0%	0%	0%	1%	0%

Proactive upskilling and reskilling

For people to be prepared for new opportunities within a culture of internal mobility, they will need the right training and skills.

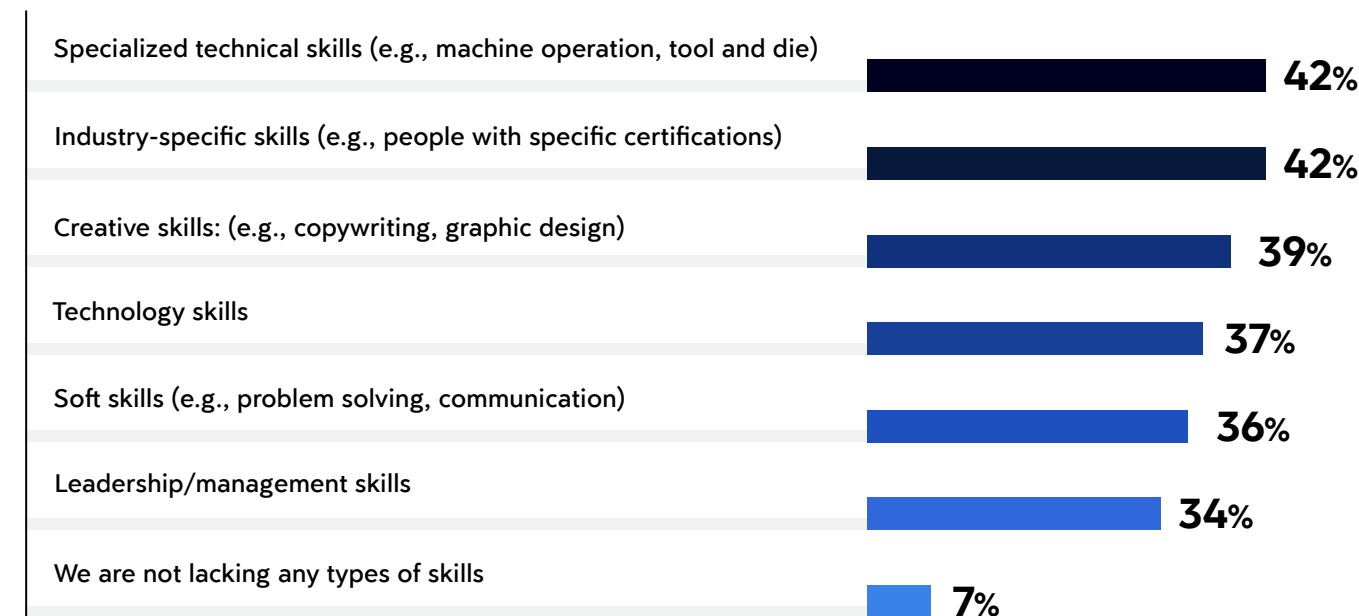
Our findings show leaders may be overconfident about the skills available in their organization. Eighty percent of respondents said their organization’s workforce currently has all the skills needed to meet their organizational goals in the next two years.

But there is a distinct disconnect between this confidence and skills deficits. Globally, 93% of survey respondents said their organization is currently lacking at least one skill type. Specialized technical skills (42%), industry-specific skills (42%), and creative skills (39%) are the top skills leaders reported as deficient.

