



# The Future of Hiring 2023

6 opportunities for skilled labor employers to recruit and hire better in 2023 and beyond



# Executive summary

In November of 2022, Hireology surveyed nearly 1,000 recruiters, hiring managers, and HR leaders across the industries hardest hit by the pandemic. Many of these businesses — largely those that hire skilled labor — never fully recuperated all of the jobs they eliminated at the onset of the pandemic. And we wanted to check in to see how these businesses were faring as new economic challenges lie ahead.

One key finding? For 53% of respondents, low talent supply is still their number one hiring and HR challenge — even as their counterparts in the tech space grapple with layoffs and an impending recession. This tells us that the recession proves to be less of a threat for skilled labor businesses than the pandemic was, and that there is an opportunity for you to gain a competitive edge by recruiting and hiring the right people.

Based on the results of the survey, we identified six people-focused opportunities for skilled labor employers as we head into 2023 and beyond. Read on to learn how you can be one of the first to make the right changes, stand out from the masses, and achieve your hiring and HR goals in the year ahead.

## Industries represented:

- Retail automotive
- Commercial trucking
- Heavy equipment
- General retail
- Home care/home health care
- Long-term care facilities
- Skilled nursing facilities
- Other healthcare organizations
- Hospitality - hotels or property management groups
- Hospitality - restaurants and bars
- Fitness
- Education



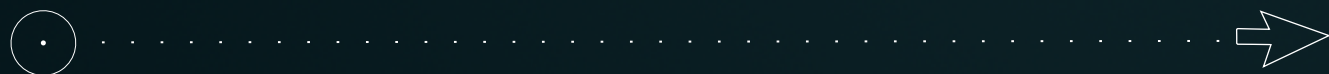


# Opportunity 1

## Redefine the work you offer

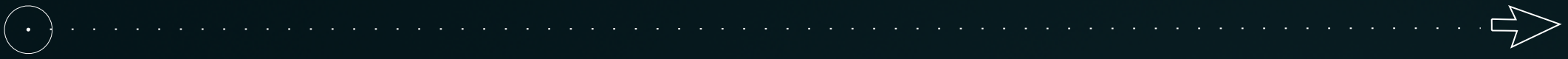
We've all heard the saying: The definition of insanity is doing the same thing over and over and expecting different results. It may be cliché, but this concept holds some weight when it comes to post-pandemic hiring. As people's expectations for work shift, standing out as an employer and making great hires requires you to rethink the jobs you're marketing to today's job seekers. You can't advertise the same jobs with the same benefits to people who have drastically changed what they're looking for and expect to make hires.

How have job seekers' expectations changed? First and foremost, people are prioritizing work/life balance and meaning in work more than ever before. Job seekers are not simply choosing the highest paying offer on the table; their priorities are nuanced. Yes, pay will always matter, but flexibility, culture, and growth opportunities are just as important. In fact, a 2022 Hireology applicant survey found that many job seekers are actually willing to choose these types of benefits over higher pay — so long as the pay is within an acceptable range.



*Which of the following benefits would prevent you from leaving your current job for a higher paying offer? (check all that apply)*



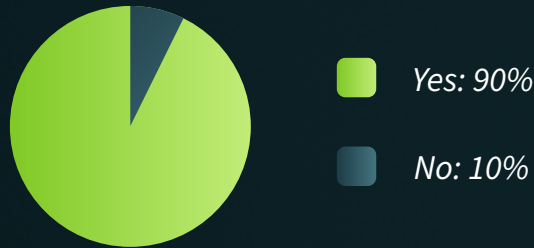


Yet in our survey of employers we found that the vast majority are not offering any of these types of benefits. Only about a quarter offer career path options and scheduling flexibility. And only 37% offer paid time off for full-time/salaried workers while only 29% offer PTO for hourly workers.

At the same time, nearly 90% say they have increased wages in the last year. Raising wages is of course important given inflation, high competition, and increased cost of living, but as we know from surveying applicants, the rest of these benefits carry just as much weight. And for you, offering these types of benefits is arguably easier and more affordable than constant wage hikes.

Here lies the opportunity for you: Find a way to mix some of these types of benefits into your job offerings while also continuing to offer pay within standard market ranges. Clearly defining and marketing policies around flexible shifts and career growth puts you ahead of the vast majority of employers you're competing with today. And it can help you attract job seekers from outside your industry who might be used to the flexibility often found in the tech space today.

