



Top Recruiting Trends for 2023

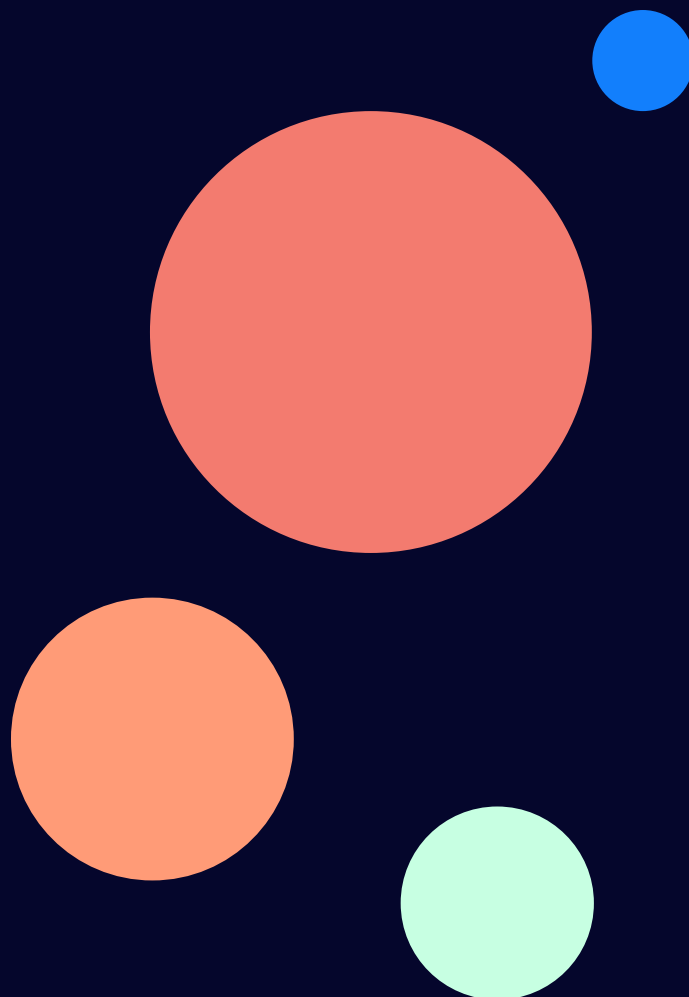


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Introduction

The overarching question for talent acquisition leaders this year: How should employers navigate the growing disconnect between economic signals and the talent landscape?

The U.S. economy is caught in a strange place. Growth is sputtering, but businesses have ramped up investment. Inflation is high, but down from the four-decade peak it hit in June of 2022. Job growth is slowing, yet demand for workers is strong. Some say we're in a recession, others say we're not in a recession. If you're looking for certainty, you're probably not going to find it. The only possible certainty is change.

How do you forecast recruitment trends in such a confusing environment?

At Appcast, we have been doing what we always do: digging deep into the data, analyzing the market, and talking to our customers about their experiences on the ground. Not surprisingly, this approach has yielded some interesting findings about the trends that will shape recruiting in 2023.

In this trends report, you'll find details related to the labor market, job seeker preferences, recruiting tech and more, along with actionable advice to help you navigate the employment landscape.

From this vantage point, here are seven top trends that will shape recruiting in 2023.

Trend #1

Despite economic uncertainty, there will be no major pull back in hiring.

"If you're not a little confused about the economy, you're not paying attention." – Jason Furman, Harvard Economist and former chief of the Council of Economic Advisors to the White House.

