Talos360

Recruitment trends:

Benchmarking guide 2023

By Frank Allen

Introduction

As we head into the second half of the year, or H2 in business parlance, it's the perfect time for HR to take stock of H1 and past recruitment campaigns and look at trends that might explain previous recruitment successes or failures. We've designed this guide to help HR do just that.

To help maximise your next recruitment drive, in this guide, we'll be feeding back some vital benchmarking statistics relevant to your next recruitment campaign and top tips on re-evaluating your hiring budget to help maximise H2. We'll also delve into how skills are beginning to trump qualifications in the war for top talent and how refocusing on skills-based hiring could open up new talent pools.

How did we get here?

Before we launch into statistics, it's worth recollecting how we are where we are right now as we march into H2 of 2023. However turbulent the last three years have been, and perhaps they're ones we'd all like to forget, it's worth recollecting to see how they've helped shape HR today...

Covid-19

We've all reached saturation point over Covid-19. What else is there to say, really, other than its effects are still apparent everywhere. It has changed the way we work, the way we recruit, and the way we live. **Top stat:** 30% of employees who have recruited in the last 12 months say that roles advertised as 'flexible' are amongst their most effective...**Reed.co.uk**

The Great Resignation

The great phenomena of 2021/22: The Great Resignation. What was it? Coined by Associate Professor at Mays Business School, Texas, Anthony Klotz - 'The Great Resignation' refers to the mass departure of employees throughout 2021 and into 2022. Koltz reckoned that people who hadn't quit because of the pandemic would do so in 2021. And they did. According to the ONS, there were 979,000 job-to-job moves driven by resignations between July and September 2021.

Seemingly, workers were more willing to question and change their lives, re-evaluating their work/life balance, such as:

- Type and amount of work

- Pay and benefits

- Poor working conditions

In short, the market became a candidate-driven one.

How did we get here?

Rise in UK unemployment

One of the lesser-known contributing factors. UK unemployment, while peaking during the pandemic at 4.8%, remains significant at 3.9%, according to the ONS.

Quiet quitting

Another HR phenomenon - quiet quitting followed hot on the heels of covid-19 and gained traction during last winter's cost-of-living crisis. It was a phrase that referred to employees who were neither engaged nor actively engaged and, as a result, slipped through the cracks, and left their organisation. Organisations quickly understood that if you want employees to go 'above and beyond,' they need to feel like it's worth their time. The stats once again backed this up, with HR Zone reporting that 63% of employees would leave their current job to find an opportunity that provides better financial support.

Cost of living crisis

The big one, and a factor still at large. Nearly everything is being attributed to this crisis, from the continuous hike in interest rates by the Bank of England to the rising energy costs and massive proliferation in food prices. It was one of the primary reasons why 71% of people were prepared to leave their job for a better salary in 2022, and you wouldn't bet against this rearing its head again this coming winter.

Skills shortage

Skills shortages have been an ongoing issue for HR for some time. And they continue to be an issue, with 83% of IT and technology companies reporting difficulty in finding the right talent, according to ManpowerGroup. Indeed, it's not just the tech sector that is struggling. Retail, education, health, and finance are all grappling with the same issue.

The rise and rise of flexible/hybrid working

According to Reed, advertising roles as 'open to flexible working' are among their most effective recruitment methods. It is now a benefit people expect, and one HR needs to get to grips with in H2 2023.

The emergence of AI

AI has, in many cases, been with us for some time, especially within your ATS. Consider CV screening, interview scheduling and sourcing, to name a few. However, enter ChatGPT. We've all heard of it; most of us are using it; can HR utilise it; and will it change HR irrevocably?
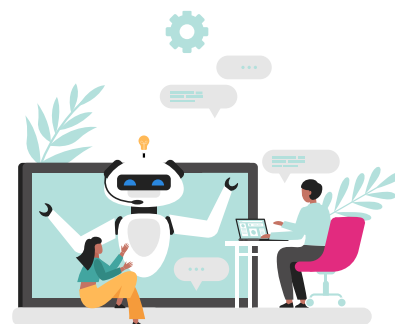
# Current recruitment trends

Current candidate behaviour

- **69%** of job seekers use a job search website to look for their next role - ***Talos**360 Insights*

- **32%** of job seekers now use LinkedIn as their primary search for a new role - ***Talos**360 Insights*

- **55%** of candidates are put off applying for roles that have no advertised salary - ***Talos**360 Insights*

- **41%** of job seekers apply for a job when they're supposed to be working for their current employer - ***Talos**360 Insights*

Generic

- **72%** of recruiters are struggling to find relevant talent - *LinkedIn Insights*