*In the past year, have you increased compensation ranges in order to attract more candidates/make more hires?*



### Now what?

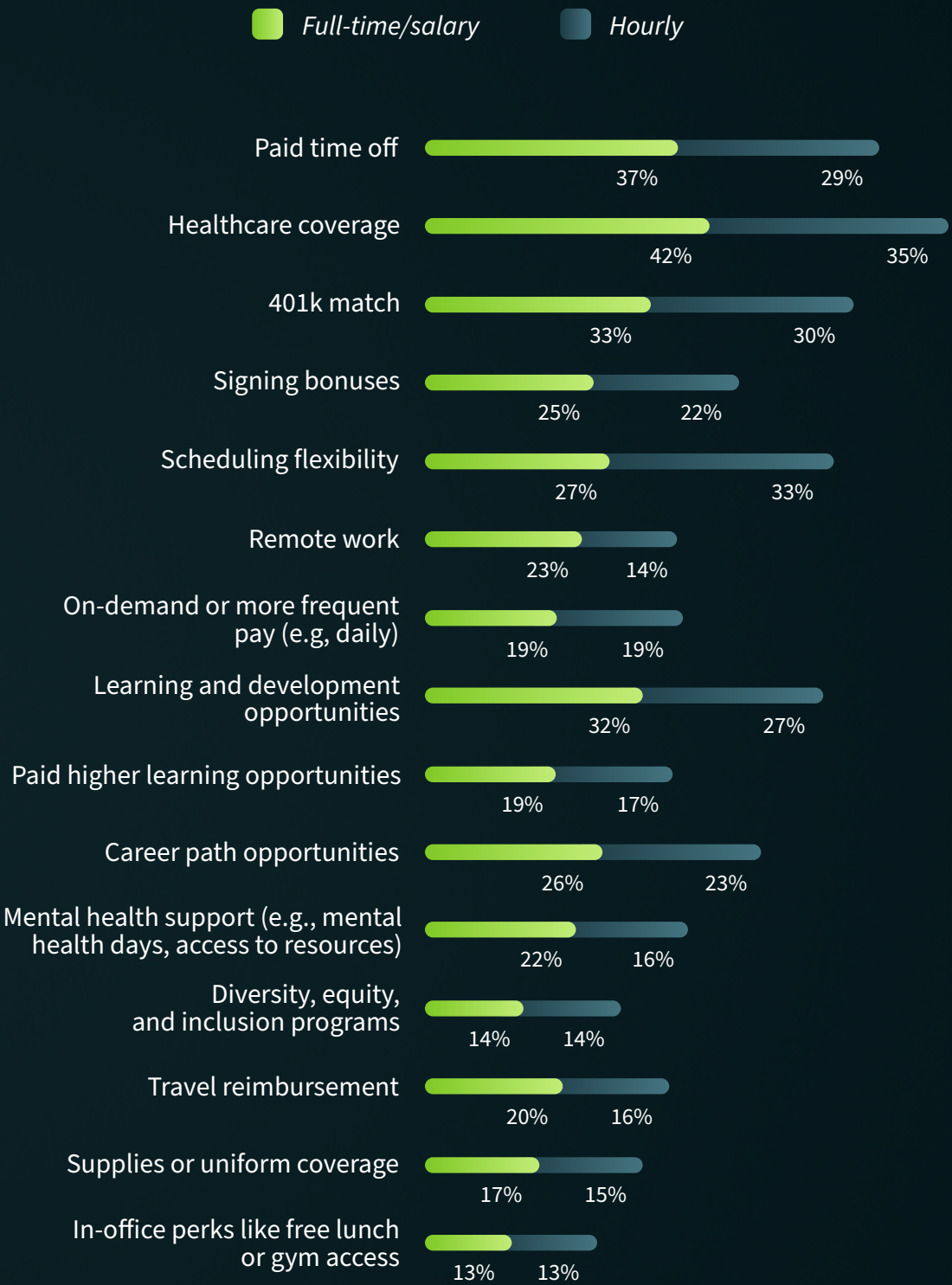
You defined new policies for flexibility, career growth, and more, now what? Catch the eye of great talent by prominently highlighting these policies in your job descriptions, on your career sites, and within any other recruitment marketing efforts. Among Hireology customers, job advertisements that mention flexibility and culture drive:

- 40% more quality applicants than jobs not using these keywords
- 50% more hires than jobs not using these keywords

### Q: How can I offer flexibility when I can't offer remote work?

A: Flexibility can come in many shapes and sizes. For roles that need to be in-person (think: housekeepers or automotive technicians), many businesses are choosing to offer flexible scheduling. For instance, some employees may prefer shorter shifts throughout the week on more days, while others may prefer longer shifts on fewer days. Another alternative is to let people pick their own schedules, or at the very least have more say in what shifts they work week by week.

