Hire★Vue

Global Trends Report

The State of Talent Experience 2022

FEBRUARY / 2022

Contents

Executive Summary

The pendulum has swung hard over the past two years. For many, the jump from record unemployment to massive resignations, from fully in-office to entirely remote teams, and from an economic recession to soaring consumer demand has left our heads spinning.

As you read this:

- 40% of talent leaders say they can't find qualified candidates to fill open roles

- 55% experienced higher employee turnover last year than the year before

- 68% have a time-to-fill of 3 weeks or more, compared to just 55% the year before

As a result, talent teams across the globe are under-resourced, and looking for ways to reallocate what resources they do have for maximal impact.

And by far, the #1 change these leaders would like to see is a faster turnaround time for hires.

The ones who are meeting talent demands more successfully — and more quickly — made the following changes just in the last year:

- 57% introduced job-matching technologies to recruit both externally and internally

- 37% moved to a combination of both in-person and virtual interviews

- 24% implemented technologies such as AI, chatbots, and skills assessments

And of the leaders who have made those changes to the way they approach talent:

- 54% report experiencing greater flexibility

- 54% report time saving benefits

- 43% say it's easier to identify the best candidates than it was before

- 42% say they've experienced cost savings

In this report, you'll find our key takeaways after surveying hundreds of talent leaders worldwide, where we explored the current challenges these leaders are facing, as well as the action steps they have taken to overcome these challenges, which include:

1. Automating what can be automated.

2. Recruiting from within the organization.

3. Using both digital tools and in-person touch points, instead of one or the other.

If we've learned one thing lately, it's that economic conditions are never fixed.

Talent teams that treat the labor market as constantly in flux, and who continually look for ways to innovate, will be much more equipped to meet the demands of the moment.

Introduction

Nearly a year has passed since our first global trends report highlighted the growing role of talent technology, strides in diversity, equity, and inclusion, and a new focus on hiring process efficiency in our 2021 Global Trends Report.

Since then, the biggest event for many individuals and businesses alike was the vaccine rollout, which at the time felt like a momentous milestone to reach in the quest to find normalcy. Then came virus variants, and *then* came The Great Resignation.

Now, it's clear the talent landscape has most likely changed for good. And all over the world, talent teams are reporting a lack of qualified candidates as their number one challenge.

To understand what's working in the fight for talent, we asked talent leaders how they're navigating current challenges when filling early career, hourly, professional, public sector, and technical roles, and what changes they've experienced over the past year.

The State of Hiring

HireVue interviewed 1,657 hiring leaders across the globe at companies with 500+ employees, from a wide range of industries. The 2022 Global Talent Trends Report explores how leaders are adapting to candidate - and employee - centered job markets, and looks at the key role technology is playing in the future of talent management.

These are our key findings about the talent landscape, as reported by our respondents:

Lack of quality candidates holds steady as #1 talent issue.

Just like last year, respondents report that a lack of qualified candidates is their toughest challenge, again followed by a long lead time that hinders candidate interest and/or availability, and difficulty managing job posts.

Increased employee resignations.

More than half of respondents reported experiencing higher voluntary employee turnover than they did the year before.

Open roles are taking longer to fill.

Increased time-to-fill was a challenge this time last year, and it's taking companies even longer to meet hiring demands now.

More talent teams are under-resourced.

There was a significant increase in the number of talent leaders who listed "recruiting resources" as their biggest barrier to finding top talent.

40%
A lack of qualified candidates as the biggest barrier to finding top talent

55%
Experienced higher turnover than they did the previous year

68%
Have a time-to-fill of 3 weeks or more, a statistically significant increase from last year

43%
Increase in talent teams who feel under-resourced compared to last year

New tactics for navigating talent shortages.

In response to the higher resignation rate, more than half of companies increased compensation. In 2022, a majority of talent leaders (57%) are interested in investing in job-matching technologies as they continue battling talent shortages.

More organizations have moved the needle on DEI&B efforts — and it's still a priority.

An overwhelming majority have taken action related to diversity, inclusion, equity, and belonging, and met at least some of their goals since last year. In 2022, DEI&B budgets are increasing (again) for nearly half of respondents.

Implementation of new COVID-19 policies.

An overwhelming majority of respondents reported having implemented new policies related to COVID-19 in 2021; nearly half introduced vaccine and/or testing mandates, and more than half are still either working remotely full-time, or meeting in person occasionally, but by appointment only.

Can't hire fast enough.

The top-ranked change that talent leaders want to see is a faster turnaround time for new hires, followed closely by more streamlined communication between recruiters, hiring teams, and candidates. Both heavily impact organizational efficiency, candidate experience, and ultimately, a talent team's success in landing the best candidates.