- **86%** of the most qualified candidates aren't actively job seeking - *LinkedIn Insights*

- **76%** of recruiters say that attracting quality candidates is their biggest challenge - *LinkedIn Insights*

- **47%** of businesses are having trouble finding qualified candidates and have job openings they can't fill - *Challenger Report*

The cost of living impact

- **64%** of HR professionals believe their top-performing employees are more at risk of leaving for competitors due to the cost of living crisis - ***Talos**360 Insights*

- **92%** of HR professionals are worried that the cost of living crisis will make their role harder in the future - ***Talos**360 Insights*
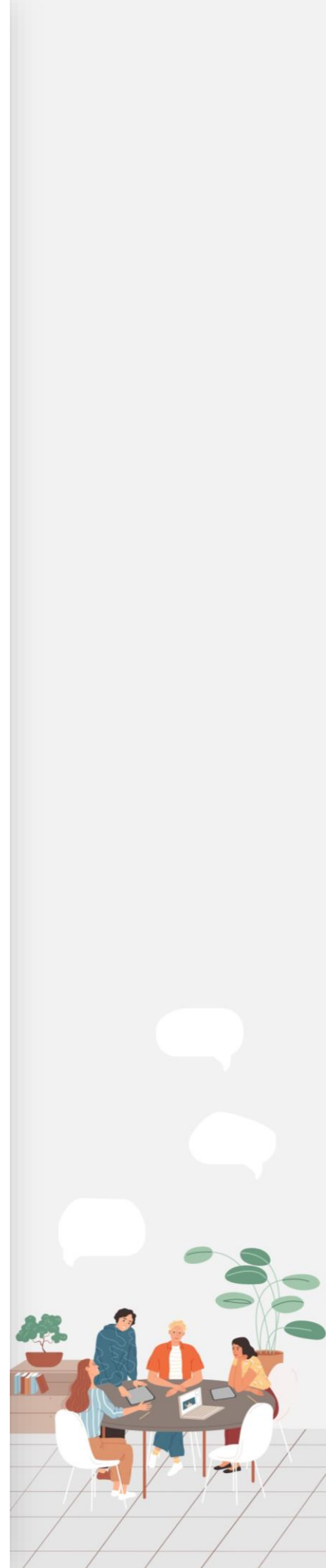
**Flexible/hybrid working**

Employees

- **59%** of people stated that their commute was the primary reason for staying in a current role - **Talos**360 *Insights*

- **56%** of employees said favourable working hours were the primary reason for staying in their current role - **Talos**360 *Insights*

- **42%** of employees said working from home gives an improved feeling of wellbeing - **Talos**360 *Insights*

- **41%** of employees said working from home helps them keep on top of their household chores - **Talos**360 *Insights*

- **42%** of employees are prepared to leave their job for flexible working options - *Reed.co.uk*

- **70%** of employees believe flexible working makes a job more attractive to them - *Reed.co.uk*

Employers

- **30%** of employers who have recruited in the last 12 months say that roles advertised as 'flexible' are amongst their most effective - *Reed.co.uk*

- **54%** of organisations who have recruitment difficulties are offering greater work flexibility to address these difficulties - *Reed.co.uk*

In-demand skills

- **75%** of employee's success comes from soft skills – *Stanford Research Institute*

- **78%** of employers are having difficulty in filling jobs due to the lack of skilled talent – *ManpowerGroup*

- **80%** of companies are struggling to find the right talent - *ManpowerGroup*
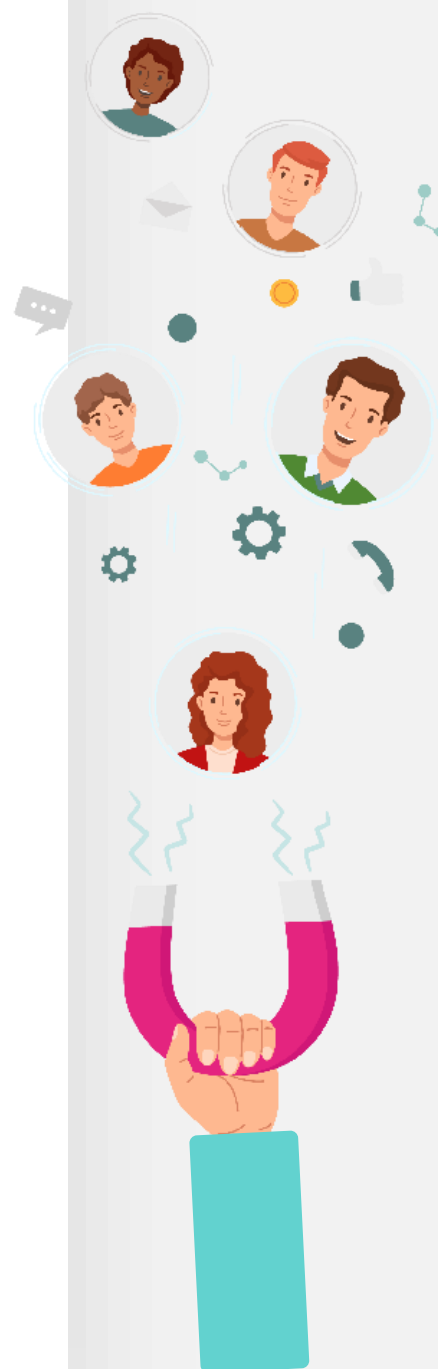
Current application process

