

goodtime

2023 Hiring Insights Report

531 HR, talent, and recruiting leaders reveal the key
to thriving in a challenging hiring landscape.

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Introduction

Last year, when GoodTime published the first annual Hiring Insights Report,¹ there were 11.3 million U.S. job openings and 5.7 million unemployed Americans actively looking for work. Today, the American labor market remains competitive; companies must compete to win top talent in a candidate-led market with 10.5 million job vacancies² and 5.7 million candidates seeking employment.³

Although this is undoubtedly still a candidate's market, there's a silver lining: employers gained a bit of leverage year over year. Moreover, history tells us that downturns and post-WWII recessions last anywhere from 10 to 18 months. So while it's always challenging to navigate economic turbulence, know that there are brighter days ahead. In the meantime, focusing on productivity, efficiency, and new technology will help you weather the storm and secure the top talent you need.

In December of 2022, GoodTime commissioned a study of 531 talent acquisition (TA) leaders across the U.S. to understand their most critical hiring challenges—and how they're securing top talent in a competitive environment. Nearly all respondents experienced hiring challenges last year; one in four TA leaders reported a lack of qualified candidates, echoing labor market realities. Further, recruiting team turnover made it more difficult for hiring teams to manage candidate flow through.

Right now, TA leaders are asked to do more with less—all while hiring as quickly and efficiently as possible to win in today's candidate-led market. Productivity and scalability are mission-critical to keep the candidate pipeline full, filter out unqualified applicants, and interview top talent faster. As you'll see from the data, companies that prioritize productivity, efficiency, and automation in the hiring process stand the greatest chance to hit their hiring goals in 2023.



Ahryun Moon

Co-Founder and Head of Company Strategy
GoodTime

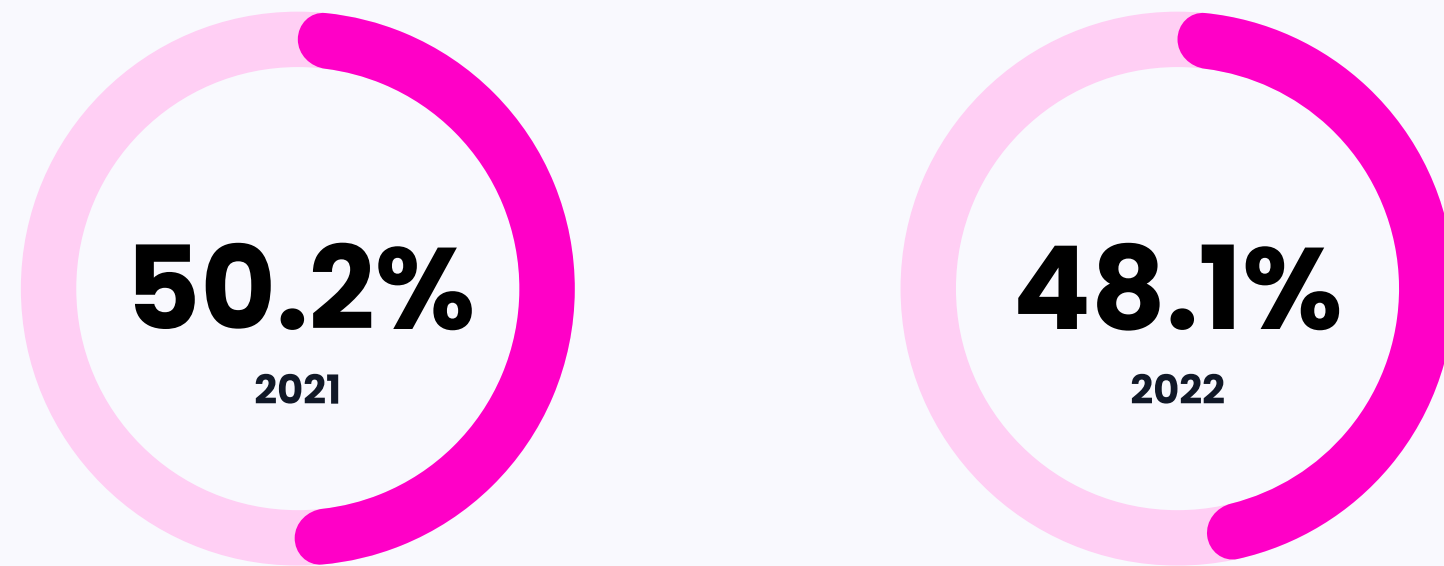
SECTION ONE

Hiring Amid Uncertainty

Goal Attainment Falls Short

According to the previous Hiring Insights Report, organizations hit an average of 50% of their hiring goals in 2021. Year over year, hiring goal performance declined by two percentage points, dropping to just 48% in 2022.

Percentage of hiring goals attained



Over the past 12 months, the total number of U.S. job openings decreased by roughly 800,000, while the amount of Americans actively seeking employment remained the same. Given that framing, hiring goal attainment should have trended up, not down; in general, when there are fewer jobs to fill, hiring is easier. However, that logic only paints a partial picture. Factors like increased candidate demands and inadequate candidate skill set can deal a heavy blow to a company's hiring goals.

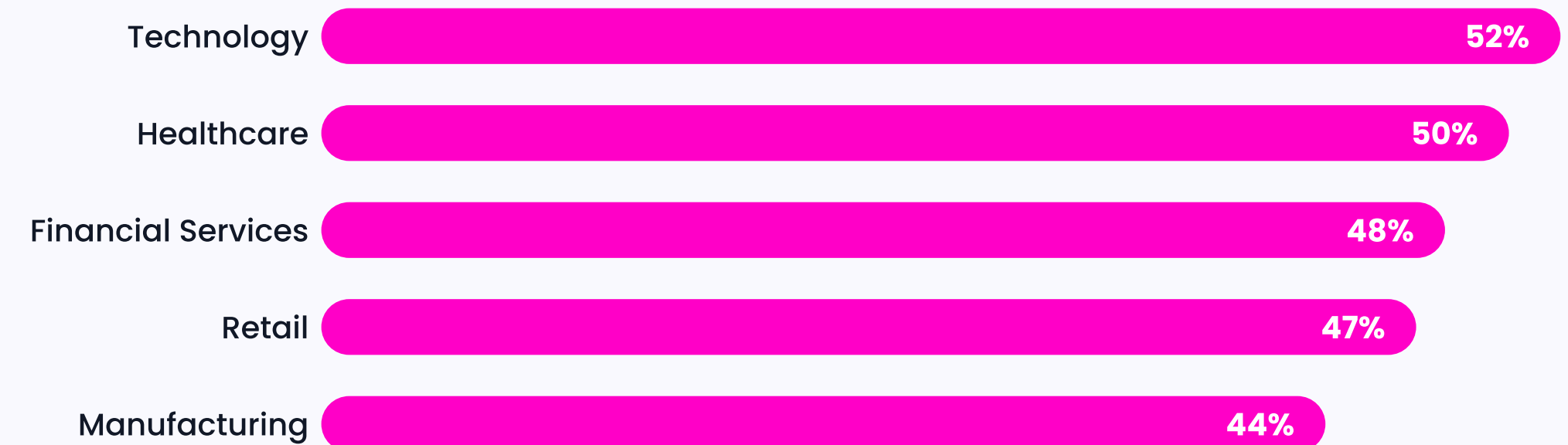
The ratio of job openings to unemployed persons matters less if available talent only wants to work for companies that cater to their demands. Today's job seekers list flexible schedules as their top demand; however, two-thirds of companies don't allow employees to create their schedules.⁴ This reality hits hard in sectors like manufacturing and retail, known for inflexibility.