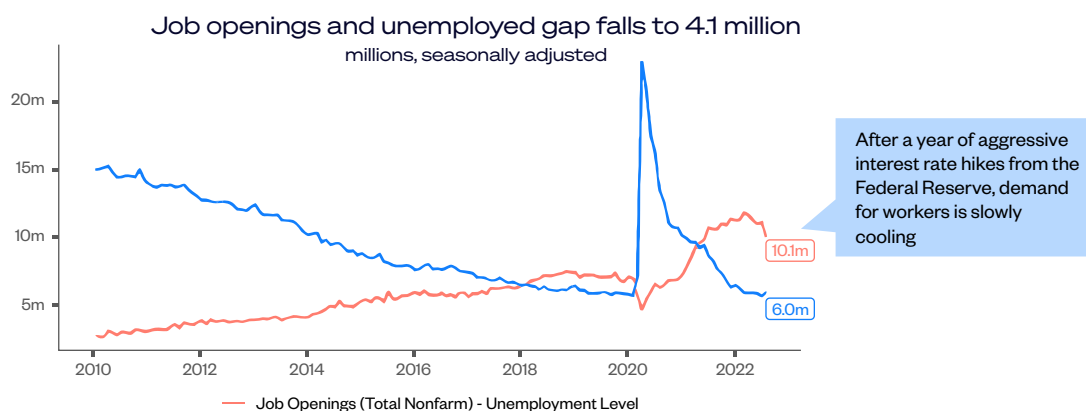
When you see the stock market having its worst first half in 50 years, rising inflation, two straight quarters of GDP constriction and news that the world's biggest technology companies are cutting headcount, you might assume that a hiring slowdown is on the horizon.

But for most employers, there's still a lot of recruiting that needs to be done.

Right now, the labor market is extremely unbalanced. At the time of writing, and using the most recent government data from September 2022, there are more than 10 million open jobs, equivalent to 1.7 positions for every unemployed person. Labor demand exceeds supply by roughly 4.1 million. The Federal Reserve is trying to douse the inflationary flames with higher interest rates, which could cool demand for labor. But even then, we're talking about a small (forecasted) rise in unemployment to 4.4%, which, while not full employment, is not unusually elevated – and any impact on recruiting is not likely to be felt until 2024 or beyond.

Needless to say, when candidates are in short supply, any intervention that brings job openings down will be good news for recruiters who are struggling to find talent.

Fundamental mismatch of supply & demand



Source: Bureau of Labor Statistic; created on Oct 04 2022

 Appcast

At the local level, some sectors are facing a recruiting environment that's more akin to the boom times of an economy than the bust times. Hiring freezes are big talking points in big tech, while sectors like airlines and hospitality cannot hire fast enough.

This is the downstream effect of the pandemic. Consumer purchasing habits are shifting back from goods to services – and this behavior, combined with sector-specific course corrections in response to the overhires or downsizing of the Covid era, is painting a different picture to what's being reported at the macro level. **Talent acquisition professionals will be under increasing pressure to explain the dichotomy between national-level economic data and talent supply and demand in their own organizations.**

Bottom line? Barring further twists and turns, organizations should expect ongoing hiring challenges similar to what they have today, at least for Q1 and Q2 2023.



ACTIONABLE ADVICE

As this is still a job seeker's market, look for ways to **improve the candidate experience** to attract more quality candidates.

For starters, are your mobile apply processes easy to complete? **Appcast data** finds that a mobile application time of less than five minutes results in a higher apply rate, which is essential for increasing quality applicant volume. There are numerous ways to shorten your apply processes. Do you really need applicants to complete an assessment at this stage of the process? Can you wait on receiving their Social Security number? Shorter and simpler is better.

Additionally, have you turned on the one-click 'direct apply' function on your job boards? Direct applies allow job seekers to apply for a job without ever leaving the job board, saving them the hassle of having to enter the same personal information into every job ad they respond to. Indeed boasts **12% more clicks** for jobs with this function.