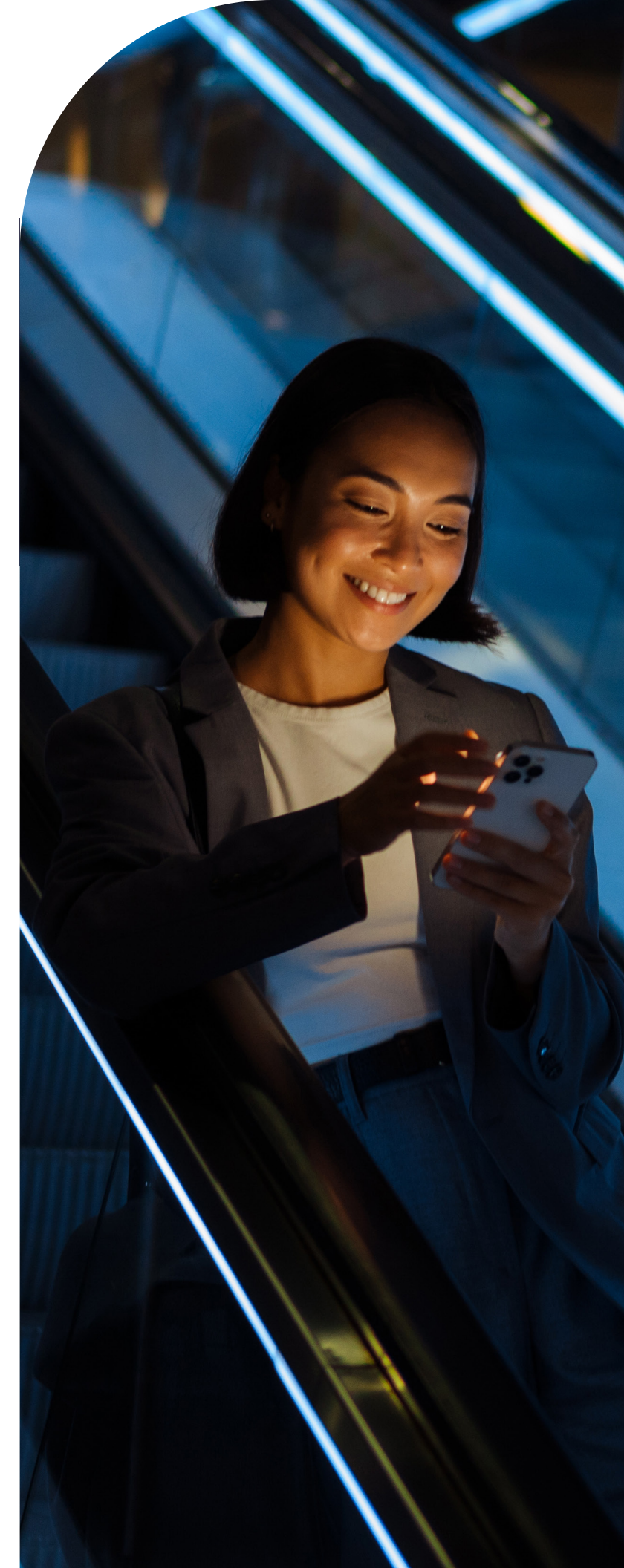
There are, however, regional differences. For example, in Canada, creative skills take the top spot while U.S. respondents said industry-specific skills are most lacking. This could stem from differing availability of training and education across regions, or even cultural differences in the skills and work people choose to pursue.

Skills often take time to build, so organizations must think a few years ahead and build up-and-re-skilling strategies now for the future.

Which types of skills are most lacking in your organization? (Select up to three.)



Results by region	ANZ	CAN	GER	SGP	UK	U.S.
Specialized technical skills (e.g., machine operation, tool and die)	44%	45%	53%	46%	38%	38%
Industry-specific skills (e.g., people with specific certifications)	39%	42%	47%	37%	38%	45%
Creative skills: (e.g., copywriting, graphic design)	40%	49%	48%	40%	33%	32%
Technology skills	32%	44%	37%	28%	31%	41%
Soft skills (e.g., problem solving, communication)	42%	37%	36%	30%	29%	37%
Leadership/management skills	32%	32%	35%	32%	32%	38%
We are not lacking any types of skills	4%	3%	4%	9%	15%	9%