Many employers across sectors view the available labor pool as unsuitable for their open roles that require specific skill sets and qualifications. These companies seek to hire people who are currently employed—proven high performers with hard-to-find skill sets.

Manufacturing ranked lowest: 44% goal attainment

Examining hiring goal performance by respondent sector reveals that manufacturing companies performed the worst out of the five sectors surveyed.

Percentage of hiring goals attained in 2022



Yet when considering the new Industrial Revolution and the proliferation of manufacturing automation, manufacturing's poor hiring goal performance comes as no surprise. The COVID-19 pandemic propelled the rise of digital transformation across sectors. As a result, the manufacturing sector saw new technologies that improve efficiency and reduce costs.

Humans—particularly unskilled assembly line workers—are being displaced by machines. At the same time, manufacturing companies have an increased need for skilled professionals who can work with machines. As jobs increase in complexity, fewer unemployed workers can step into these roles without extensive training.

Companies in tech outperformed the rest of their peers with 52% goal attainment, but it's still a failing grade. This underpins a harsh reality: hiring is hard right now, regardless of sector.

The Greatest Hurdles

One in four companies (26%) reported candidates padded their resumes, making this the biggest challenge faced by hiring teams in the past year. The disconnect between real skills and what's on applicants' resumes only further amplifies the importance of rigorous screening.

In more recent months, some candidates undoubtedly use AI technology, like ChatGPT, to write their resumes and cover letters, then neglect to fact-check or edit the AI-generated text. This results in resumes with desirable keywords that may not properly reflect the candidate's work history.

Even before this technology, some candidates simply chose to inflate their experience on their resumes to appeal to talent leaders. Yet regardless of how candidates pad their resumes, TA leaders must train interviewers to suss out skill-based information to find the best candidates for every role.

Which hiring challenges have you experienced in the past 12 months?



Coming in second place, 25% of companies said they were challenged by changes in company hiring policies. These policy updates emerged due to a range of factors, including remote work, return-to-office mandates, and a lack of qualified candidates.

In 2022, many employees—particularly knowledge workers in the financial services and technology sectors—were called back to the office after working remotely. A portion refused to comply and severed ties with their companies. Faced with open roles to fill and a lack of qualified candidates, some employers began pursuing passive candidates more aggressively; others considered winning back former employees who had retired.⁵

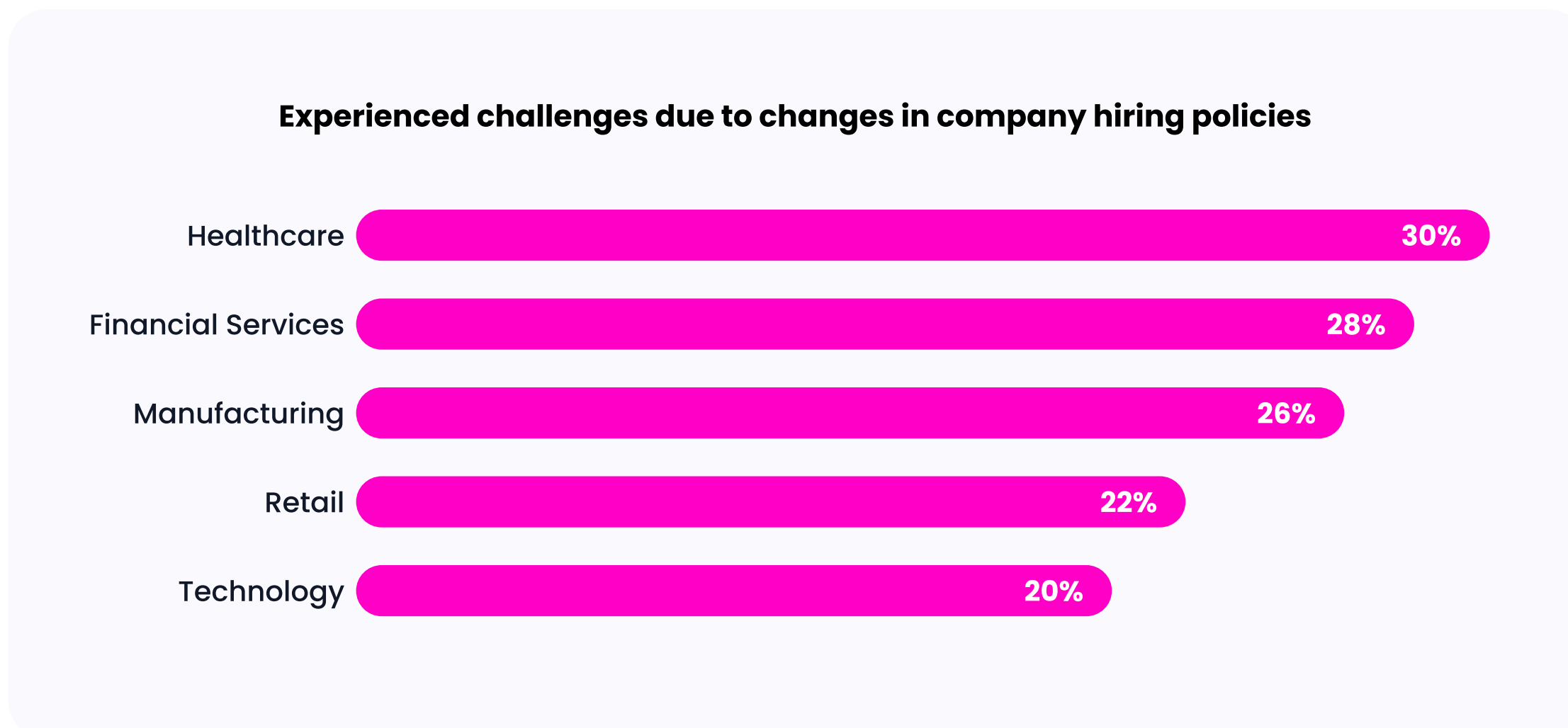
Out of all five industries, hiring policy fluctuations challenged healthcare the most. It's no wonder 30% of healthcare companies had to adjust their policies; a tidal wave of changes swept over the sector in the past year. Companies embraced telemedicine, non-patient roles transitioned to remote and hybrid work, and remote interviews skyrocketed in popularity. Altering policies in response to these changes was simply inevitable.

