

HireVue

THE STATE OF HIRING

GLOBAL TRENDS REPORT 2024



GLOBAL **TRENDS** REPORT

FROM TRADITIONAL TO TRANSFORMATIONAL RECRUITING:
HOW TECHNOLOGY GIVES HUMANS A CHANCE TO THRIVE

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EXECUTIVE SUMMARY

In 2023, many companies felt less pressure to hire, hire, hire—a much different story than what's been told the last few years. Whether due to economic predictions, or a settling from the shake up in recent years, this less hurried atmosphere also brought a trade: candidate quantity for candidate quality.

It's no longer a frantic reaction to fill as many seats as possible. It's a slower, more methodical, process of finding people that have the specific skills and experiences to excel in their role now — and in future possibilities.

However, with this change came a new set of challenges:

- **Scarcity of skills:** 17% say a lack of qualifying skills and 15% say a lack of qualifying experience are their biggest barriers in finding top talent. Talent teams know current skills and future potential matter. Yet it looks like they're struggling to find those skills.
- **Decreased hiring speed:** Time-to-fill has increased since 2020. Talent teams are having a hard time finding quality candidates quickly.

In addition, in response to 2023's uncertain economy, 47% of budgets were slashed (up from 39% the year prior). And now, recruiters are being asked to do more with less.

As talent teams tackle these new complexities, we're seeing three trends emerge:

- Potential skills are just as important as existing skills
- Employee retention is less reactionary and more holistic
- Human-tech partnerships deliver the best value

Four years have passed since the start of the pandemic and 2024's outlook is much different than the story we've been telling the last few years. People are more rested and refreshed, opening doors to a much more thoughtful, introspective hiring landscape. Still, with [more open jobs than employees](#)² to fill them, how do talent teams move forward in 2024?





INTRODUCTION

At its core, talent acquisition is about three things: 1) finding qualified people for the job at hand, 2) treating those people fairly, and 3) finding them fast enough to meet business requirements.

In recent years, hiring with speed was imperative as employees churned in record numbers. Then, fairness and equity demanded a front seat as workplaces across the globe grappled with social injustices they had ignored for far too long.

Now, with speed and fairness still firmly representing two legs on HR's three-legged stool, finding qualified people is the matter talent leaders are grappling with

the most. Who counts as qualified? Now more than ever, talent leaders are prioritizing candidates with qualifying skills (rather than experience alone) to help them navigate new frontiers, including how to use AI, how to utilize digital tools, and how to solve complex problems.

The aforementioned skills are not yet taught in most schools. Instead, they require innovative [training not available for most workers](#)³, resulting in a slower, more calculated hiring process. The work for hiring teams then becomes about finding the candidates best suited to learn those skills.

THE STATE OF HIRING

To understand these challenges and changes that human resources leaders across the globe are experiencing on the frontlines of hiring today, HireVue surveyed 6,000 talent leaders from the U.S., U.K., and Australia, all from a variety of industries and company sizes.

Here are our top findings.

37%

put more emphasis on candidates' future potential and less on past experiences.

Old proxies to measure performance are being replaced with human potential and transferable skills.

45%

are focusing on holistic employee wellness and career growth opportunities, rather than compensation alone.

Although compensation is still a retention strategy, it's down 8% from last year. Now, other employee retention tactics related to personal well-being are taking the lead.

47%

experienced reduced company-wide budgets in response to economic uncertainty.

This is up from 39% the year prior. As a result, hiring teams are being asked to do more with less.

30%

increased their technology budget.

With hiring freezes and budget cuts, hiring teams are turning to tools to get work done.

50%

are targeting internal candidates in response to talent shortages.

This is compared to just 44% the year prior. More companies are realizing the people they already have may just be their advantage.