### Which of the following benefits do you offer employees?





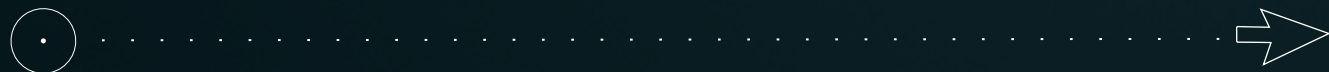
# Opportunity 2

## Focus on relationship building

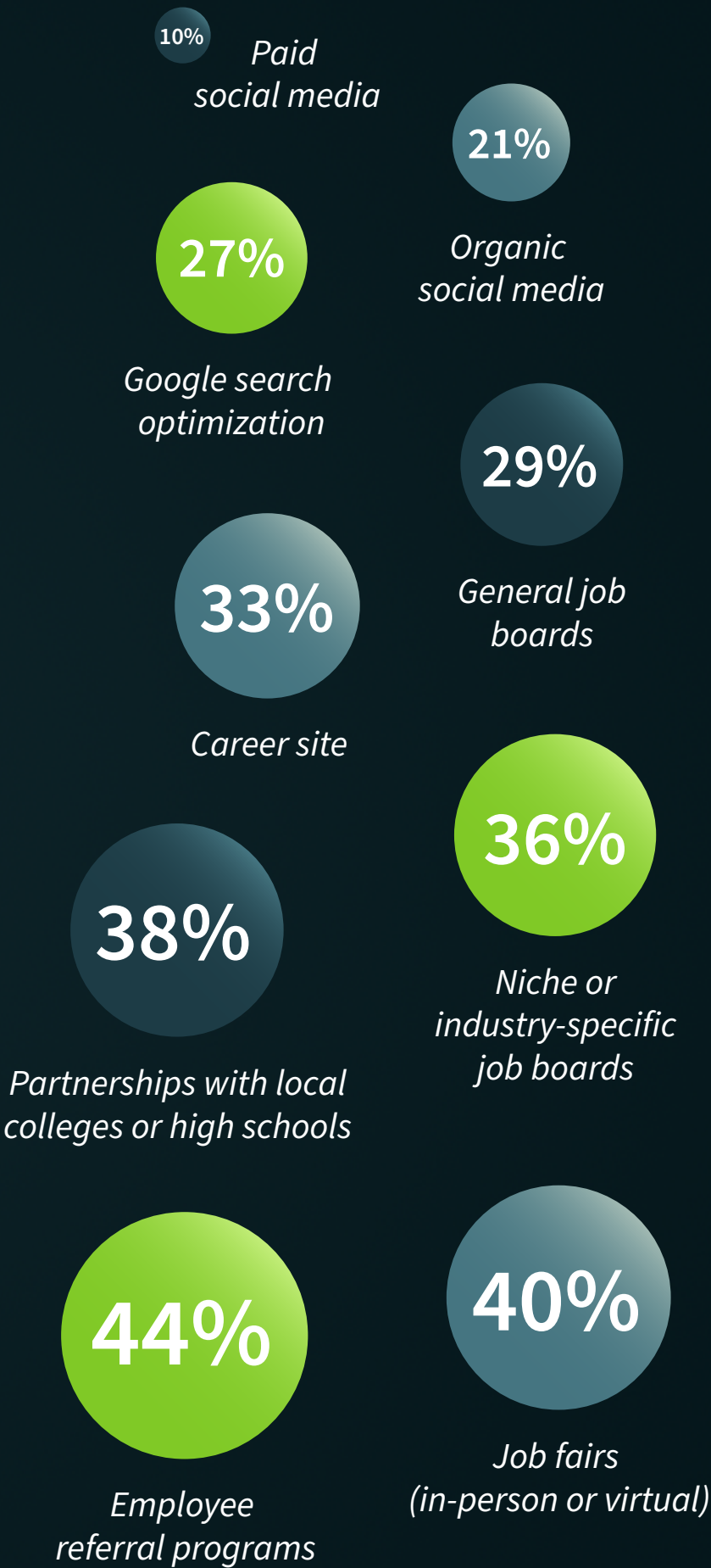
Finding the right person for a role at the exact time you need them is tricky. When you meet great talent there isn't always an open role at the time. Conversely, when you do have an open role it often seems like the volume of new applicants is low. This is why building and nurturing relationships with talent over time is so critical.