54%
Increased compensation in an attempt to become an employer of choice

80%
Met DEI&B goals since last year

65%
Implemented mask mandates, social distancing policies, and/or sanitizing stations in their workplace

#1
Faster turnaround time for new hires is the top-ranked change talent leaders want to see in 2022

What's Next?
An Overview of Key Trends

To meet talent demands in 2022, leaders are searching for time-saving tools that will help them find the most qualified job seekers fast, and guide those candidates through a streamlined hiring and onboarding process — all before a competitor does. In addition to technology that facilitates a virtual hiring experience, talent teams are also searching for solutions that support science-powered job-matching, a faster time-to-fill, and text enabled candidate communications.

Each of our three 2022 global talent trends relates to the common theme of battling talent shortages by becoming more focused on candidates, connecting with them faster, and making it easier for them to find the right job.

01
Can't hire fast enough

Despite the temporary surge in unemployment at the beginning of the pandemic, the war for talent rages even stronger now than it did before the onset of the coronavirus crisis. The massive shortage of qualified candidates is resulting in longer times to fill, as well as strapped talent teams.

02
Fierce focus on employee retention

In 2021, along with vaccine rollouts and continued rapid economic recovery came record numbers of workers leaving their jobs in what became known as The Great Resignation. Organizations are responding by increasing compensation, prioritizing career growth opportunities, and implementing new technologies that support a positive work environment.

03 Digital tools blend with in-person touchpoints for maximum impact

Whereas most organizations turned to virtual-only activities in the first year of the pandemic, now at the beginning of the third year, the majority have landed on a blended approach in order to build genuine connections with candidates without losing the speed and agility that virtual tools bring.

01
Can't hire fast enough
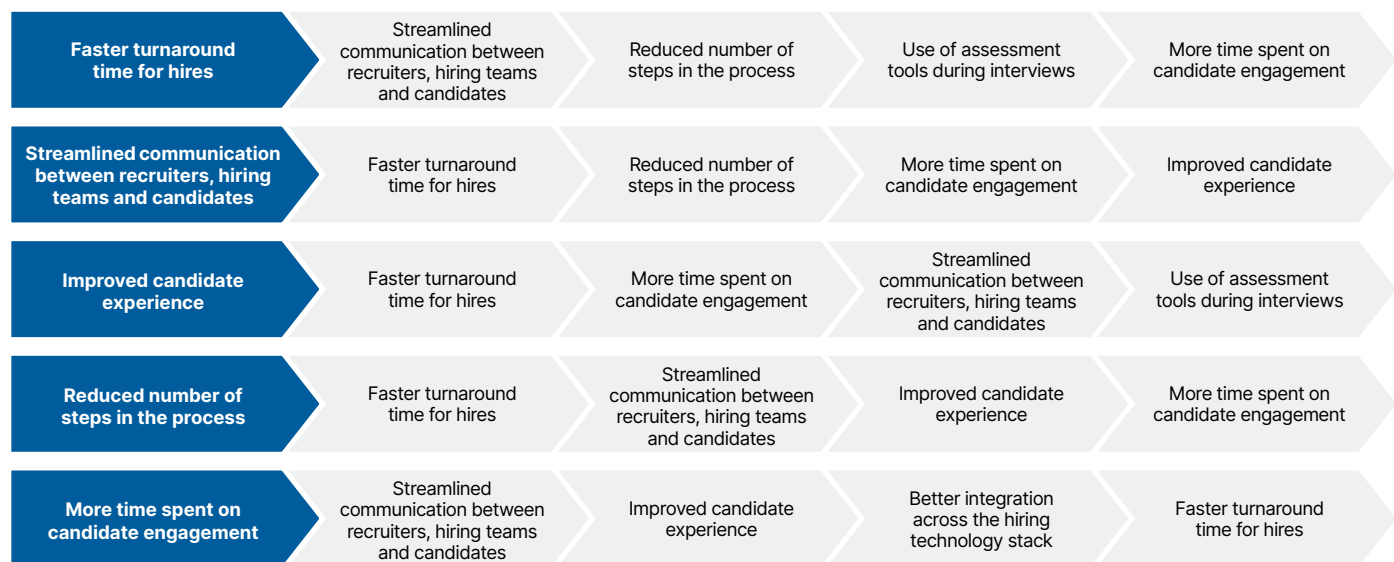
01
Can't hire fast enough

After making massive changes in hiring and interviewing methods in 2020 (75% introduced virtual interviews in some capacity, and 15% automated at least part of their hiring process), respondents report enjoying greater flexibility (54%), time savings (54%), and an easier time identifying the best candidates (43%) in 2021; however, there's a need for more — especially time savings.

Across the board, it's taking talent teams much longer to fill open positions than it was this time last year, when time-to-fill was already slowing significantly. Whereas last year it took 15% of respondents as little as 1-2 weeks to fill a job, this year half as many respondents are filling roles in that amount of time — a statistically significant decrease. Likewise, last year it only took 8% of respondents 3 months or more to fill a role; now, it's taking almost twice as many companies that long.