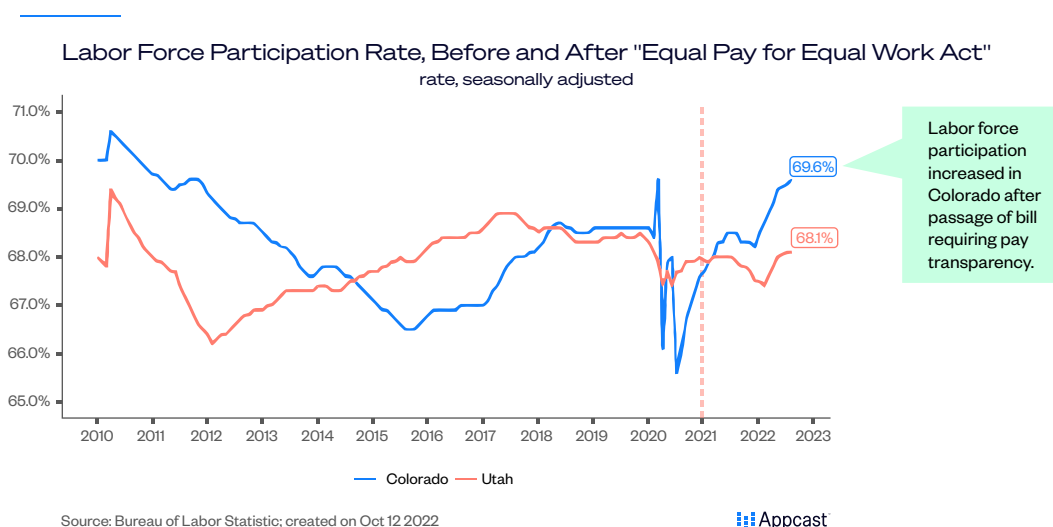
Trend #2

Pay transparency laws will continue to change the rules of the game.

"Studies show that greater transparency narrows pay inequities based on race and gender. If enough states enact pay transparency, it could forge a new national norm — one in which companies are as upfront about salaries as they are about prices." – **Business Insider**

Pay transparency laws – which require employers to show wage or salary ranges in job postings – are passing in states across the country. Colorado was the first state out of the gate but similar laws were quickly proposed in other states, notably California and New York.

Analysis by Appcast showed that two noteworthy things happened after the Colorado law went into effect. First, there was a 1.5% increase in job seeker activity in Colorado compared to neighboring Utah where pay transparency is not required. This suggests that workers may have been more eager to take up work in a jurisdiction that mandated pay ranges, which perhaps is not surprising. Polls overwhelmingly show that employees support pay transparency laws to normalize the conversation about money and combat **disparities based on gender and race**.



Second, on the employer side, we saw that daily job postings on Indeed fell by 8.2% in Colorado compared with Utah. There are any number of reasons for this correlation but one interpretation is that employers deliberately were slower to post jobs in Colorado. Were employers unwilling to lay their wage or salary cards on the table? Or was it the additional step to post a job that added unwelcome friction?

We'll soon know the answers to these questions as, going forward, it's going to become harder for employers to avoid pay disclosure. As of this year, **Indeed** is encouraging employers to add wage or salary information to their jobs ads; if employers do not provide this information, Indeed may add its own estimate based on a range of factors including job title, location, and qualifications.

In other words, there's likely to be a collective action towards greater pay transparency even in states that do not mandate it. Employers who are willing to incur the additional friction of pay disclosures will likely see more job seekers.



ACTIONABLE ADVICE

From an engagement standpoint, you need to be cognizant of your talent competitors and ensure you are offering compensation ranges in your job ads that are in line with market rates.

It's not as simple as taking the compensation for a job and publishing it, however. With **mobility between industries already high**, it's essential to consider all potential competitors when establishing pay ranges internally. Pay transparency makes it easier for job seekers to comparison shop across different sectors. For example, a fast food worker can actively seek work in retail or warehousing.

Employers also need to be aware of the effect that salary or wage disclosure may have on current staff. Prepare for the potential of disgruntled workers as you lift the veil of secrecy.

Trend #3

The pendulum is swinging back to center on work location but remote work is here to stay.

“Success in a hybrid work environment requires employers to move beyond viewing remote or hybrid environments as a temporary or short-term strategy and to treat it as an opportunity.” – George Penn, VP at Gartner.

Remote flexibility is going to be the most lasting organizational legacy of the pandemic, but we are not seeing the sea change towards wholly off-site work that many predicted.

Studies over the past 18 months have repeatedly shown that employers prefer on-site or hybrid (remote plus on-site) arrangements where possible. According to research from **Gallup**, employees now largely agree; 60% of employees say they would prefer a long-term hybrid working model, compared to 34% who prefer an exclusively remote position.