The key is thinking of hiring as more cyclical and less linear. Operating linearly in which you open a new job, post it on job boards, interview candidates for that job, select one, and then start over is no longer a sustainable long-term hiring strategy. Rather, you need to constantly form connections with people across a range of channels — no matter what types of jobs you have open at the current point in time.

Of course this starts with finding ways to connect with great people outside of job boards designed only to bring in candidates for a specific open role. When we asked where employers find applicants, surprisingly, job boards don't rank as high as they have in years past. Most employers are casting a wider net to connect with people on channels like job fairs or programs at local high schools or colleges.



Which of the following channels are you using to connect with and drive applicants? (select all that apply)



This approach works best if you track and maintain a database of everyone you’ve met — from people you meet at job fairs to referrals to former employees. It’s also important to strategically stay in touch with them over time. For example, maybe you send monthly emails to great “runner-up” candidates with updates on open positions, inviting them to apply. Or, you might choose a less frequent cadence of emails to send out to former employees asking for referrals to open roles or reminding them that they’re welcome to return to your organization should there be a good fit.

### Categories of talent to keep in your database and nurture over time:

- Runners-up for previous roles
- Former employees
- Referrals from existing employees
- Referrals from former employees
- Current employees (always look internally for open roles too!)

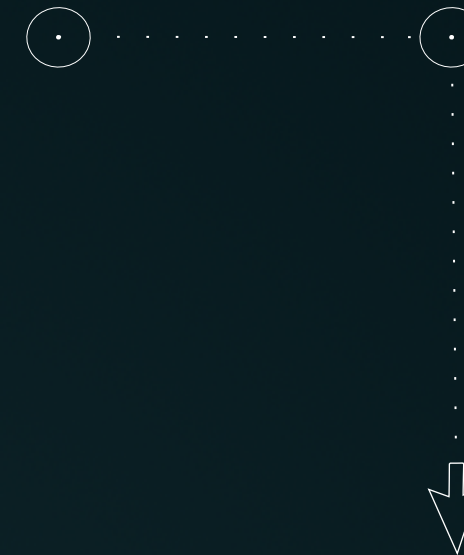


Approaching hiring as more of a cyclical, relationship-based effort ultimately helps you hire better people faster. You can more quickly match the right candidate to the right role and feel more confident that you’ve made the right hiring decision. In fact, 63% of respondents agree that warm candidates (or those you’ve connected with in the past) tend to make better candidates than cold candidates, while 88% of respondents say they have re-hired former employees. And out of all candidate sources, employee referrals are respondents’ top source of quality candidates.



### Tip!

Use QR codes for your job listing URLs or text-to-apply technology to make it easy for great people to get their names in your system so you can stay in touch with them.



*Which of the following channels drives the highest quality hires for your organization?*





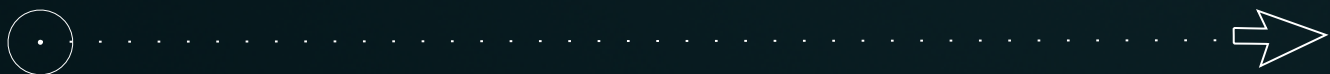
# Opportunity 3

## Make a real effort to improve diversity, equity, and inclusion

Although all types of non-monetary benefits can be critical differentiators when it comes to hiring, diversity, equity, and inclusion (DEI) offers a unique opportunity. This is especially true as Generation Z (born between 1996-2012) enters the workforce. This generation is more diverse than their older counterparts and places a significantly greater value on diversity in the workplace.

In fact, one in four Gen Zers is hispanic. Compare that to just 4% of Baby Boomers and 12% of Gen X. And they've been named the first real global generation, which means that they're the first generation that grew up with access to essentially anyone and any information in the world with the click of a button. Because of their familiarity with diverse perspectives, they don't feel connected to the status quo set by their parents and their grandparents.