A close second to the overall lack of qualified candidates, 1 in 6 respondents believe that the biggest barrier to finding top talent is a lead time for candidates that's too long.

And when asked what they'd most like to see happen in 2022, the most-wanted benefit is time savings, followed closely by a desire for more streamlined communication between recruiters, hiring teams, and candidates.

Which changes would you most like to see in the hiring process? Subsequent ranked items for the Top 5 segments

Faster turnaround time for hires	Streamlined communication between recruiters, hiring teams and candidates	Reduced number of steps in the process	Use of assessment tools during interviews	More time spent on candidate engagement
Streamlined communication between recruiters, hiring teams and candidates	Faster turnaround time for hires	Reduced number of steps in the process	More time spent on candidate engagement	Improved candidate experience
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Reduced number of steps in the process	Faster turnaround time for hires	Streamlined communication between recruiters, hiring teams and candidates	Improved candidate experience	More time spent on candidate engagement
More time spent on candidate engagement	Streamlined communication between recruiters, hiring teams and candidates	Improved candidate experience	Better integration across the hiring technology stack	Faster turnaround time for hires

01
Can't hire fast enough

Geographical Differences

Companies in the U.S. and Australia reported feeling more comfortable using automation in their hiring processes, compared with companies in the U.K. Time-to-fill is slower in the U.K.; and as a result, there's a significantly higher number of U.K. talent leaders who report a lack of qualified candidates as their biggest barrier to hiring, and who would like to see a faster turnaround time for new hires in the coming year.

✦ **60% of talent leaders in the U.K. need at least 1 month to fill an open position, while only half as many leaders in Australia and the U.S. are spending that much time (28% and 31% respectively).**

✦ **70% of talent leaders in Australia and the U.S. are comfortable using automation in at least part of their hiring process, whereas 50% of respondents in the U.K. feel the same way.**

Automation

	Australia	UK	US
I am comfortable and already use across my hiring process	23	▼ 13	▲ 22
I am comfortable and already use across part of my hiring process	28	▼ 22	27
I am comfortable and plan to implement within my hiring process over the next 6 months - 1 year	21	19	19
I am comfortable but have no plans to implement across my hiring processes	▼ 10	▲ 20	12
I am not comfortable and have no plans to implement hiring processes	19	▲ 27	19

On average, how long does it take you to fill a job opening today?

	Australia	UK	US
Less than a week	6	▼ 3	▲ 8
1-2 weeks	26	▼ 10	▲ 28
3-4 weeks	▲ 40	▼ 28	33
1 month or more	▼ 28	▲ 59	▼ 31

* arrows indicate significant differences between countries

01
Can't hire fast enough

Our Perspective

To compete for the best candidates and become an employer of choice in this new world of talent, organizations need to implement tools to help them reduce the number of steps in their hiring and onboarding processes, identify the best candidates earlier, and make it easier for those candidates to build a relationship with them. Companies that don't continue to evolve risk surrendering the innovation and overall business success that only the best talent can bring.

Considerations

✦ Workforce planning in an increasingly competitive and dynamic talent market requires the right technology partners to efficiently source and select top talent.

✦ Conversational AI & text recruiting give talent leaders the opportunity to build relationships with candidates fast, no matter where they live, and guide them quickly through the next steps of the hiring process.

✦ Employers who prioritize skills over resumes are poised for success in an increasingly competitive global economy.

02
Fierce focus on employee retention

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Fierce focus on employee retention

Whereas in 2020 many companies were navigating layoffs and furloughs, in 2021 their challenges were quite the opposite — employees started resigning at stunning rates.

The majority of our respondents (55%) reported employee turnover as higher than it had been in the previous year. One in four companies experienced voluntary turnover of at least 13% of their employee base, with some respondents reporting up to 20%.

In an effort to retain their talent, many organizations decided to increase compensation (54%); 44% have added learning and development allowances; 42% have added employee recognition programs, and 42% have tried to improve their employer branding in the last year. It's worth noting that companies with higher rates of voluntary turnover were also the ones more likely to respond with increased compensation, while companies with lower turnover leaned toward adding culture events, learning and development allowances, and tuition reimbursement instead.

The companies with lower turnover were also those more likely to take active measures to combat it with tools such as conversational AI, whereas a higher number of companies who reported "higher" or "about the same" turnover compared to last year chose "none of the above" when asked about the investments they'd made in becoming an employer of choice.

In the immediate future, more talent leaders are turning toward job-matching technologies (57%), presumably to keep new hires from quitting due to poor job fit; prioritizing internal promotions (55%); and sourcing from previously "overlooked" workers" — mature-aged workers (47%), undergrad workers (44%), and junior workers (38%) — to solve their retention dilemma.