- **34%** of candidates are put off by long application forms - **Talos**360 Insights

- **31%** of candidates are put off by bad Glassdoor reviews - **Talos**360 Insights

- **23%** of candidates are put off by boring job adverts - **Talos**360 Insights

HR and technology

- **83%** of professionals depend on technology to collaborate - *Alfresco*

- **54%** growth in AI usage year on year - *Statista*

- **36%** of HR professionals blame insufficient technology for their inability to automate – *UKG*

- UK AI companies have increased **by 688%** over the last 10 years.

- Around one in six UK organisations, totalling 432,000, have embraced at least one AI technology – *GOV.UK*

- **64% of HR professionals** say their companies' automation or AI tools automatically screen out unqualified candidates – *SHRM*

- **85%** of employees using automation or AI say it saves time or improves efficiency – *SHRM*

- **66%** of CEOs think AI can boost HR – *IBM*

- **92%** of HR leaders plan on using AI to acquire talent - *Business Insider*

- **50%** of HR executives agree that AI can transform HR - *HR solutions*

- **68%** of large companies, **34%** of medium-sized companies, and **15%** of small companies have incorporated at least one AI technology – *Forbes*

GOV.UK data shows the most commonly adopted AI solutions in the UK focus on:

Data management and analysis (9%)

Natural language processing and generation (8%)

Machine learning (7%)

AI hardware (5%)

Computer vision and image processing and generation (5%)

About Talos360

Talos360 was founded in 2009 with the vision of helping businesses find a better way to attract, recruit and retain the best talent. Now working with over 800+ companies across all industries, we help them attract, manage and engage the best talent in their sector.
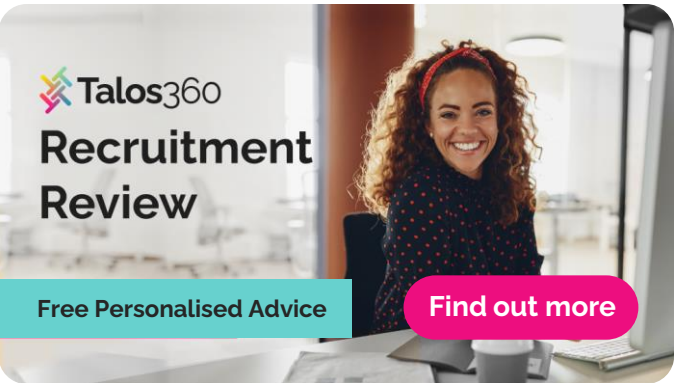
With our three core products, Talos ATS, Talos Engage, and Talos Assist, we cover every touchpoint of the talent journey, including research and insight, employer branding and EVP, candidate attraction, candidate management, candidate experience, video interviewing and remote recruitment.

With our market-leading, award-winning people tech, we can save businesses time and money by improving people engagement and streamlining the entire candidate journey. We offer free recruitment reviews, so why not request your free review today and see what top tips will improve your processes.

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If you would like any information regarding your recruitment process, please contact us. call **01744 812612** or email **hello@talos360.co.uk**
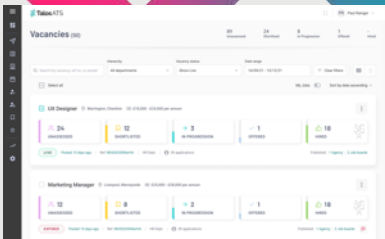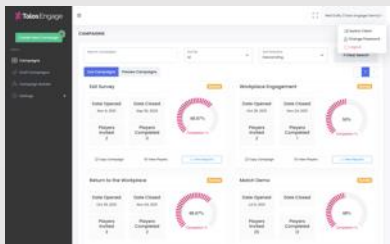
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