Challenges varied by sector

While tech companies' number one challenge last year was ensuring employee mental health and wellness (34%) in an environment that spawned burnout, healthcare companies were most likely to struggle with limitations of current hiring technology. In fact, 30% of healthcare companies lack the hiring technology they need to hire effectively at scale.

Why is this the case? For one, the healthcare sector is notoriously risk-averse and may be resistant to adopting new technology. Hiring technology can help, but cautious IT and InfoSec leaders at these organizations must be open to change.

Sector	Top reported challenge in 2022 Percent of sector respondents who cited this as a challenge
Financial Services	Applicants whose skills do not match their resumes 33%
Healthcare	Limitations of current hiring technology 30%
Manufacturing	Remote work compensation 26%
Retail	Applicants whose skills do not match their resumes 25%
Technology	Mental health and wellness 34%



Financial services and tech struggled to find qualified candidates

Out of all five industries, financial services faced the greatest difficulties with “applicants whose skills do not match their resume” and “a lack of qualified candidates.” Interestingly, while tech reported the best overall hiring goal attainment, they were more likely than healthcare, retail, and manufacturing to grapple with a resume and skills mismatch and a lack of qualified talent.

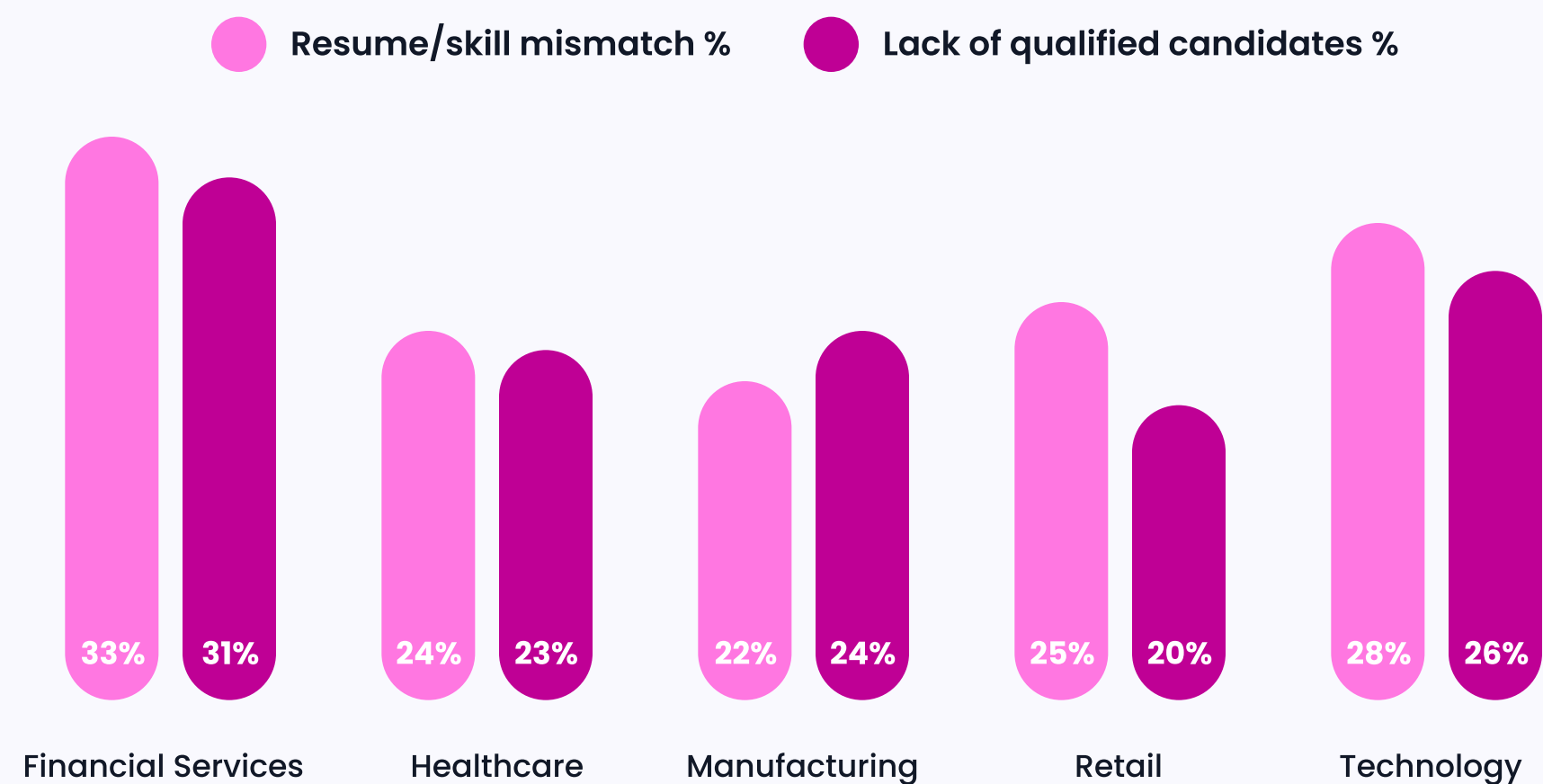
One possible explanation for the disconnect: both financial services and tech companies regularly hire roles that require specific skill sets. Further, finance and engineering roles often require nuanced experience, licensures, certifications, and programming languages. It makes sense that these sectors would naturally experience a shortage of qualified candidates.