% of respondents by industry that reported higher turnover compared to the previous year

59% Education

58% Healthcare

55% Construction

54% Software

50% Finance, Insurance & Real Estate

Approximately what percentage of your employee base has resigned in the last calendar year?

0	4%
1-4	22%
5-8	28%
9-12	21%
13-18	12%
19-24	13%
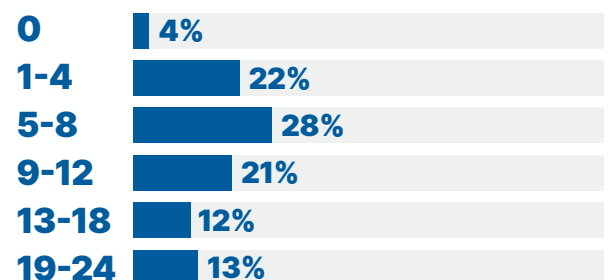
02
Fierce focus on employee retention

Geographical Differences

Resignations are significantly higher in the U.S., and significantly lower in Australia, while more respondents in the U.K. reported them as being "about the same." In the U.S., more talent leaders are interested in utilizing job-matching technologies to solve talent shortage issues, while teams in Australia are prioritizing internal promotions and a talent intelligence marketplace. There are significantly fewer talent leaders in the U.K. who have plans to implement any new talent mobility solutions.

Our Perspective

To a large extent, members of today's workforce have different expectations of their employer than did previous generations; and this year's increased turnover is proof that workers will leave their role, their organization, even their industry to find what they're looking for.

The data in this study show us that the companies with the lowest turnover were the same companies making investments in becoming an employer of choice. Those with the lowest turnover made more investments in job-matching technology, which can greatly reduce the risk of hiring new employees who later quit because their skills don't fit the role. Moving forward, there are also opportunities to lean on technology to recruit internally, promoting existing employees into new roles and providing the growth opportunities that ultimately lead to higher employee retention.

Considerations

✦ In today's talent world, experience and engagement are what really matter — both for employees and candidates. Conversational AI-powered recruiting assistants can engage job seekers wherever they are, whenever they want — and guide them through a set of easy next steps.

✦ The time to start thinking about employee retention is before a new hire even starts work. Job-matching technologies can help by greatly reducing the likelihood of poor job fit and subsequent resignations.

✦ Recruiting technology shouldn't only be saved for new hires, though. Another way to boost retention is to continually provide growth opportunities for existing employees, by leveraging assessments to source and assess for internal mobility.

03

Digital tools blend with in-person touchpoints for maximum impact

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Digital tools blend with in-person touchpoints for maximum impact

During the early months of the pandemic, organizations turned to virtual tools rapidly and out of necessity; **but now, more than a quick pandemic fix, technologies like video interviewing have been fully integrated with talent teams as part of a permanent, blended approach.**
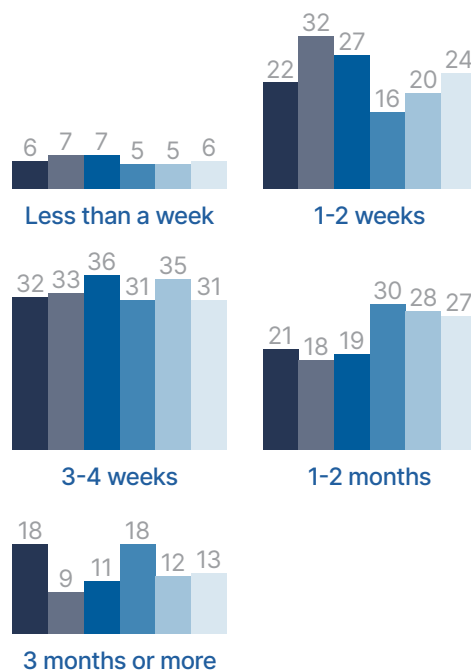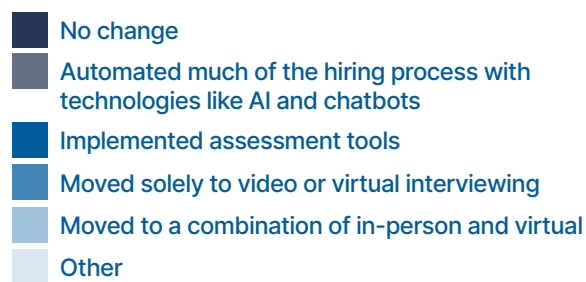
In 2020, 45% of respondents moved solely to virtual interviewing, while 31% moved to a combination of virtual and in-person. In 2021, half as many moved solely to virtual interviewing, and a significantly higher number (37%) moved to a combination of in-person and virtual interviews.