Seamlessly embedded contingent workforce

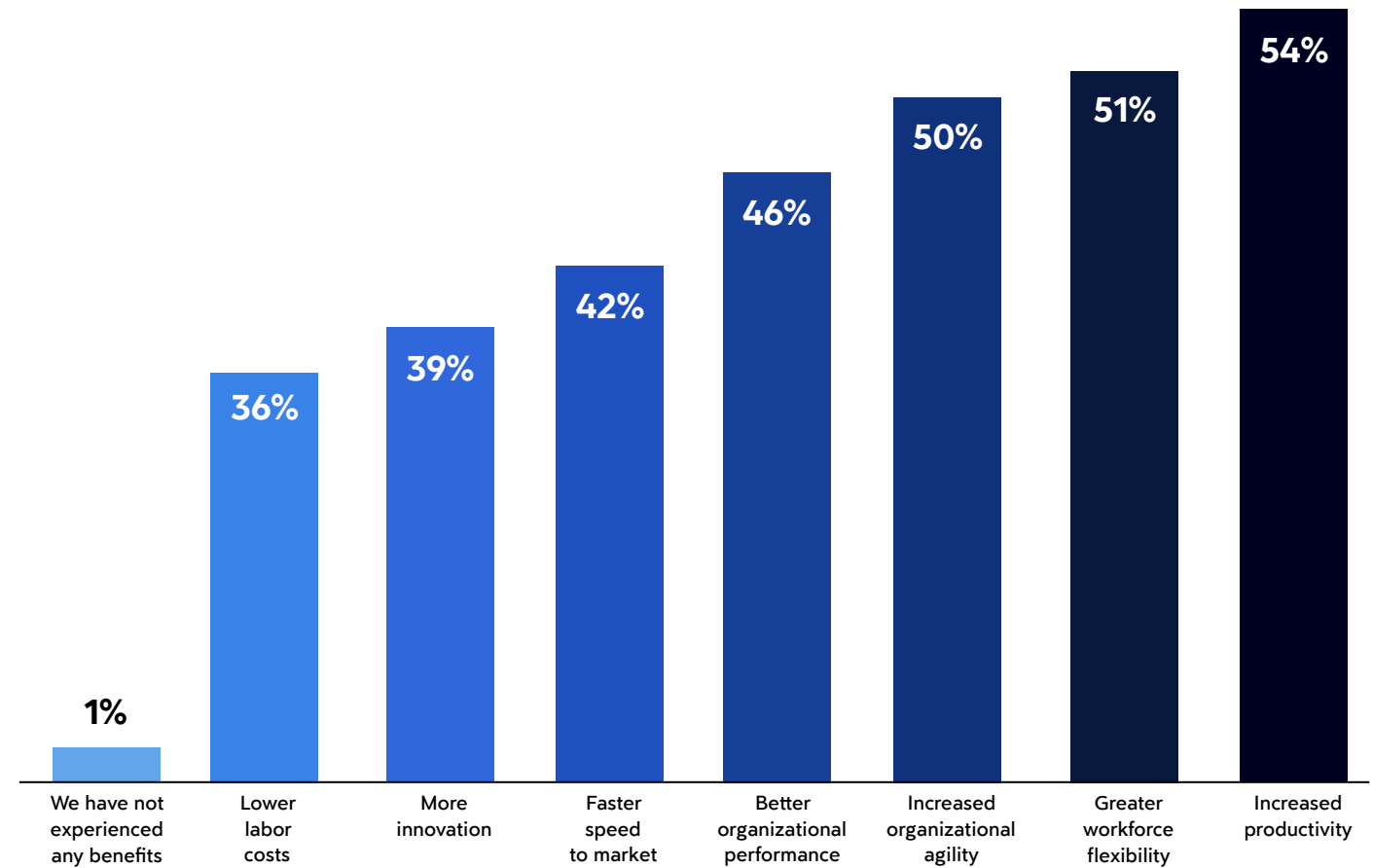
According to [Deloitte's Global Business Driven HR Transformation report](#), some large organizations report that up to 30% of their spending goes to contingent workers. Our research shows that employers will continue to rely heavily on contingent workers in the future, which will increase these investments.

This could be because organizations have already realized big benefits from an extended workforce. Fifty-four percent of the leaders we surveyed said contingent workers have helped their organization increase productivity, 51% said they benefitted by having greater workforce flexibility, and half said having a contingent workforce increased their organizational agility. This shows just how important contingent workers are to fostering the workplace elasticity that will lead organizations on a sustainable path to future success.

But there is still work to be done to optimize the effectiveness of an extended workforce. Ninety-one percent of respondents said their organization has challenges using contingent workers.

At the top of the list of challenges were finding workers with needed skills (44%), onboarding and training contingent workers takes too long (39%), and the high administrative burden of managing contingent workers (37%).