From a recruiting perspective, flexibility is the name of the game. From the same Gallup study, nine out of 10 workers (89%) are “extremely likely” to start job hunting if they cannot work flexibly with their current employer. And from Universum’s recent Student Survey (of nearly 50,000 U.S. university students), young talent cites work-life balance and flexible working conditions as number 3 and 4, respectively, on a top 10 list of workplace preferences. Recruiters who offer job flexibility and include this information in their job ads should gain a material competitive advantage when seeking to attract talent.



ACTIONABLE ADVICE

Address flexibility as a key factor in your talent acquisition practices and make sure your job ads highlight this flexibility. Candidates appreciate the freedom, convenience, and cost savings that remote and/or hybrid work opportunities can provide.

Trend #4

Job boards will increasingly force good stewardship of the job seeker experience.

“The applicant is the center of our universe.” – Janice Bryant Howroyd, Founder and Chief Executive Officer of The ActOne Group

In July 2022, Indeed implemented its One2One policy, which at a high level means one job can only be displayed on the site once. Those less familiar may ask: how could one job ever have been displayed more than once? The answer: this occurs when recruitment marketers use **title expansions** (a job with an original title of “warehouse stocker” is also posted as picker/packer, warehouse worker, inventory associate, and so on) and **geographic expansions** (where a job located in, say, “Redwood City CA” is also posted in San Mateo, Palo Alto, San Carlos, and Belmont) to garner greater visibility for their roles.

Prior to the activation of the One2One policy, job seekers could have received a page full of jobs with different job titles and locations – and many could have been for the same job. On the other hand, some argue that geographic expansions helped present work opportunities in nearby communities to job seekers.

One2One signals the start of marketplaces looking at things from a candidate’s perspective and enabling more control of the job seeker experience.

For talent acquisition professionals, there’s going to be mounting pressure from job boards to treat the application process less like a transaction and candidates more like the humans they are. The major boards are building tools to measure companies’ stewardship of candidates end to end – job ad quality, apply processes, responsiveness – and to reward that effort.

The takeaway? Prioritizing the job-seeker experience is going to be a major opportunity in 2023. If you don’t put job seekers first in your recruiting workflows, then the penalty is that your jobs will be displayed less prominently.



ACTIONABLE ADVICE

Review your job ads from a job seeker's perspective. Do you list the benefits on offer? Have you explained the job in clear terms? Have you articulated the 'what's in it for me?' for candidates? If you include the wage or salary, are you paying at or above market rates? Do you have a good reputation as a place where employees want to work? Job boards are building tools to measure this. If you fall short, it's going to be harder to get candidates.

Prioritize the candidate experience and reduce friction by using hosted apply experiences where the job seeker can complete the application on the job site itself rather than being redirected to an Applicant Tracking System (ATS).

Review your processes to be responsive to candidates, even if it is with a rejection. Job boards increasingly will penalize employers who contribute to the "black hole" problem where applications are submitted but candidates never hear anything.

Trend #5

An employer's reputation will precede them when hiring.

"There is no advertisement as powerful as a positive reputation traveling fast." — Brian Koslow, CEO of Breakthrough Coaching, Inc

Workforce participants increasingly care about Corporate Social Responsibility (CSR), especially as it relates to diversity and inclusion and the environment. [Research](#) from Boston Consulting Group, The Network, and Appcast finds that a majority of job seekers (51%) would exclude companies that don't match their ethics from their job search – and they do their homework long before applying for a job.

When it comes to CSR, your reputation precedes you. A majority (86%) of job seekers [research an employer's brand](#), ethics, ratings and reputation before they consider applying for a position; a similar number say they would not work for a company that had a bad reputation, even if it offered a higher salary.

Being a good corporate citizen is going to be critical to getting talent into the recruiting funnel. Job seekers expect you to have strong diversity initiatives and other brand values, and to signal these through social storytelling and inclusive job descriptions. And they'll be less likely to engage with your organization (and your open roles) if you don't.



ACTIONABLE ADVICE

Today's job seekers want proof, not platitudes. Offer benefits that appeal to a variety of candidates to show that your organization walks the walk when it comes to DEI, and write these in your job descriptions. For example, you might offer flexible floating holidays that employees can take off any time during the year, giving them an opportunity to celebrate days that may be of particular importance to their culture, religion, or background. Communicate that!