Three out of four respondents are now using virtual interviews to some degree, with 20% relying solely on them for interview needs. Additionally, nearly half of respondents (45%) are using some form of automation in their hiring process, and 20% plan to implement it in the next 6-12 months.
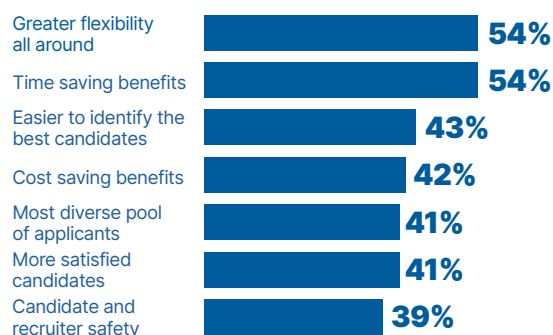
As a result of this blended approach, now armed with more options for candidates, talent leaders report experiencing greater flexibility, more time savings, and more time spent with top candidates.

Those who automated more of their hiring process also reported a significantly shorter time-to-hire. Of the group who reported filling an open position in less than four weeks, 65% had introduced technologies like AI and chatbots, 63% had implemented assessment tools, and 55% had moved to a combination of in-person and virtual interviews in the past year. Notably, those who reported moving solely to video or virtual interviewing last year reported a longer time-to-hire than other respondents.

On average, how long does it take you to fill a job opening today?

- ■ No change
- ■ Automated much of the hiring process with technologies like AI and chatbots
- ■ Implemented assessment tools
- ■ Moved solely to video or virtual interviewing
- ■ Moved to a combination of in-person and virtual
- ■ Other

Less than a week: 6, 7, 7, 5, 5, 6

1-2 weeks: 22, 32, 27, 16, 20, 24

3-4 weeks: 32, 33, 36, 31, 35, 31

1-2 months: 21, 18, 19, 30, 28, 27

3 months or more: 18, 9, 11, 18, 12, 13

Which of the following benefits are you experiencing from your changes to interviewing?

Greater flexibility all around	**54%**
Time saving benefits	**54%**
Easier to identify the best candidates	**43%**
Cost saving benefits	**42%**
Most diverse pool of applicants	**41%**
More satisfied candidates	**41%**
Candidate and recruiter safety	**39%**

03
Digital tools blend with in-person touchpoints for maximum impact

Geographical Differences

Apart from video interviews, respondents in the U.K. overwhelmingly feel less comfortable integrating technology into their hiring processes. Australian respondents report significantly higher rates of adopting conversational AI, whereas teams in the U.S. implemented resume screeners at higher rates. **Both the U.S. and Australia increased usage of text messaging to connect with candidates, compared to those in the U.K.**

Our Perspective

Candidates and employees have more bargaining power than ever before — that's why talent leaders must set their brands apart from the competition by prioritizing empathy, communication, and flexibility.

With a greater number of under-resourced talent teams, more open roles due to increased employee resignations, and a lingering global pandemic, something has to give. Technology that complements the capabilities of talent teams can produce high-touch hiring experiences that meet candidate expectations at a speed and scale not otherwise possible.

How talent leaders are using technology in 2022:

✦ Virtual interviewing - 77% using in at least part of the hiring process

✦ Standardized assessments - 59% using in at least part of the hiring process

✦ Job-matching technology - 57% using in at least part of the hiring process

✦ Automation - 47% using in at least part of the hiring process

✦ AI - 41% using in at least part of the hiring process

✦ Chatbots/texts - 40% using in at least part of the hiring process

✦ Game-based assessments - 36% using in at least part of the hiring process

Key takeaway: Companies using multiple technologies are getting better results. Huge opportunities lie in adopting automation, AI, chatbots, and assessments in conjunction with face-to-face interactions for a blended approach.
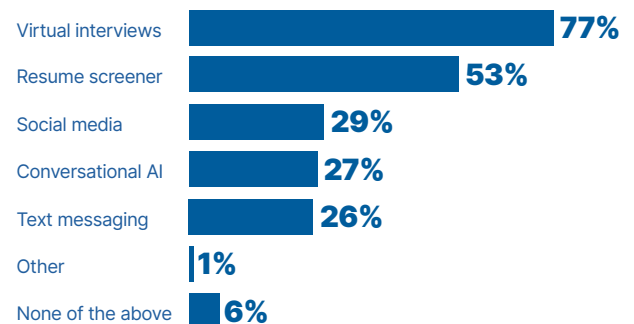
03
Digital tools blend with in-person touchpoints for maximum impact

Considerations

✦ Integrating technology into talent processes is strongly correlated with a shorter time-to-hire, empowering employers to win top candidates before a competitor does.