Yet the vast majority of employers (86%) say they have not made an effort to improve DEI at their organization in order to attract more talent. Among those that have, most say their efforts are focused on posting jobs on a wider range of channels. While this is a good start, it's only a small part of what a good DEI program looks like. Among our respondents, only about 18% have actually defined a policy and 16% have implemented implicit bias training.



What efforts has your organization made to increase diversity and inclusion? (select all that apply)



In addition to meeting the expectations of younger generations in the workforce, defining DEI policies and making a real effort to improve DEI in your organization is simply the right thing to do. As an employer, it's your responsibility to play your part in creating a more just and equitable society, and working to employ a more diverse workforce and create an inclusive environment is by far the most impactful thing you can do.

**Elements of a great DEI program:**

- Set DEI goals and a define a clear strategy for achieving them
- Create a DEI governing board to execute key initiatives and track milestones
- Educate and train employees and managers
- Add more channels to your sourcing strategy, such as career fairs with underrepresented groups
- Implement a zero tolerance policy and stand by it
- Don't stop at diversity — foster inclusion by creating allyship through a DEI council, offering educational opportunities, ensuring pay equity, and much more



**Tip!**

Words and phrases used in your job descriptions could be turning away great talent from underrepresented groups.

Do you require a college degree without offering alternatives? Do you use jargon that might make someone feel unqualified? What about gendered terms? Even common descriptors or buzzwords like “ninja” or “rockstar” can give the impression that your business prefers candidates of a certain gender or level of education.

For example, most open sales roles insinuate that candidates have to be strong or aggressive — traits typically associated with men. Pay attention to what you're saying without saying and experiment with wording to draw in diverse candidates.





# Opportunity 4

## Tailor your hiring process to your candidates' needs

Which of the following hiring tactics do you include in your process?



Candidate texting



Virtual interviews



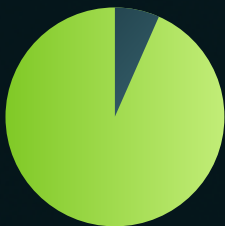
Digital onboarding

Ghosting. By now we all know what it means. But for those who don't, it's a situation in the dating world in which one person ends a relationship by suddenly and without warning withdrawing communication. In the hiring world, the concept is the same. A candidate you've been in touch with or interviewed stops responding to your messages to move forward in the process — effectively dropping out.

Today, the phenomenon is so widespread in the industries we surveyed that 91% of respondents say they have been ghosted by a candidate during the interview process in the past six months. This is up from 84% last year. And 81% say they've actually had a candidate ghost an offer — up from 58% last year.

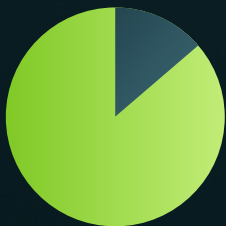
However, most employers we surveyed are not implementing the right techniques to keep candidates engaged and moving seamlessly through your hiring process — leading them to get frustrated with long response times and disorganized processes. In fact, only 23% of respondents say they text candidates during the hiring process, 25% offer virtual interviews, and 13% offer digital onboarding. What's more, 63% said it takes their team more than three days to first respond to applicants! In three days a great candidate could easily interview for and receive an offer with a competing organization.

Has a candidate ghosted an interview in the past year?



Yes: 91%  
No: 9%

Has a candidate ghosted an offer in the past year?



Yes: 82%  
No: 19%

There is an opportunity to get ahead of competitors here in two areas: speed and candidate engagement — even after an offer has been signed. If you keep candidates engaged up until they arrive on day one, it's harder for them to completely give up on you even if they receive an offer elsewhere. On top of that, shaving a few days off your hiring processes with the right set of tools can help you gain a critical leg up as most employers in the industries we surveyed still haven't implemented many of these relatively table stakes hiring steps.