Make signals explicit in your job ads: "Just like our company cares about the environment, we care about our people, too." And be sure you can back up your words with action.

The [Appcast Gender Bias Decoder](#) can help you improve apply rates by removing potential gender bias from your job descriptions.

Trend #6

Moving beyond job boards to an automated multi-channel approach will be critical.

"The secret of my success is that we have gone to exceptional lengths to hire the best people in the world." – Steve Jobs

"Don't put all your eggs in one basket" is good advice when selecting recruiting channels. Casting a wide net is critical to meeting your candidate volume needs.

But even after casting the widest net, job boards may not have all the candidates you need. Other quality candidates – and certainly passive candidates – can be found through other channels such as social networks, Google search, and targeted email.

Channel diversification – the process of tapping into as much of the job seeker landscape as possible – is nothing new. But we're going to see multi-channel sourcing done in a more strategic way in 2023 via recruiting tech that seamlessly activates the channel that has access to the most efficient group of candidates. Savvy recruitment marketers who actively diversify channels will recognize the benefits of improved time-to-fill rates, even if Cost Per Hire rates are marginally higher than that of other providers with lower CPH.



ACTIONABLE ADVICE

Start by identifying a diverse mix of channels that produce enough qualified applications to build a shortlist of candidates for your jobs.

Partner with a company that delivers on all the channels that are important to you as a vital part of your recruitment effort.

Trend #7

Hiring organizations will focus less on spend and more on the metrics that matter most.

“Not everything that can be counted counts, and not everything that counts can be counted” – Albert Einstein

If there's a bottom-line message, it is this: optimization in 2023 will be less about getting applications in on budget and more about getting jobs filled faster. A large majority (71%) of the clients in Appcast's Client Advisory Board say they are accountable for fill rate as one of their key recruiting metrics. For some, that means time to fill (the number of days to fill a job from requisition to acceptance). For others, it's the percentage to fill (if you have 100 jobs, did you get 100 or did you get only 80? A lower fill percentage indicates that the pipeline isn't full enough.)

Timing is everything in this uncertain hiring climate.

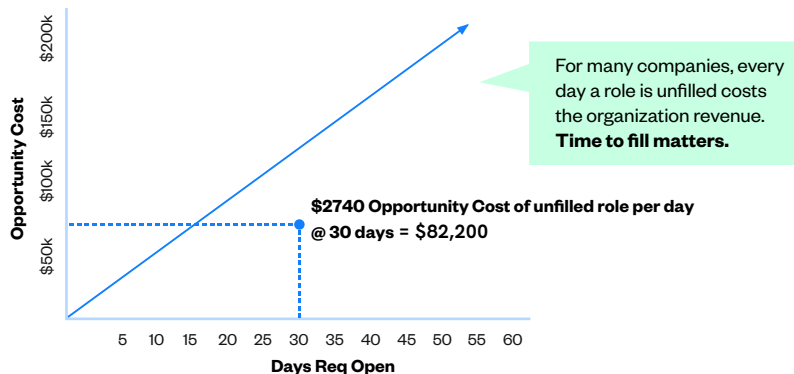
Appcast data shows that optimization is shifting away from Cost Per Application and towards a new definition of what makes a quality source of candidates – one that factors in the time it takes to fill a job and the true cost of leaving a position open as critical recruiting metrics.

Needless to say, no single metric tells the whole story of your recruiting operations. But if your vendor is not aligning to velocity and quality of application or hire, you will always be measuring clicks and applications – and you can't hire clicks.

The financial reality is this: Cost Per Click has the potential to drain your budget fast. Appcast data shows that 96 out of 100 sponsored clicks on jobs are pure waste. The impact? On a \$100,000 budget at \$1.00 Cost Per Click, that's \$96,000 wasted each month.