✦ It's not possible for most talent teams to connect one-on-one with every single job applicant. Conversational AI can bridge the gap by engaging them wherever they are, answering FAQs, and guiding them through next steps — then making it possible for talent teams to focus finite time on top candidates.

✦ Structured interviews are proven to be a better measure of job-fit, yet 71% of respondents are still using resume qualifications, and 37% rely somewhat on gut instinct despite the bias it invites. Moving away from subjective measures and toward more systematic approaches has a huge impact on talent teams' ability to find a larger pool of qualified candidates, as well as meet DEI&B goals.

In the past year, which, if any, of the following tools have you implemented to screen potential candidates?

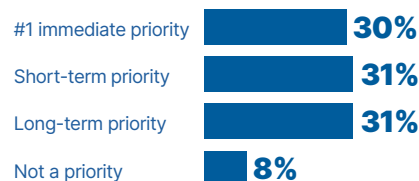|	
Virtual interviews	77%
Resume screener	53%
Social media	29%
Conversational AI	27%
Text messaging	26%
Other	1%
None of the above	6%

An Update of DEI&B

Talent leaders across the globe were determined to set impactful goals regarding diversity, equity, inclusion, and belonging (DEI&B) at their companies in 2021 — and in large part, our respondents made progress toward those lofty goals.

- 47% diversified their talent pipeline by prioritizing job experience

- 45% adopted a skills-first approach, a proven method for reducing bias

- 33% replaced resumes with skills-based assessments

- 45% implemented internal trainings on DEI&B

- 43% hired for a diversity-focused role

- 31% broadened campus recruiting to include more universities

- 18% prioritized bootcamp certification, rather than excluding candidates without degrees

- 16% dropped college degree requirements altogether

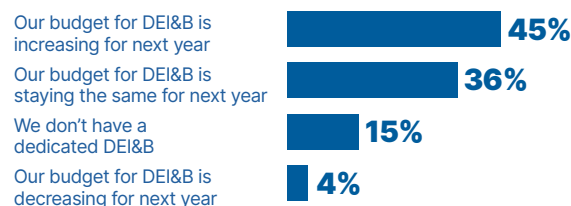- 93% feel comfortable accommodating neurodiverse candidates

Perhaps most meaningful in the context of talent, companies that have done more to reach DEI&B goals also have lower employee turnover. There's a correlation between those companies with lower employee turnover and those with a dedicated DEI&B budget, whereas more companies that reported higher turnover plan to increase their DEI&B budget for next year.

Likewise, a higher number of companies that have adopted a skills-first approach to talent acquisition (54%), and/or replaced resumes with skills-based assessments (40%), also reported experiencing lower employee turnover.
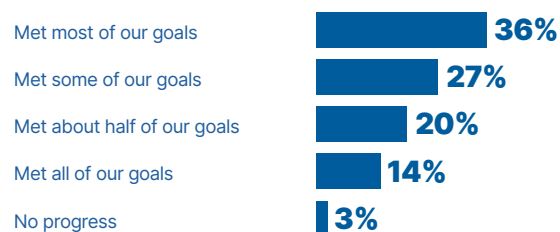
How would you rate diversity and inclusion priorities as you hire?

#1 immediate priority	30%
Short-term priority	31%
Long-term priority	31%
Not a priority	8%

How would you describe your DEI&B budget for the coming fiscal year?

Our budget for DEI&B is increasing for next year	45%
Our budget for DEI&B is staying the same for next year	36%
We don't have a dedicated DEI&B	15%
Our budget for DEI&B is decreasing for next year	4%

How much progress toward your DEI&B goals have you made over the past year?

Met most of our goals	36%
Met some of our goals	27%
Met about half of our goals	20%
Met all of our goals	14%
No progress	3%

Conclusion

As we enter 2022 , one thing is clear — the talent landscape has changed for good. Leaders all over the world report having trouble filling open roles, and when they do fill them, it's taking longer than it used to. At the same time, existing employees are resigning in record numbers. The combination is leaving talent teams strapped.

The overwhelming majority of companies who are meeting talent demands more successfully, and more quickly, than others are taking action in the following ways:

1. **Automating what can be automated.** This includes recruiting chatbots, automated text communication, and job-matching technologies that work to assess skills and place both new and existing employees in the right role, fast.

2. **Recruiting from within the organization.** Most people build new skills and develop more expertise over time. Failing to assess for these new skills, then provide growth opportunities for existing employees, is a blindspot for many companies.