Layoffs Hit Hard

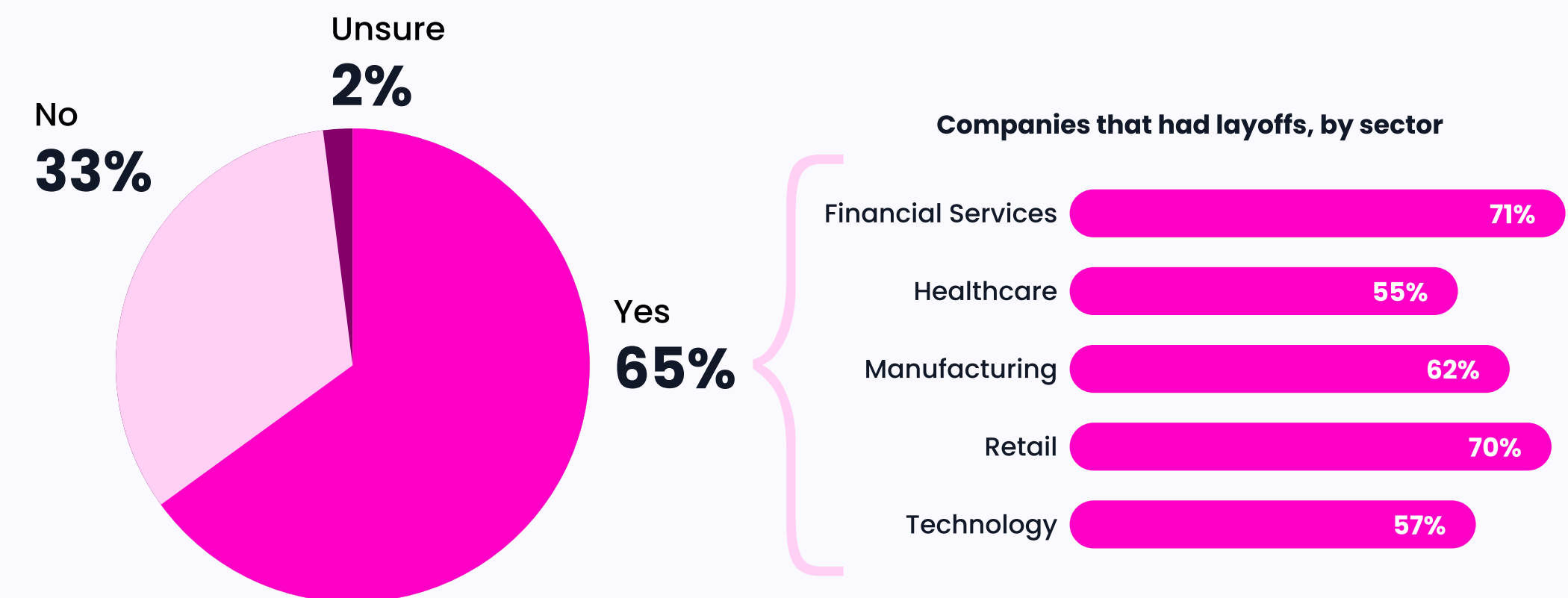
In total, 65% of companies reported layoffs last year. Within the technology sector, layoffs dominated the news—especially those among tech giants like Microsoft, Meta, Twitter, and Alphabet. 57% of tech companies surveyed reported going through layoffs in the past 12 months. However, the financial services and retail sectors reported the most dismissals at a staggering 71% and 70%, respectively.

Companies in financial services needed the most help finding qualified candidates; they were also most likely to struggle with the limitations of current hiring technology. When facing these challenges—plus the ramifications of layoffs on remaining staff, such as disengagement and survivor’s guilt—taking time to meaningfully connect with candidates becomes all the more important. In addition to increasing offer acceptance rates, a positive candidate experience begets a positive employee experience.

What hiring challenges have you experienced in the past 12 months?



Did your company have layoffs in the past 12 months?



What percentage of your company's workforce was laid off?



Layoffs came with higher revenue growth—but at a cost

Companies that reported layoffs in the past 12 months reported revenue growth of 37%, compared to 25% for companies that did not. However, for companies that conducted reductions in force, that growth comes at the expense of employee engagement (39%) and performance (39%). Additionally, they missed their hiring goals by a wider margin; perhaps candidates are wary of joining a company that might rescind their offer or conduct another round of layoffs.

The last finding in this chart underscores this possibility; companies that did not conduct layoffs are more likely to expect to receive an abundance of applications next year (26%). They'll need efficient processes to handle all those applications.

The realities of layoffs



A Wave of Changes

In this candidate-led market, candidates knew they had the upper hand and demanded speedy interviews: underdeliver and risk candidate drop-out. Meanwhile, nearly half of the companies surveyed (44%) were impacted by increased recruitment team turnover last year, meaning there were fewer people available to move the hiring process along quickly. Is there any wonder teams hit just 48% of their hiring goals last year?

“Do more with less” is a platitude that gets thrown around a lot in the current hiring climate. Strained recruiting teams are left to their own devices to figure it out—to yield tangible results with less budget and fewer people. And they’re often stuck with outdated processes and manual work, which hinders productivity.

TA leaders have challenges to overcome in the year ahead, but if anyone is up for the challenge, it’s them. Changes in process to improve efficiency (such as automating repetitive tasks) lets hiring teams connect with candidates more quickly; making those connections and building those relationships improves candidate acceptance rate.