2024 TRENDS

FROM OUR RESEARCH, THREE KEY TRENDS EMERGED THAT WE BELIEVE WILL PAVE THE WAY FOR HIRING IN 2024:

01 Human potential is more valuable than past experience alone in the new economy

02 Comfort with using AI is exploding

03 Employee well-being keeps climbing the priority list



01

**HUMAN POTENTIAL IS MORE
VALUABLE THAN PAST EXPERIENCE
ALONE IN THE NEW ECONOMY**



01

HUMAN POTENTIAL IS MORE VALUABLE THAN PAST EXPERIENCE ALONE IN THE NEW ECONOMY

What determines a successful hire? Talent teams used to make inferences based on a candidate's education and past work experiences.

But past achievements alone won't always signal future success in today's rapidly changing economy. The World Economic Forum estimates that [44% of workers' skills](#)⁴ will need to change within the next five years. For example, administrative skills needed for clerical and secretarial work will be less needed, as those jobs are increasingly replaced by AI, while cognitive skills like problem-solving and analytical thinking will be much more in demand.

So the question now becomes less about *"Which skills do our candidates possess?"* and more about *"Which skills are they capable of learning?"*

Both require building a skills-centric hiring culture. One that widens the aperture on skills and looks at future potential just as much as past experience.

In our Global Trends survey, we saw a positive trend toward hiring for skills and potential:

- **34%** said they're comfortable using skills assessments in general, and already use them across the hiring process — up from 29% the year prior
- **65%** use skills assessments *specifically to determine potential*
- **21%** replaced resumes with skills-based assessments

Nearly all (96%) of our survey respondents said they are now looking at candidates' ability to learn new skills, while also assessing for skills that transfer to new responsibilities as roles evolve over time.

One of the best parts of identifying transferable skills is encouraging employees to pursue roles they would never dream of applying for. For instance, a business development representative with incredible critical thinking and communication skills might turn into a successful leader of a product team. A supply chain team member accustomed to dealing with complex logistical issues might use their analytical skills to create content for the marketing team.



01 TAKEAWAY:

HOW TO UNLOCK HUMAN POTENTIAL

Employees are looking to advance their careers, even if that means leaving one organization for another. If their potential skills aren't recognized in their workplace, 80% of them will transition to another employer, according to one [McKinsey study](#)⁵.

What if these employees—the ones seeking to learn and grow—found more ways to advance in your organization? By designing systems to uncover a person's highest potential, they can.

One way to assess human potential is with [HireVue's Find My Fit](#)—a tool that encourages candidates to apply for roles that may have otherwise been off their radar.

Here's how it works. Candidates complete brief assessments of their interests, personalities, and backgrounds. Then, the results are compared to the organization's open roles, and candidates are handed a list of roles that best match their skills—not just the roles they searched for.

Why is this valuable? Because we are all biased—even toward ourselves. An AI tool may match a candidate to a role they assumed they were not qualified for, but actually are. The candidate may not realize their own potential.

This can happen to anyone, but women especially are likely to assume themselves less qualified than they actually are. In fact, [women will often shy away from roles](#)⁶ if they don't feel 100% qualified, according to a Hewlett Packard study. Men, on the other hand, are likely to apply for roles for which they meet 60% of the criteria.

By bypassing preconceived ideas of what they're capable of, candidates are given opportunities they may have never otherwise considered. Not only does this widen the pool of diverse talent, but it also helps candidates realize potential for future job opportunities.

"AFTER IMPLEMENTING HIREVUE'S FIND MY FIT INTO OUR COMPANY'S HIRING PROCESS, WE SAW A 5% INCREASE IN OUR FEMALE FIELD TECHNICAL APPLICANT POOL."

- LAURA FIELDS

Senior Director at Spectrum

Not only does AI help mitigate bias, it also helps recruiters consider future potential rather than solely looking at candidates' past experiences.





02

**COMFORT
WITH USING AI
IS EXPLODING**



02

COMFORT WITH USING AI IS EXPLODING

Last year was generative AI's big break. From ChatGPT to AI image generators, and everything in between, there's no denying: AI has taken the world by storm.

In fact, according to the World Economic Forum, "[t]raining workers to utilize AI and big data ranks third among company skills-training priorities in the next five years and will be prioritized by 42% of surveyed companies." What's more, 85% identify "[the adoption of new and frontier technologies](#)" as the trend most likely to drive near-term organizational transformation.