3. **Using both digital tools and in-person touch points, instead of one or the other.** Companies that rely too heavily on either fully in-person or fully remote communication, and neglect giving candidates a range of options, will struggle to compete in the new world of talent.
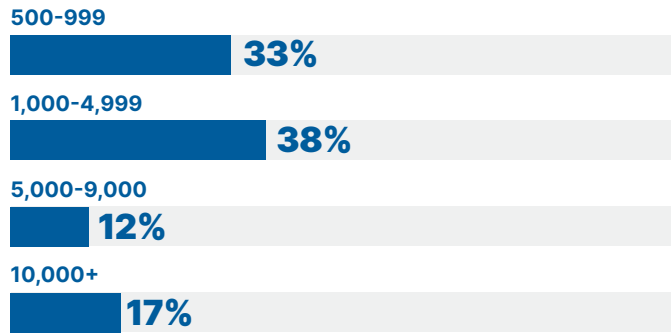
The path forward is one of innovating the ways in which we connect with each other, no matter when and where we work; of exchanging value mutually, whether you're employer or employee; and of building companies where people from all backgrounds can belong.

Learn more about how you can improve the talent experience for both candidates and hiring teams by engaging candidates through text, providing structured interviews through on-demand and live video, and reducing bias through skills assessments — all while unburdening talent teams.
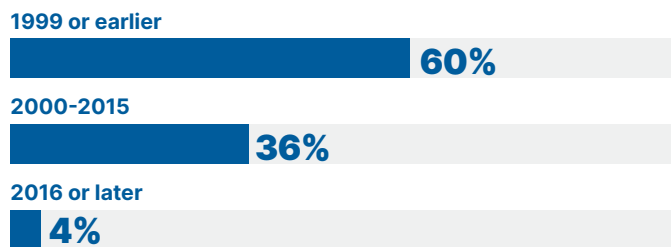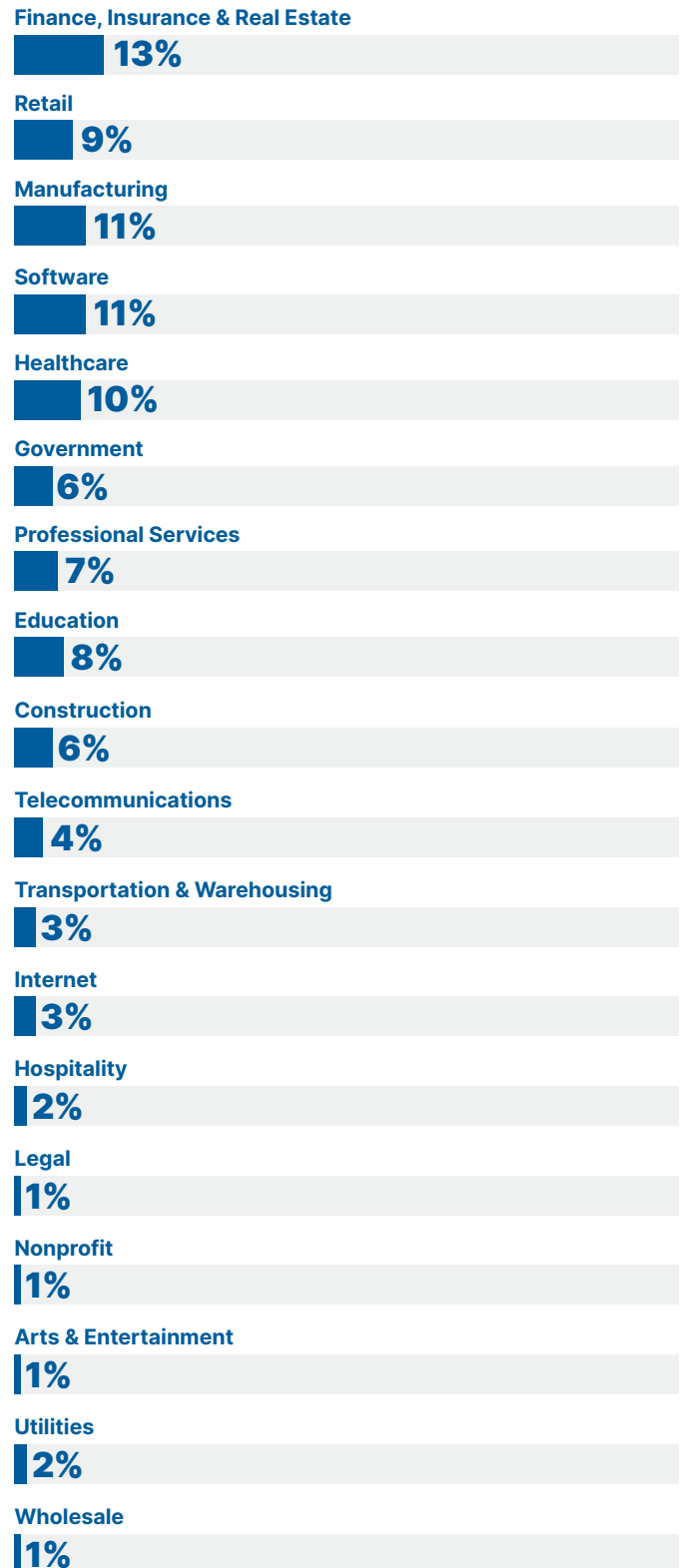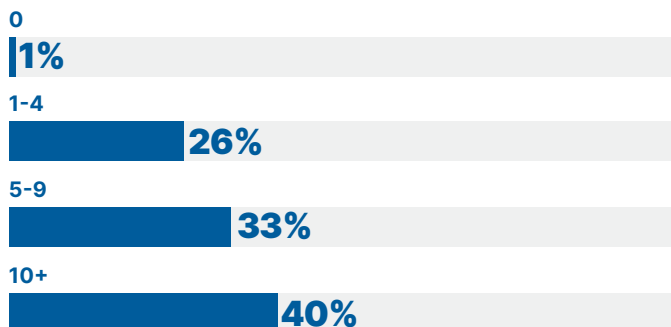
Appendix Demographics