How has your organization benefited from having an extended workforce that includes contingent workers? (Select all that apply.)



Our respondents revealed another significant obstacle that organizations must overcome. Seventy percent said it is challenging to integrate contingent workers into their operations.

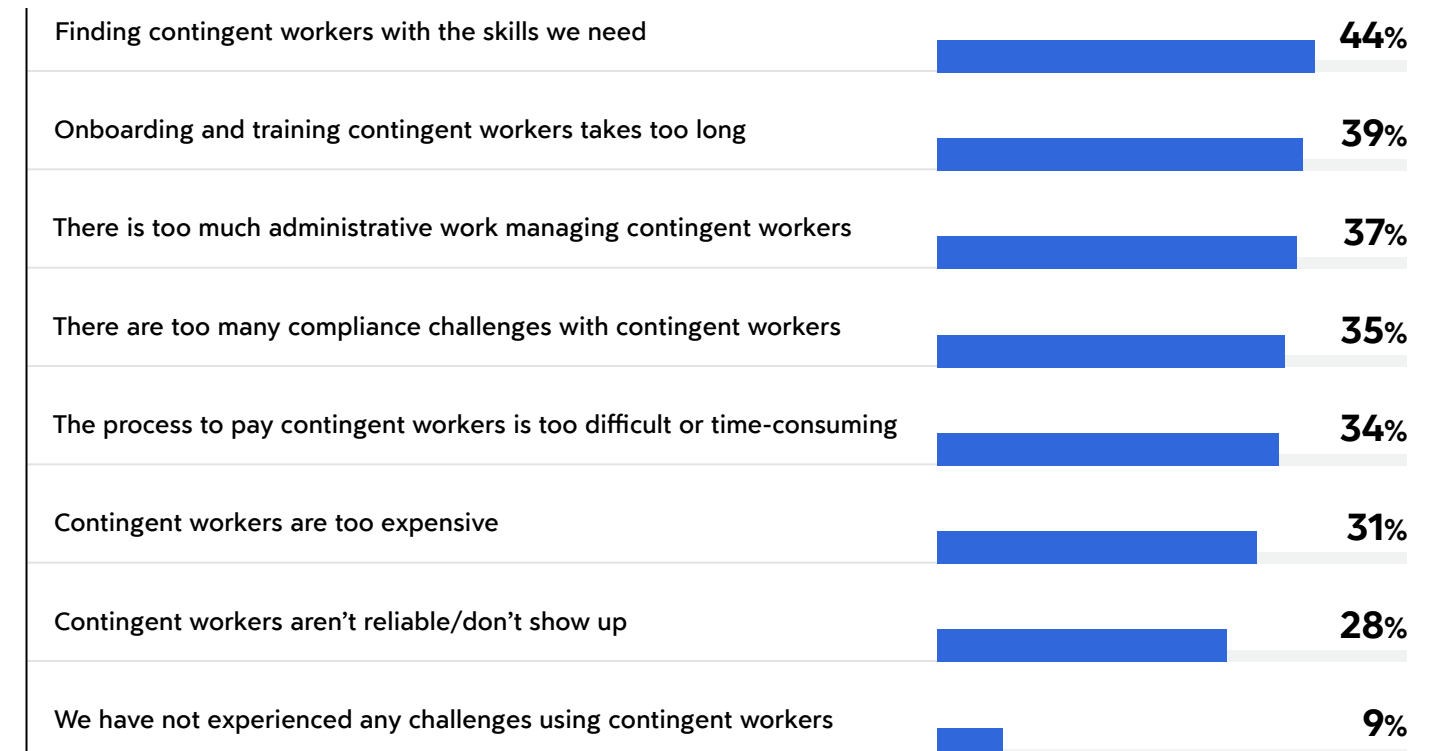
Organizations will struggle to see the full benefits of an extended workforce if it isn't functioning as one entity – or if finding skilled contingent workers and onboarding, training, and managing them is too onerous.



70%
of leaders surveyed said it is challenging to integrate contingent workers into their operations



Has your organization experienced any challenges using contingent workers?
(Select all that apply.)