Even with limited budgets and economic constraints, 30% of our survey respondents increased their technology budgets last year. Leveraging AI and automation is a way to get more done, even with fewer roles filled. At long last, it seems that talent teams and tech are learning to work together in harmony.

When we asked HR professionals what advantages they experienced from the changes they made to their interview process, they reported:

- **Time-saving (51%):** Automation significantly streamlines efficiency so that candidates can be hired quickly.
- **Greater flexibility all around (50%):** It takes away tedious tasks from recruiters, giving them more time to create connections with the right candidates.
- **Cost-saving benefits (45%):** It reduces costs by automating tasks and eliminating the need for manual labor.

The benefits of AI tools are extensive. From skills matching to immediate candidate engagement, these tools have quickly advanced a traditionally slow, archaic hiring process. But what about the risks? Before committing to technology, hiring teams should consider:

- **Bias and fairness:** companies should have auditable and explainable processes with publicly available 3rd party audit results and an AI Explainability Statement to demonstrate fairness.
- **Privacy and security:** protecting candidate data is essential — look for SOC 2 Type 2 audits, ISO 27001 certificates, and a FedRAMP certification if you're in the public sector.



02 COMFORT WITH USING AI IS EXPLODING (CONT)

To understand how HR professionals are preparing for standards around AI, we asked them what they've done to ensure their compliance. Here are the top responses:

- **34%** have an internal team assessing the compliance of current products
- **27%** have done nothing
- **21%** have sent requests to vendors for compliance documentation

And when asked how confident they are that their current vendors can meet the AI standards, over half of them said they were confident.

To mitigate risks, companies should conduct comprehensive assessments of vendors they're interested in—ensuring they follow ethical AI practices, regularly audit algorithms, and prioritize safety and fairness throughout.

At HireVue, we are deeply committed to ethical AI standards in all of our tools. To understand how we manage risk, read our industry-first [Explainability Statement](#)⁸.

02 TAKEAWAY:

USE AUTOMATION AND AI AS PARTNERS, NOT REPLACEMENTS

Recruitment and human connection go hand-in-hand. Technology will never be able to replace personal touch. What it can replace are tedious, mundane tasks that bog down the process. Even more, AI can help connect talent to opportunity and unlock potential that humans may have otherwise missed. Once AI handles the early stages of the process, talent teams can step in and create connections.

When we asked our respondents what changes they would like to see in the hiring process, the top two responses were:

- Faster turnaround
- Streamlined communications

To get these results, talent teams should consider AI hiring solutions, like HireVue. From text recruiting to assessments and video interviews, talent teams can trust technology to keep things moving while they make confident hiring decisions with the insights they're provided. Plus, they can rest assured that AI doesn't have human biased tendencies and will evaluate candidates on what really matters—their skills.



03

**PERSONAL WELL-BEING
KEEPS CLIMBING THE
PRIORITY LIST**



03

PERSONAL WELL-BEING KEEPS CLIMBING THE PRIORITY LIST

When asked what investments they made last year to become employers of choice, 45% of HR professionals said they increased their wellness programs. It's a trend we slowly saw emerge following the salary hikes during The Great Resignation. And it's a change that could positively influence both employee attrition as well as company-wide budget issues.

[Recent McKinsey research](#)⁹ found that disengagement and attrition are more common in workplaces where well-being isn't a priority. It's an expensive mistake, costing somewhere between \$228 and \$355 million in annual productivity for medium-sized companies.

People seek purpose and happiness in life—and that includes how they work. A holistic approach to wellness ensures employees receive support designed for their unique needs, enhancing overall job satisfaction. And when employees feel valued, everybody wins.

Hiring is not just about adding a name to the org chart. It's about finding candidates with ideal skills and future potential—then building an organization that helps them thrive.