Fill rates, on the other hand, provide a better frame for contextualizing the opportunity costs of failing to make a hire for an open position. Consider the company revenue being lost for each day that a critical vacancy remains unfilled, plus the cost and disruption to operations. Calculating that is very simple: divide your annual revenue by your total number of employees and then divide that by 365. What remains is the cost to your organization for each day that job remains unfilled. As an example, if your annual revenue is \$400 million and you have 400 employees, then the per day opportunity cost of a job not being filled is about **\$2,740**. If the job in the example remains unfilled for 30 days, the opportunity cost to the organization then becomes **\$82,200**. As a practical aside, this is an effective metric for positioning any increase or maintenance of your recruiting budget as an investment, rather than simply a cost – in a more direct manner, you can't afford not to fill these roles as quickly as possible.

Opportunity Cost Increases With Each Additional Day A Job is Unfilled



As Peter Drucker famously said, “what gets measured, gets managed”. In an economy that’s struggling with talent shortages, employers must transition towards a new definition of source quality – one that factors in the time it takes to fill a job and the true cost of leaving a position open, as an essential recruiting metric. When more hires are made and made faster, the organization becomes more productive and profitable.

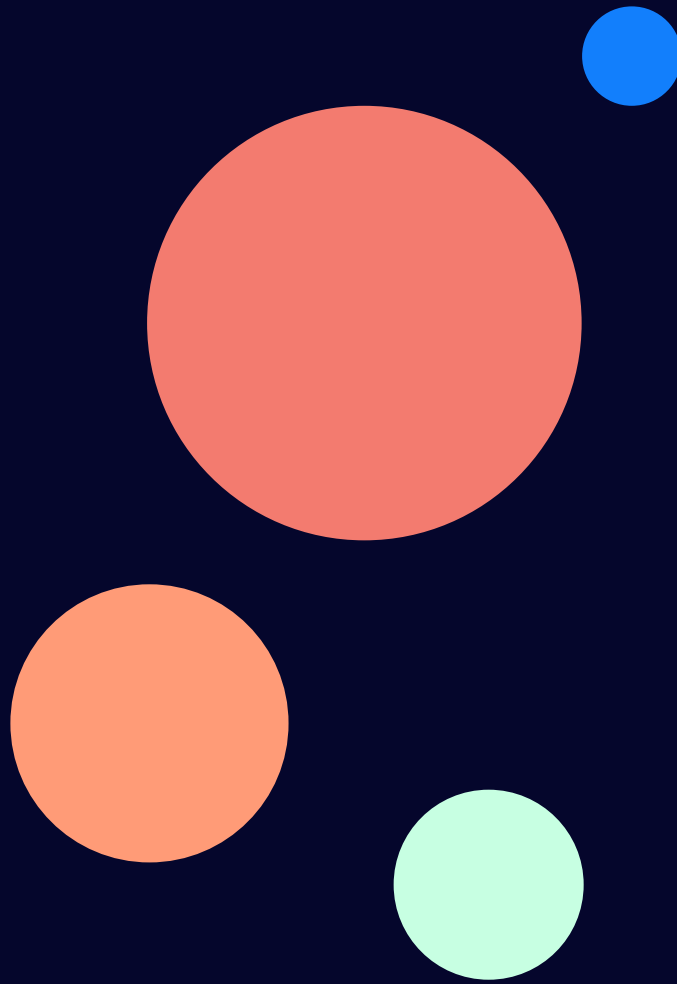


ACTIONABLE ADVICE

We’ve all heard the saying “time is money,” and that could not be more true. The priority must be to optimize the metrics that your talent acquisition team is measured by, which may not always be the same metrics as the job sites charge for.

Partner with vendors that have the flexibility to alter candidate sources and bids, and to estimate projected hires, even if you don’t have a quality ATS connection with that vendor.

Scrutinize your time to fill across all of your different sources and stages – time to review, time to screen, time to interview, time to decide. Analyze how long each stage takes and how you can improve it by decreasing the time it takes to convert a candidate to a hire. How can you eliminate friction and increase velocity, or, put simply, get out of your own way?



Appcast is a leading provider of recruitment advertising technology and enterprise managed services. We help hiring organizations find the right job candidates fast with our advanced programmatic technology and easy-to-use, data-driven analytics.

Appcast helps you to be agile and effective in uncertain times. To learn how we can transform your job advertising so you get the recruiting results you need, [sign up for a demo](#) of our programmatic recruiting solutions.