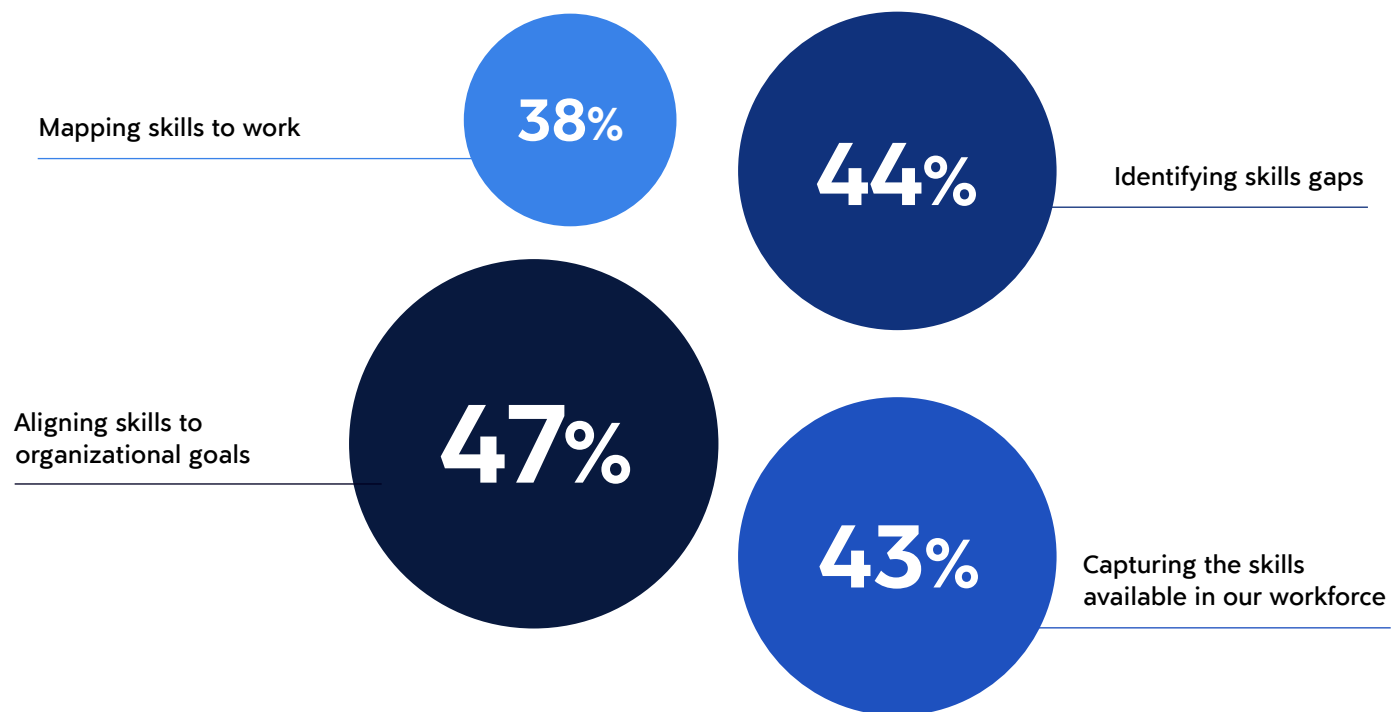
Technology to optimize workforce performance

The right technology is a critical missing piece for many employers as they strive to create the workforce elasticity that will optimize productivity and performance. Research from [SMG](#) reveals that only 27% of executives feel their digital workplace is fully mature.

Our *Executive Survey* research shows that organizations have invested in technology in certain areas, while overlooking it in others.

For example, despite reporting high levels of skills-based hiring, less than half of respondents said their organization uses technology to optimize skills usage, such as aligning skills to organizational goals (47%), identifying skills gaps (44%), and capturing the skills available in their workforce (43%).

In which of the following ways is your organization currently using technology?
(Select all that apply. Skills-related data shown.)