And over the last year, we've seen a positive trend in the right direction:

- **Flexibility:** Employers are embracing more flexible work arrangements. Twenty-six percent moved to a combination of in-person and virtual interviews. As a result, demand for remote work has dropped as a hiring barrier by 14% in two years.
- **Internal mobility:** Fifty percent of talent teams are turning their focus to internal candidates. That's compared to 44% the year prior.

Employers who understand how well-being and retention are linked will continue to be most successful as the competition for talent continues to rage on.



03 TAKEAWAY:

SHOW YOUR COMMITMENT TO EMPLOYEE WELL-BEING EARLY

A commitment to employee well-being begins far before a candidate is hired. Candidates want proof that employers will keep their workplace wellness promises. If they feel like you care for them in the hiring process, they are more likely to say yes to a job offer.

So how can talent teams incorporate wellness throughout every step of the hiring process? It starts with the right hiring tools. HireVue's end-to-end hiring solutions highlight wellness by:

- Quickly taking candidates through the hiring funnel, showing them that their time matters
- Answering their questions at any time of the day with a conversational AI chatbot
- Giving candidates the flexibility to take skills assessments, schedule interviews, or show up for on-demand interviews—all at their convenience
- Assessing candidates based on skills—demonstrating a commitment to equity and inclusion

In addition, realistic job previews in the on-demand interview process offer candidates a glimpse into life on the job. These personalized videos cover a range of topics, like fitness programs, office flexibility, or childcare opportunities — helping candidates better discern if the company is a good fit for them. Ultimately, this saves both time and money because candidates are less likely to leave a job that is fully transparent from the beginning.

Flexibility and transparency send a powerful message that employers prioritize well-being.





WHAT ABOUT CANDIDATES?

Our research results are clear: employers need to ditch the rules and operating constructs of the past and create a culture where people are valued, more skilled, and more connected to a sense of purpose. When people's needs are met, better business outcomes follow.

We asked 3,376 candidates around the globe what they want out of work and here were their top 3 responses:

- 01** They want to feel valued and appreciated at work
- 02** They want stable employment with opportunities to advance
- 03** They want a clear, fast hiring process

01

CANDIDATES WANT TO FEEL VALUED AND APPRECIATED AT WORK

Will candidates leave a job if they aren't appreciated for the work they do? Absolutely.

However, what candidates really want is a workplace that values and appreciates them so they don't have to pick up and leave every few years. This is evident by the top three benefits candidates are looking for in 2024:

- 1) Greater stability,
- 2) Financial bonuses and rewards, and
- 3) Ability to grow with the company.

Candidates want to be compensated for their hard work and given the chance to maximize their potential — all within an environment that feels safe and secure.

03

CANDIDATES WANT A CLEAR, FAST HIRING PROCESS

Most job seekers (62%) cited poor communication as the top reason for a lousy hiring process. And 46% said it was due to a lack of transparency. Candidates want prompt, upfront communication to make an informed decision early on.

Candidates are humans, not a name on the top of a resume. And they want to be treated as such. Talent leaders can unlock true progress by taking a minute to listen to candidate perspectives. Then implement the right tools to identify their potential and onboard the people that will make a difference.

02

CANDIDATES WANT STABLE EMPLOYMENT WITH OPPORTUNITIES TO ADVANCE

More than half (52%) of candidates said they are drawn to a company that promotes from within and almost the same number (53%) have considered applying for another role in their company.

In a world with so much unpredictability, candidates are seeking long-term employment that gives them the chance to learn new skills and grow into new roles over time. Internal mobility is the candidates' gateway to job stability.





CONCLUSION

Needless to say, technology is completely rewriting how we work. And top companies that embrace ever-evolving digital transformation, are at the forefront of innovation and growth.

In today's fast-paced environment, talent teams must be quick to adapt to changes. In 2024, the most competitive companies will be the ones who:

- Uncover the human potential in their workforce
- Work side-by-side with technology to maximize success
- Invest in a culture where employee well-being is front and center

No more sitting on the sidelines—progress starts today. To learn more about how you can find and retain top performers, request a HireVue demo.

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