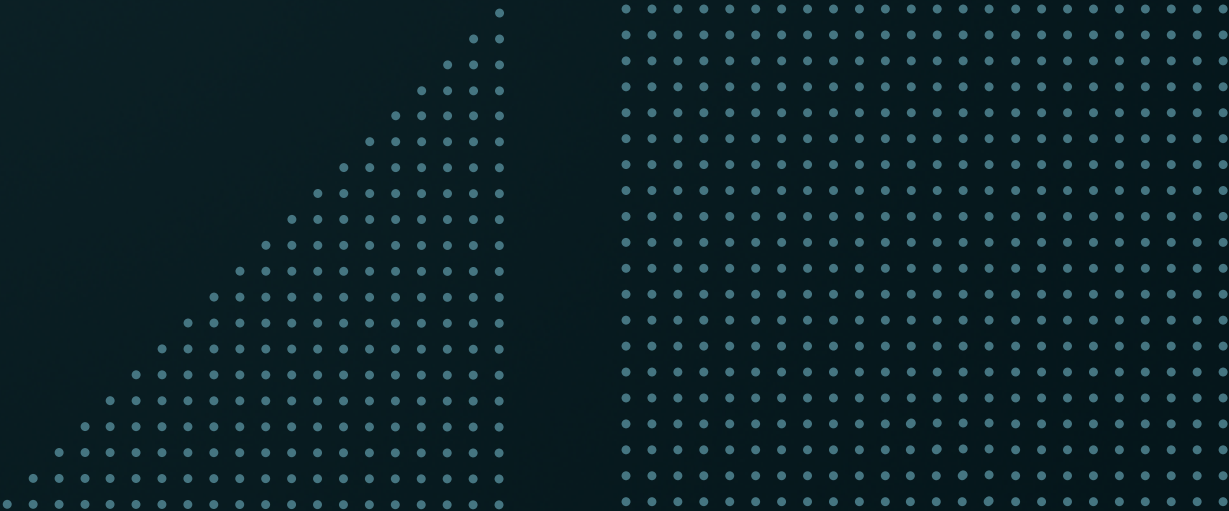
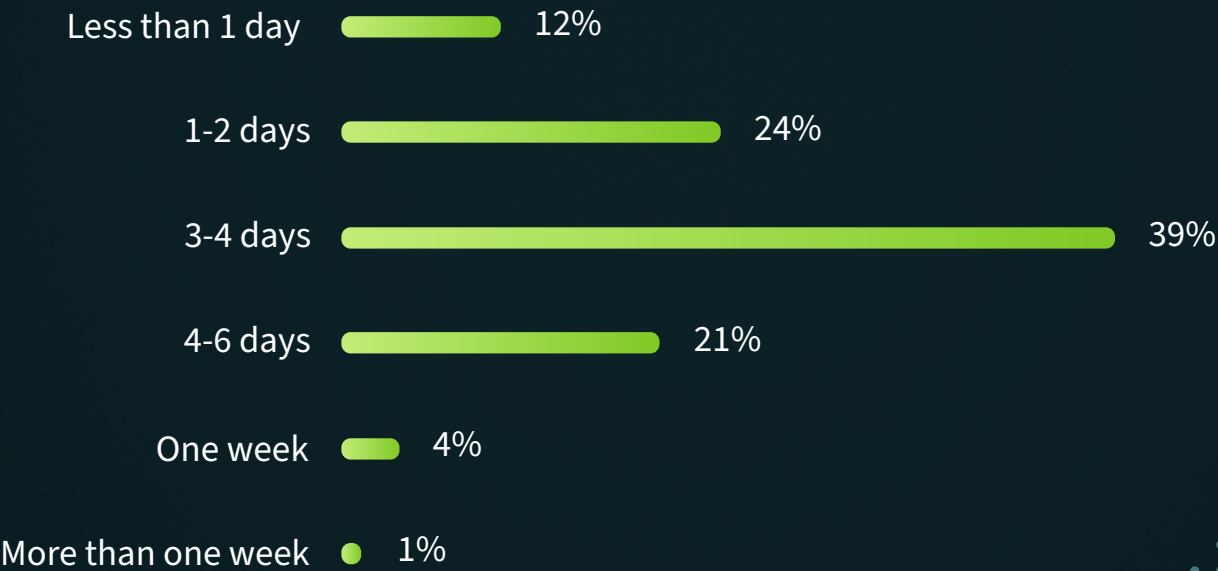


**Did you know?**

43% of applicants who have admitted to ghosting an employer did so because the hiring process was taking too long.



*How long does it take your team to send an initial response to a new applicant?*





## Opportunity 5

# Prioritize quality over quantity

It's no secret that retention is still an issue today for businesses in industries that haven't been hit by recent layoffs. In fact, according to the Bureau of Labor Statistics, the accommodation and food services sector experienced a 5.8% quit rate in October 2022 — which is more than twice as high as any other sector.