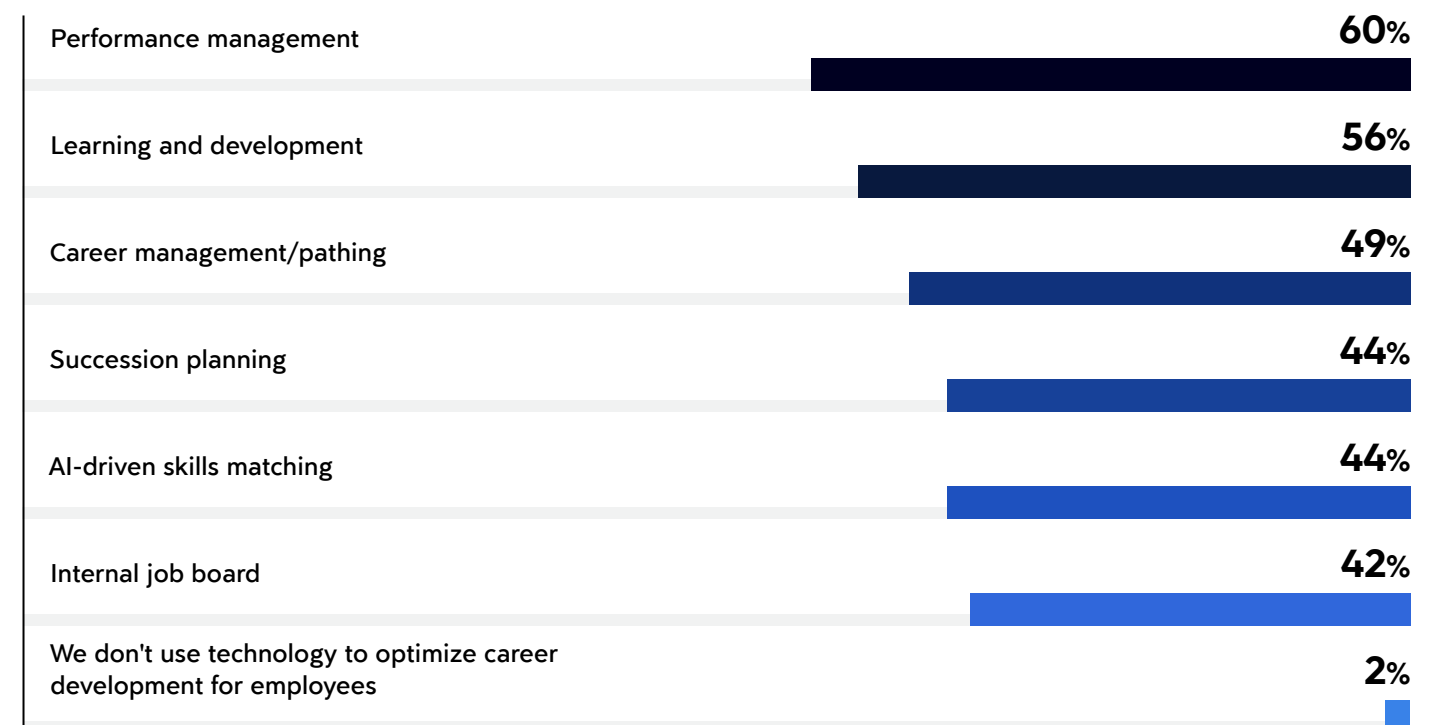




The use of technology to optimize career development is also lacking. The top ways respondents use workforce technology are for performance management, at 60%, and learning and development, at 56%. But these activities should be table stakes to build a strong workforce in today's changing world. And there is still opportunity for many organizations to improve them through technology.

To succeed in creating a workforce that can quickly and easily flex in response to market pressures and opportunities, executives will need to lead the way in implementing and optimizing modern workforce technologies.

In what areas do you currently use technology to optimize career development for employees?
(Select all that apply.)



The path forward

In our *2023 Executive Survey* data, we see that many employers recognize a workforce transformation is underway. And they are largely embracing the idea that outdated workforce structures won't take them where they need to go.

But sustainably driving productivity and performance amid a complexity crisis doesn't happen overnight. Now is the time to invest in the right systems, strategies, and mindset. On the pages that follow, we outline how to get started optimizing today's boundless workforce for future success.