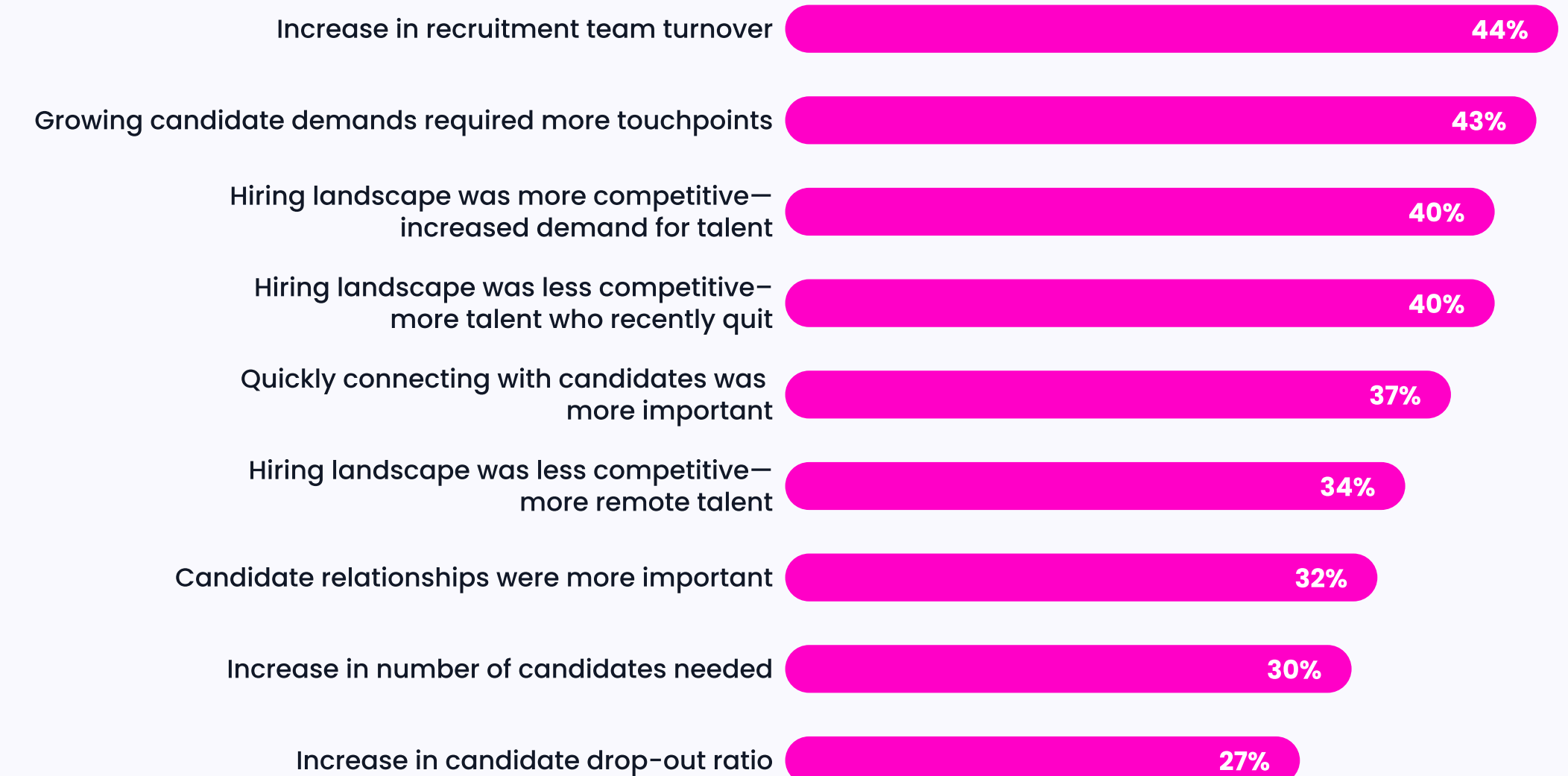
Interestingly, hiring leaders report equally (40%) that hiring has become both more competitive (due to an increase in demand for talent) and less competitive (due to an increase in available talent who have recently quit their jobs). Slicing this data by sector, layoff status, and respondent seniority did not reveal any meaningful trends and underscores the turbulent hiring landscape last year, making it difficult for hiring teams to understand cause and effect.

Financial services is most likely to prioritize candidate relationships

While 32% of respondents on average agreed that “creating meaningful relationships with candidates has become more important,” 39% of respondents in the financial services sector agreed.

As previously mentioned, financial services was most likely to struggle to find quality candidates. Additionally, the top challenge amongst companies in this sector was “applicants whose skills do not match their resumes.” Yet when they do have qualified talent in their applicant pool, building relationships can help them secure the hire.

How has the hiring landscape changed in the past 12 months?



Improving Efficiency to Stay Afloat

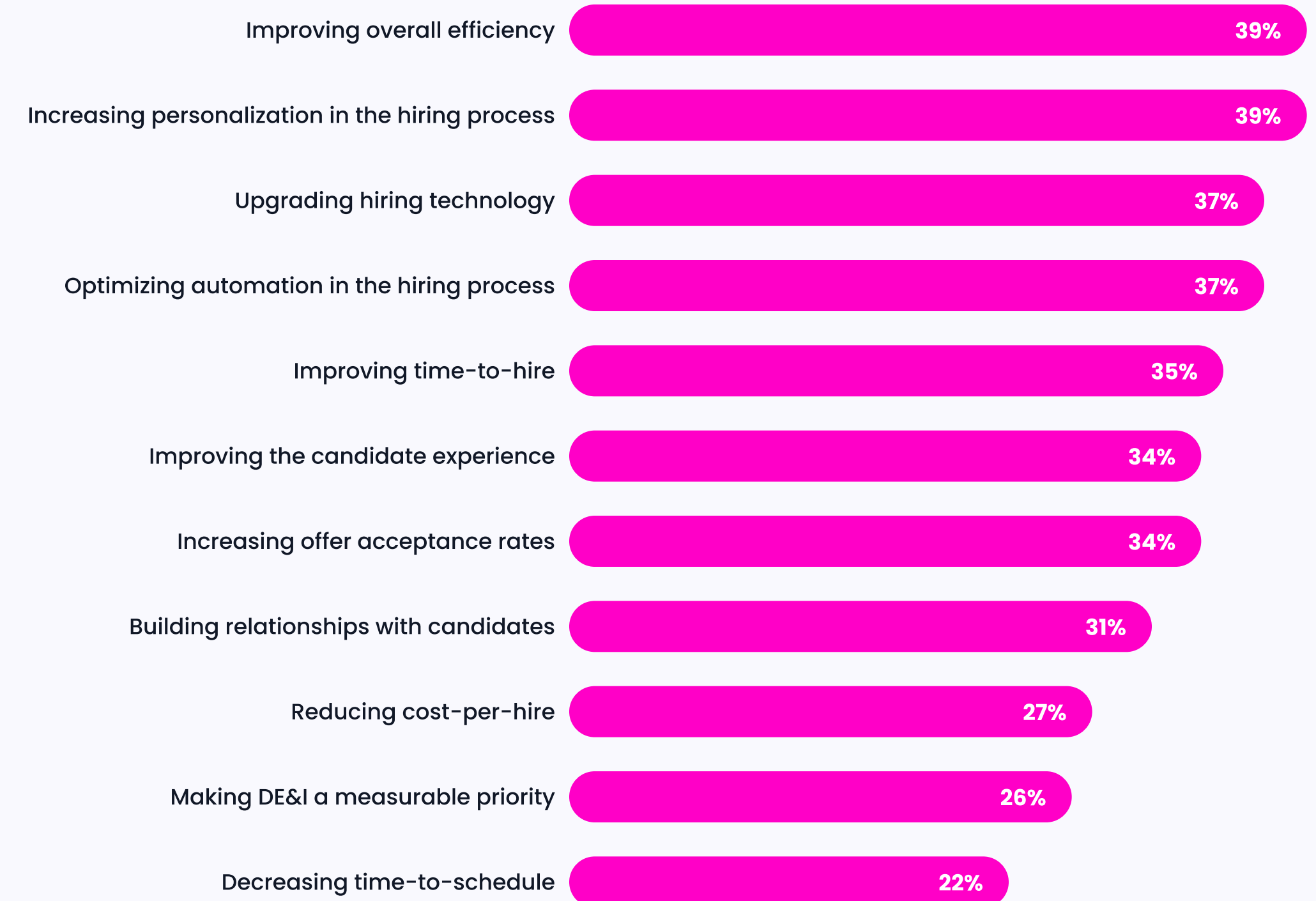
A shaky economy, tectonic shifts in work culture, and a challenging hiring climate. What did TA teams do to ride out the storm and set themselves up for success? According to 39% of respondents, improving the efficiency of their hiring process was one of the main focus areas over the past 12 months, along with increasing personalization throughout the process.