Although it's not an instant solution, one of the best ways to curb high turnover is to focus more on hiring quality talent versus driving a high quantity of applicants. However, most of the businesses we surveyed are still prioritizing attracting more applicants as opposed to making better hires and reducing retention. A high volume of applicants might solve immediate needs for talent, but volume does not address long-term retention challenges.

There are a few ways you can shift your strategy to focus on quality over quantity. The first is diversifying your candidate sourcing. Instead of spending more time and resources on one single channel hoping that the more you put in, the more you'll get out, spread your resources out across a range of channels and track what works. Then adjust accordingly. Our survey found that the right mix of channels will be different from every organization, but for most that mix includes employee referrals, job fairs, partnerships with local universities or high schools, and job boards.

*Please rank the following priorities when it comes to recruiting and hiring today with 1 being your team's top priority*

1. Attracting more applicants
2. Making better quality hires
3. Tools to speed up hiring
4. Recruiting and hiring software that is easier to use
5. More efficiently managing of applicant sources
6. Growing our HR team



We also know from our research that referral programs tend to drive the best candidates and hires, yet most of the businesses we surveyed do not spend much time messaging their programs internally in order to maximize participation. Most respondents who do have a referral program say they only communicate the guidelines of the program during new hire onboarding or not at all. Very few take advantage of effective channels of internal communication such as text or email messages.