Make learning and development strategic

1. Unlock your people's potential with continuous, broad, and personalized opportunities for learning and development.
2. Provide an actionable plan for employees to stay current with their skills and develop new skills in lockstep with shifting market demands.
3. Help employees build skills in a range of directions so they are prepared to fill vacancies across a variety of roles.

Simplify internal mobility

1. Enable recruiters to identify internal talent for open roles more easily and quickly, based on available skills and employee interests, with the help of technology.
2. Ensure employees understand the career advancement options your organization offers and that it doesn't have to involve climbing the corporate ladder.
3. Empower your people through personalized user experiences that allow them to build meaningful career paths so they don't look elsewhere for growth.





Optimize use of contingent workers

1. Ensure contingent workers are part of a broader extended workforce talent strategy for greater value.
2. Use a talent marketplace to more easily find and onboard contingent workers with the skills your organization needs.
3. Attract better talent by offering on-demand pay, giving workers the option to get paid after every shift.

Drive sustained ROI

1. Adopt technologies that can scale with your business to attain quantifiable value in an uncertain and rapidly changing world.
2. Invest in a workforce platform that leverages AI to streamline recruitment, identify challenges, and surface opportunities to employees around career growth, upskilling, and reskilling.
3. Implement an all-in-one system that allows you to leverage a global HR ecosystem, providing visibility and insights into your full-time, part-time, and extended workforce.



Dig deeper into data-driven insights

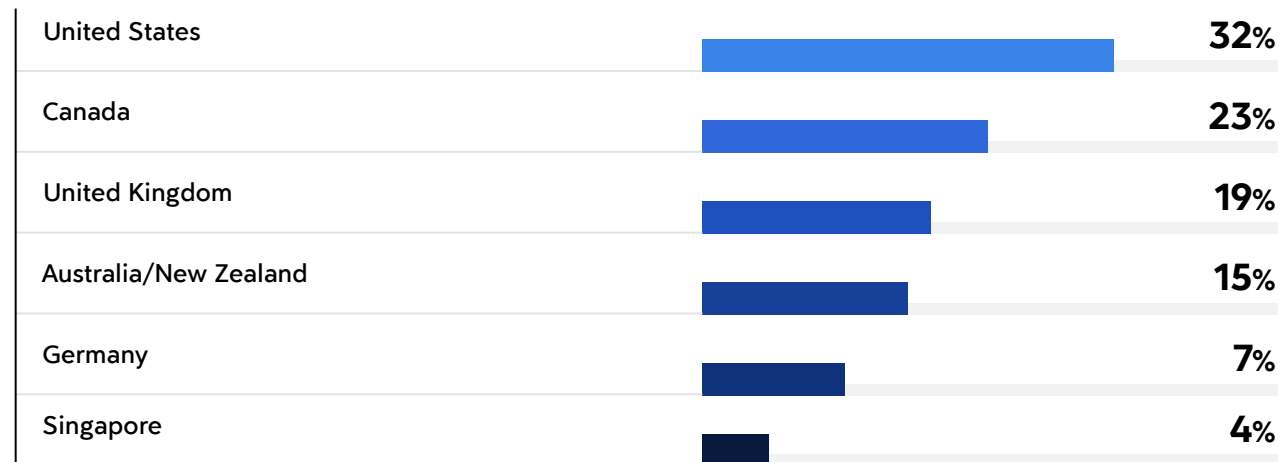
1. Implement systems that allow users to be data driven, with the right intelligence for decision certainty and the ability to optimize performance with real-time insights.
2. Gain a deeper understanding of what motivates your people with employee engagement surveys, and turn insights into action.
3. Use data to understand what your workforce costs you in real time. Make sound scheduling decisions that reduce unnecessary labor costs and help prevent employee burnout.

The predictions for the future of work that have been made for years are finally coming to fruition. In our *2023 Executive Survey* findings, we see more automation, internal hiring, emphasis on skills, and broader definitions of talent. These are all indicators of organizations working to ensure they can quickly assemble the right people with the right skills at the right time.