An efficient, streamlined hiring process shows candidates that you respect their time. And by imbuing your efficient process with personal touches, you create a hiring experience that cultivates positive candidate relationships and sets your company apart from the rest.

Slicing this data by layoff status reveals that companies that conducted layoffs were less focused on hiring team efficiency in the past year compared to companies that didn't lay off staff. This may be because their candidate acceptance rate is fairly high (81% compared to 67% amongst companies that did not conduct layoffs) and they don't see a need to fix something that's not utterly broken.

Upgrading technology (37%) and leveraging automation (37%) in the hiring process enable better efficiency and productivity, so it makes sense these ranked highly as well. As seen in the data, limitations of current hiring technology are a challenge for 24% of leaders surveyed—and it's the number one challenge for healthcare companies. Solving the tech challenge will enable companies to hire the right people quickly, without buring out talent teams.

What areas in your hiring process did you look to improve in the past 12 months?



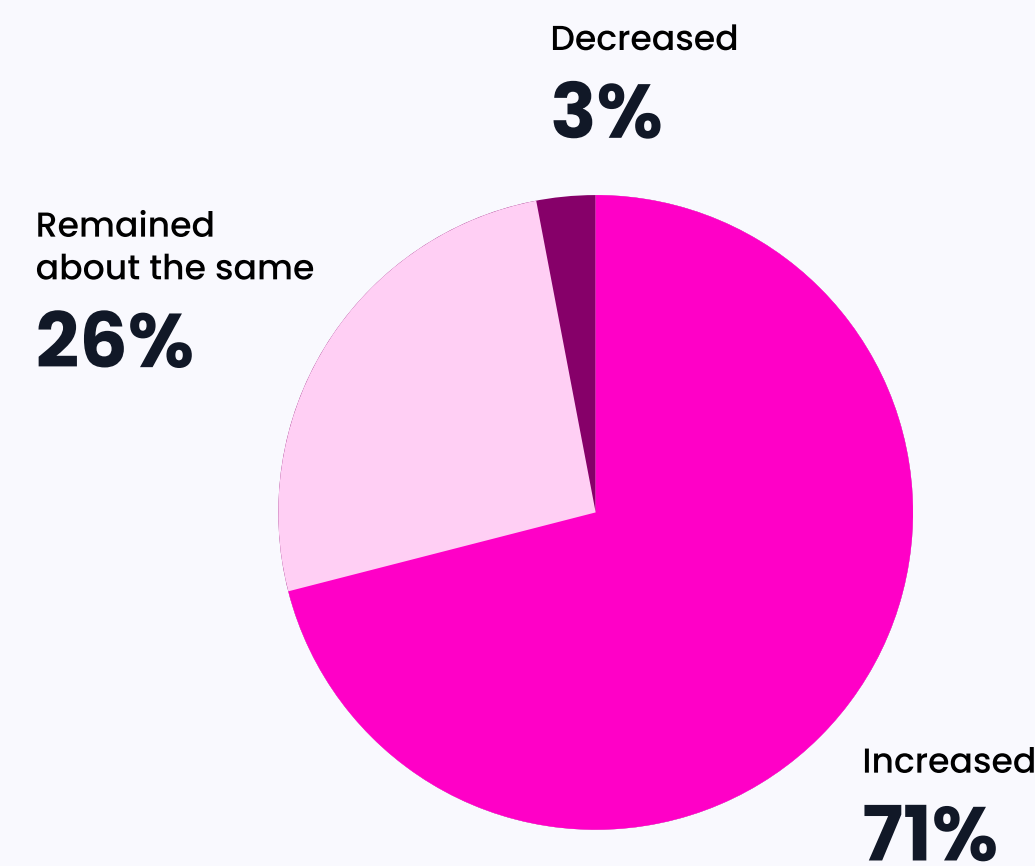
A Rise in Time-to-Hire

While hiring teams say they prioritized efficiency over the past 12 months, the data on time-to-hire paints a different picture; 71% of TA leaders say time-to-hire increased last year. This is a notable uptick from 2021, where 60% reported an increase in time-to-hire.

The top three hiring challenges from the past year underpin why this increase occurred. Growing candidate demands, experienced by 43% of respondents, play a role here as well. When companies find needle-in-the-haystack candidates, they must contend with multiple offers from competing companies and an increased candidate dropout rate.

One thing's for sure: the more seamless the hiring process you offer, the more appealing your company looks to top candidates with their pick of jobs.

In the past 12 months, has your time-to-hire increased, decreased, or remained the same?



Scheduling Drains Bandwidth

Time-to-hire is on the rise, and so is time spent scheduling. Recruiting teams spent 42% of their time scheduling interviews in 2022, a 5% increase from last year's report. This is a notable statistic, especially given that software can automate interview scheduling and cut down administrative burden.

Reducing cumbersome manual tasks creates space for employees to work in their genius zone on more impactful projects, which improves employee engagement and reduces recruiting team turnover.

“

“For your candidate experience and Glassdoor ratings to be good (and stay good), a structured, efficient hiring process is essential.”

Jackie Dube

Chief People Officer | The Predictive Index

SECTION TWO

The Future of Hiring

The Struggles Ahead

Looking ahead to 2023, the storm hasn't passed just yet. Hiring teams must deliver real results this year while contending with difficult organizational and economic challenges.

Before teams can develop strategies for success, identifying the most significant problems and changes towering over the hiring landscape is key.

In the future, hiring teams expect to face two massive challenges. First, teams anticipate that their hiring technology will no longer meet their needs (27%)—which are frequently changing. Second, teams expect to struggle with adapting to changes in company hiring policies (26%).

With an economic climate that calls for greater productivity and efficiency, securing the right hiring technology must be a focus for TA leaders so that their operations become all the more productive and efficient.

Financial services, manufacturing, and retail anticipate hiring tech troubles

When slicing the data by sector, it reveals that financial services and manufacturing hiring leaders ranked "limitations of current hiring technology" as their biggest expected challenge to overcome in 2023. The retail sector ranked it as their second biggest challenge.

Which hiring challenges do you expect to experience in the next 12 months?



The financial services and manufacturing sectors need high volumes of skilled applicants. Likewise, retail requires a high volume of candidates to meet ongoing and seasonal hiring demands. Keeping the candidate pipeline full is critical to fulfill these hiring needs.