Employee count

500-999
33%

1,000-4,999
38%

5,000-9,000
12%

10,000+
17%

When was org founded?

1999 or earlier
60%

2000-2015
36%

2016 or later
4%

Industry

Finance, Insurance & Real Estate
13%

Retail
9%

Manufacturing
11%

Software
11%

Healthcare
10%

Government
6%

Professional Services
7%

Education
8%

Construction
6%

Telecommunications
4%

Transportation & Warehousing
3%

Internet
3%

Hospitality
2%

Legal
1%

Nonprofit
1%

Arts & Entertainment
1%

Utilities
2%

Wholesale
1%

Appendix Demographics

Number of direct reports

0
1%

1-4
26%

5-9
33%

10+
40%

Respondent generation

Baby Boomers
14%

GenX
33%

Millennials
51%

GenZ
2%

Respondent level in org

Manager
68%

Director
25%

VP
7%

Chief Officer
0%

Respondent gender

Men
60%

Women
40%

Other
0%

Country*

US
78%

UK
16%

Australia
6%
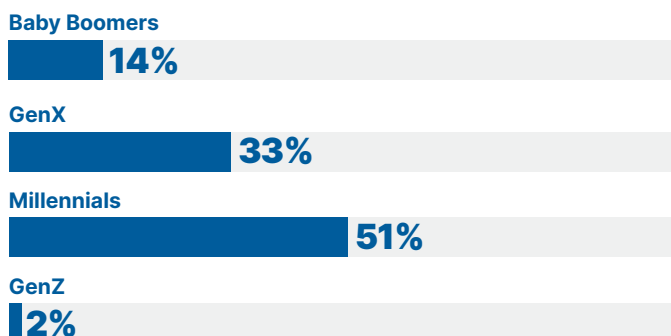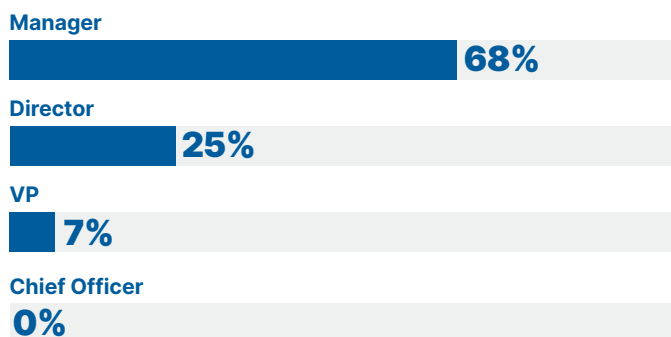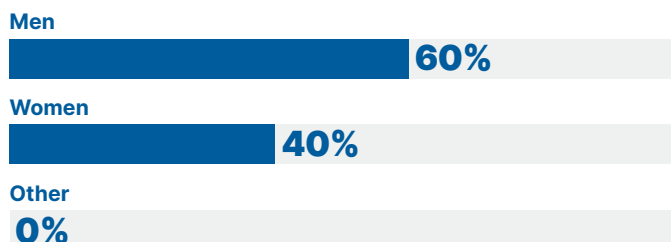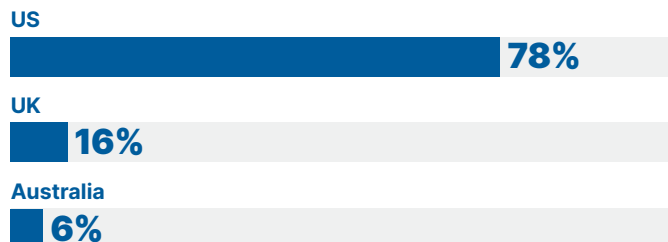
*responses in this report were weighted to be representative of the overall population of each country

Use Cases Hiring For...

Professional
69%

Technical
50%

Hourly
39%

Early Careers/Campus
29%

Public Sector
24%

Don't Know
2%