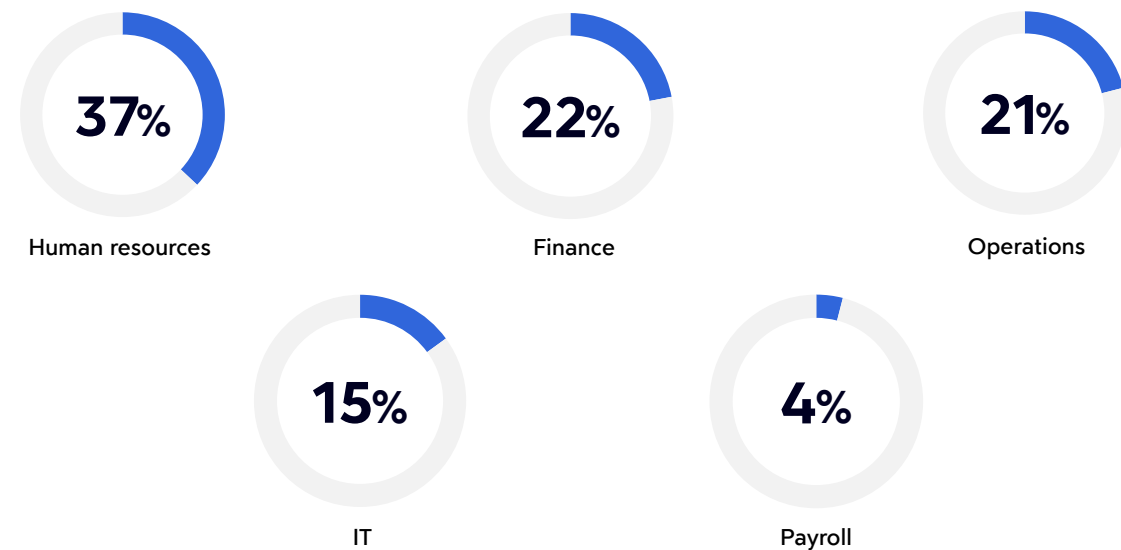
Employers must now prepare for what the next future of work will bring by leaving today's complexity crisis in the past. An optimized boundless workforce – with the ability to quickly react, reconfigure, and rebound – will help organizations evolve alongside the market while saving time, money, and their top talent.

Who we surveyed

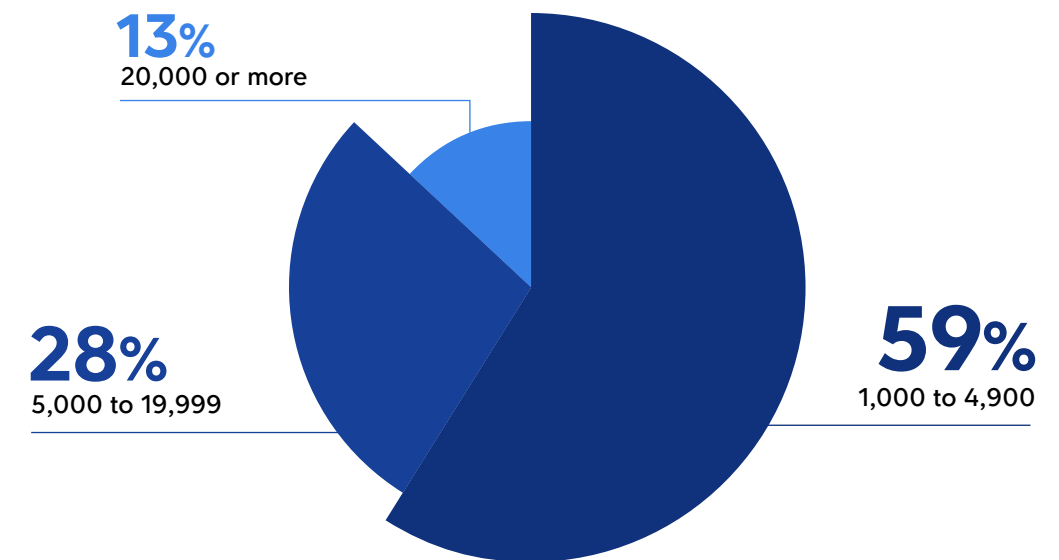
Country



Job function



Number of employees



Job title



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