Additionally, demand in these areas has exceeded candidate volume for years, exacerbated by the pandemic and digital transformation. Top changes these leaders have to adapt to include turnover, upskilling the workforce to work with machines, and employees leaving rigid corporate life for the more flexible gig economy.

Shifts on the Horizon

Looking ahead, there's some disagreement between TA leaders regarding expected changes. While 45% say the hiring landscape will become more competitive due to an increased demand for talent, 41% say it will become less competitive due to an increase in available remote talent.

This brings into question whether sector played a role here. However, when breaking down further, respondents were split—except for the financial services sector. Burnout and high turnover in frontline retail banking roles⁶ could be impacting sentiment.

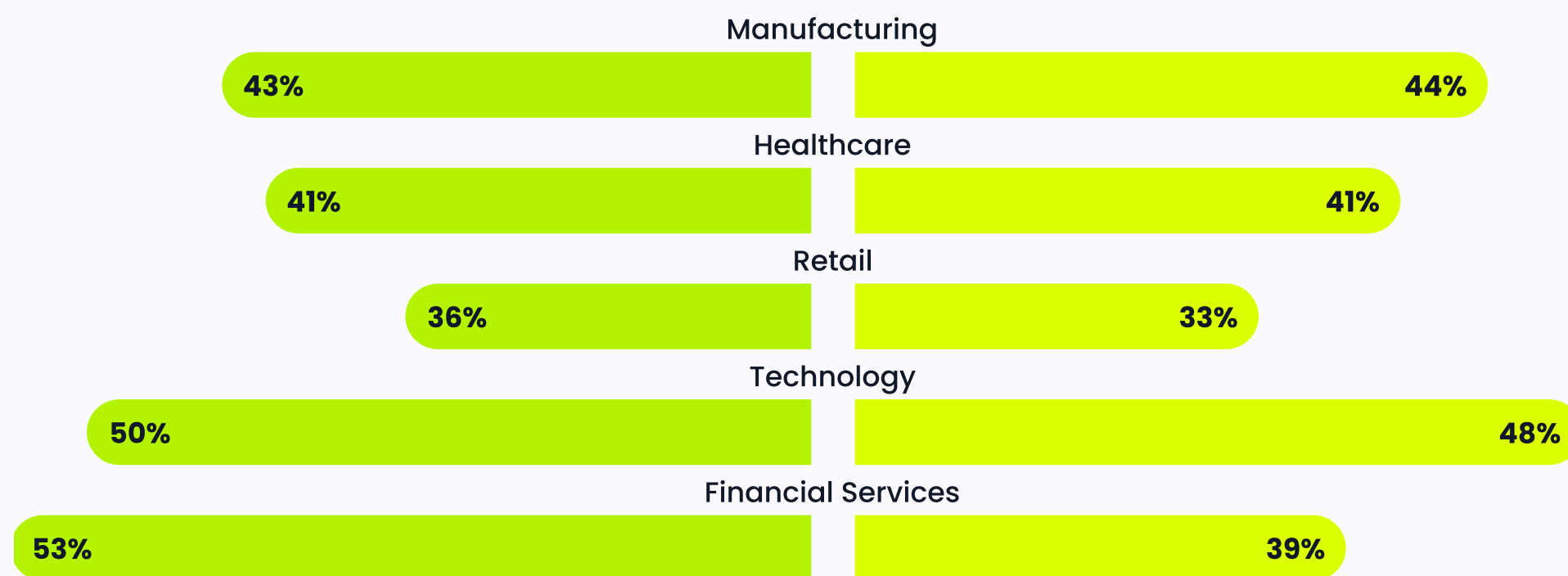
How do you expect the hiring landscape to change in the next 12 months?



Coming in third place, respondents also believe that increased candidate demands will necessitate more touchpoints in the hiring process (40%). In this vein, talent leaders anticipate that the current candidate-led market will persist in the future. Elevated candidate demands combined with talent teams that are already stretched thin will require refinements to hiring processes and exceptional candidate experiences to secure top talent.

Changes in hiring landscape

● More competitive—increased demand for talent
 ● Less competitive—more remote talent



“

“These past 24 months have revealed a lot about organizations and the value that they do or do not put on their people. Top talent will sniff out the organizations who have prevailed in this area and those who are posing when the fog lifts, making the landscape increasingly competitive.”

Pete Lawson

Global Head of People Operations & Talent Acquisition | Gopuff

SECTION THREE

How to Weather the Storm

Efficiency and Automation Reign Supreme

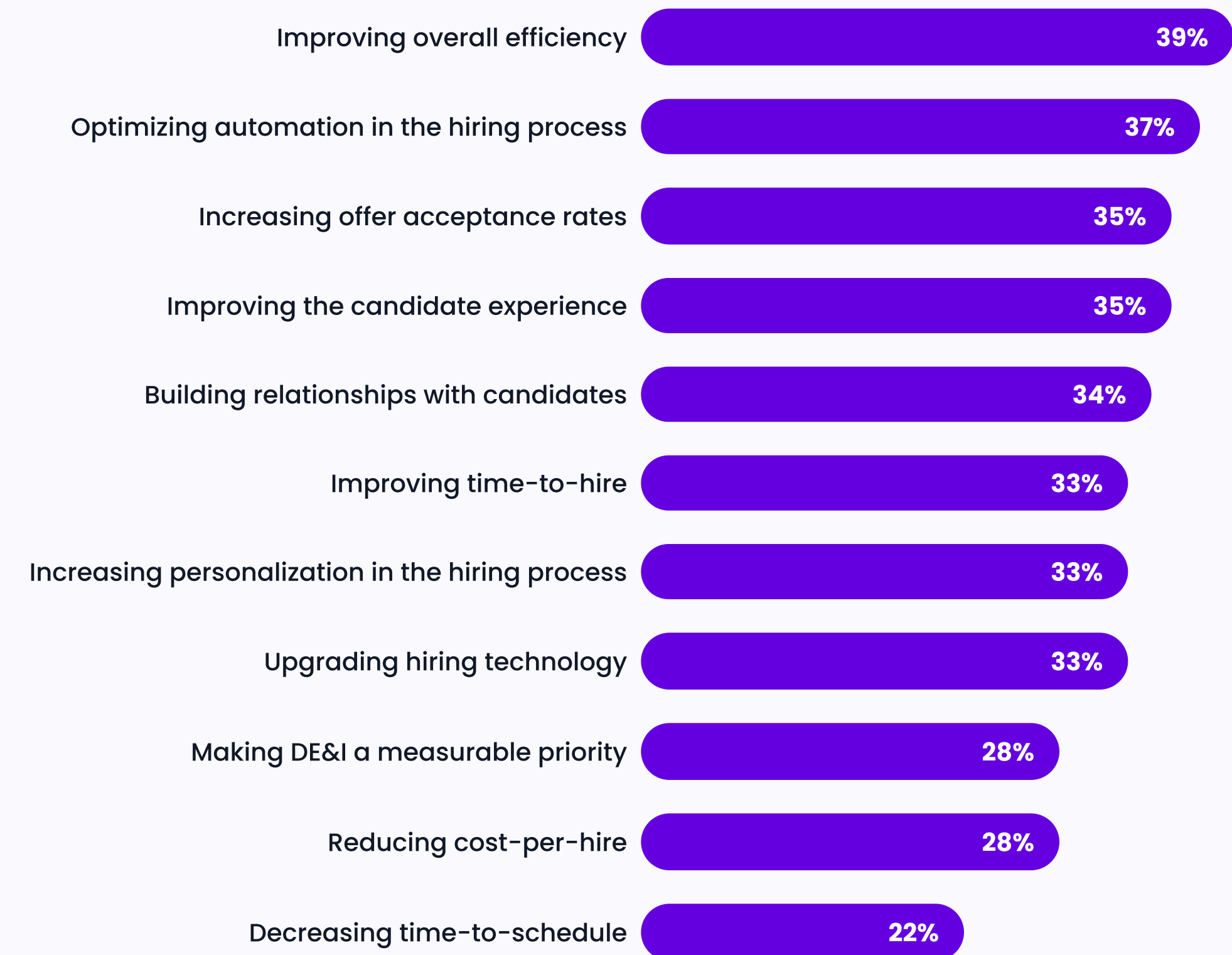
An unstable economy, sweeping reductions in force, and increased candidate demands: talent teams know the avalanche of challenges that they're up against, and inaction isn't an option. Amid this chaos and uncertainty, teams plan on weathering the storm through the power of efficiency and automation.