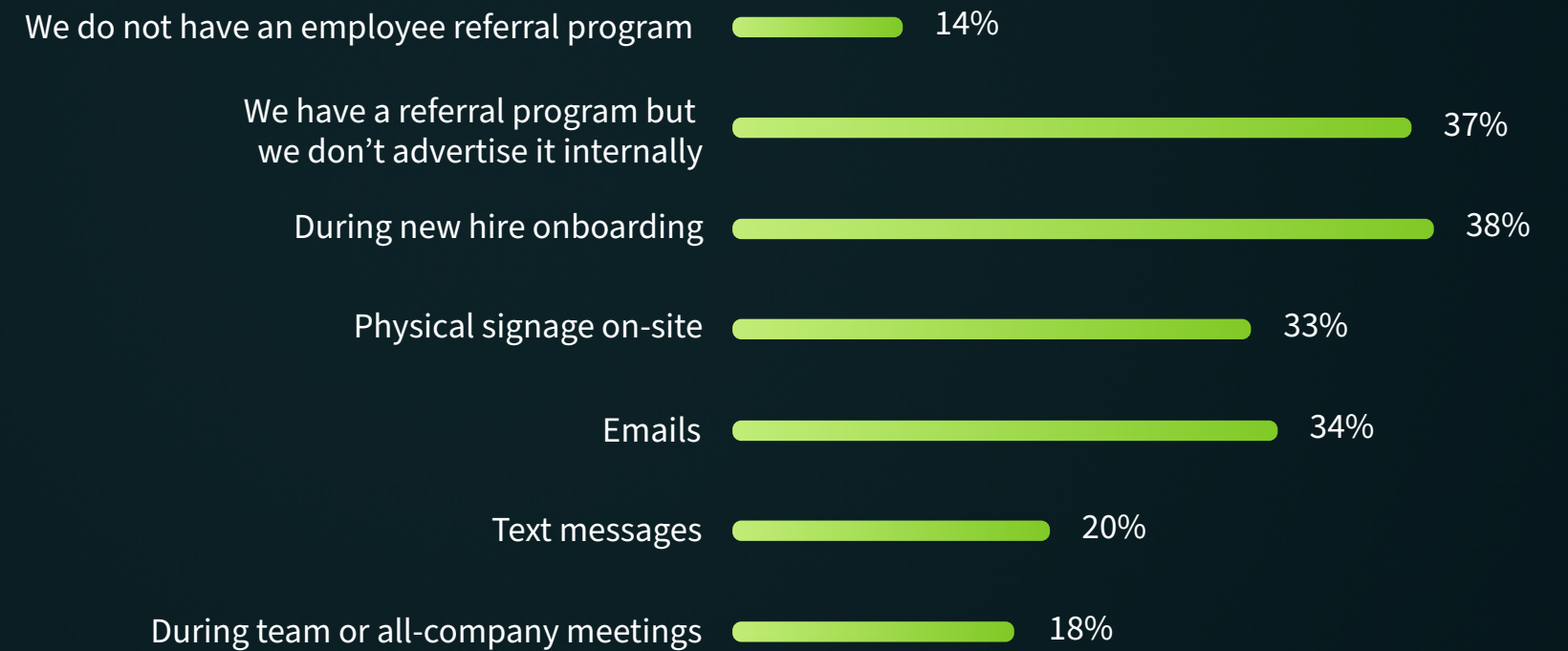


### Tip!

To maximize ROI in your referral program, always make sure you align the bonus payout with the difficulty of filling the role. For high-turnover roles like seasonal sales associates, keep your bonus in the \$50-\$150 range. For extremely hard-to-fill roles like general managers or engineers, a much higher payout (think: \$2000+) is well worth the investment.



### How do you communicate/message your employee referral program internally? (select all that apply)





## Opportunity 6

# Automate repeatable hiring and HR tasks

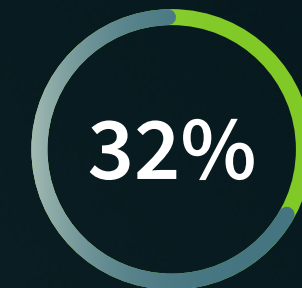
And finally, automating repeatable hiring and HR tasks is a massive opportunity for employers to gain a leg up in 2023. As we know from our data, most organizations in the sectors we studied spend too much time in the hiring process and often experience ghosting. Yet investing in tools to automate and speed up the hiring process isn't a top priority for most organizations in the year ahead. So if you want to compete on speed, there is an opportunity to win by adopting the right tools.

**Only 8% of respondents said investing in technology to speed up recruiting and hiring processes is a priority in 2023**

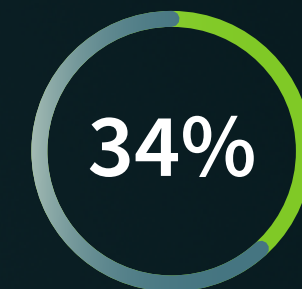
What steps should you look to technology to help speed up or automate? Automated applicant screening and interview scheduling can make a real difference. We know from our survey that most employers are taking more than three days to respond to applicants, yet only 32% are using automated applicant screening, which can automate contact with applicants immediately after they apply — giving them the option to complete a quick survey to ensure a fit for the role.

Automated interview scheduling can also shave days off your hiring process and result in more roles filled. Currently only 34% of employers are doing this. But research shows that many applicants drop out of this step of the process because it's too time consuming and difficult to navigate back and forth emailing. Putting the scheduling in the hands of your candidates by automatically sharing availability with them via a calendar sync can not only speed up the process, but can also keep candidates engaged and interested.

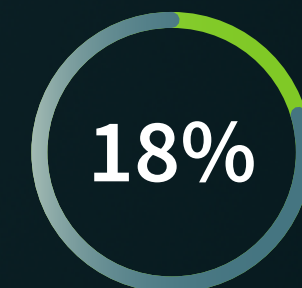
*Which of the following hiring tactics do you include in your process?*



*Automated applicant screening*



*Automated interview scheduling*



*Digital offer letters*

### Did you know?

Among Hireology customers, those using automated applicant screeners make hires 26% faster than those that do not.

# Conclusion

As technology companies struggle with layoffs, skilled labor businesses face a much different outlook. While overall employment levels have surpassed pre-pandemic levels, most employers in the sectors we surveyed still haven't recovered the jobs you eliminated at the onset of the pandemic. You're still finding it difficult to attract the right people to fill those roles and retain them long-term. And it's having an impact on your customer service and bottom line.

Making the right hires in skilled labor sectors in the year ahead requires modernizing job offerings and hiring processes. To achieve this, the six opportunities discussed in this report are essential. But leading organizations won't stop there, and will continue to think bigger and better as we head into a new post-pandemic era with a new definition of work.

## About Hireology

Hireology is an all-in-one recruiting, hiring, and employee management platform that empowers decentralized businesses to build their best teams. The company equips HR and business leaders with the support and tools needed to manage the full employee lifecycle — from pre- to post-hire — in one seamless platform.

With focused expertise across several industries — including retail automotive, healthcare, professional and consumer services, and hospitality — more than 7,500 businesses rely on Hireology for their hiring, HR, and payroll needs, putting people at the center of their organizations. For more information, visit [www.hireology.com](http://www.hireology.com).