For the second year in a row, efficiency (39%) and automation (37%) are talent teams' top two focus areas. Streamlining the hiring process and automating repetitive, manual tasks helps fill the gap following hiring team turnover and layoffs while providing some much-needed relief to reduced hiring teams.

Efficiency drives better hiring outcomes, such as increased offer acceptance rates (35%) and improved time-to-hire (33%). In addition, a streamlined hiring process helps create an impeccable experience (35%) that demonstrates genuine care and interest in applicants. Not only does candidate experience encourage candidates to accept offers, but it also goes a long way in setting the tone for a positive employee experience.

It's also worth noting that improving time-to-hire (33%) didn't make the top five in the 2023 report, echoing an increased focus on the quality of hire.

What areas in your hiring process will you look to improve in the next 12 months?

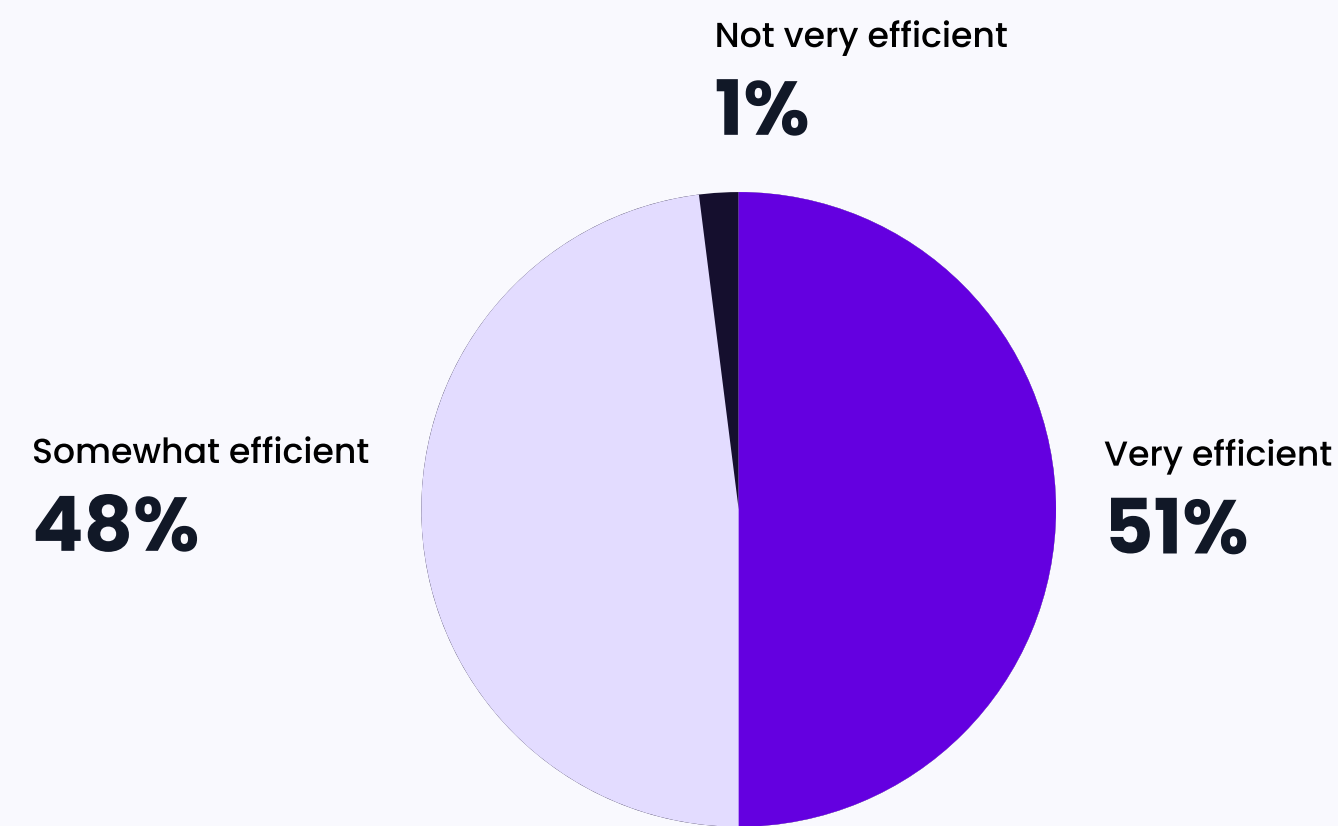


The Disconnect on Efficiency

Despite efficiency and automation being the top focus areas for TA teams, it's worth noting that 99% of subjects rated their hiring processes as either somewhat or very efficient. This statistic seemingly flies in the face of the hiring goal attainment percentage of 48% across all companies surveyed, as well as the finding that recruiting teams spend 42% of their time scheduling interviews.

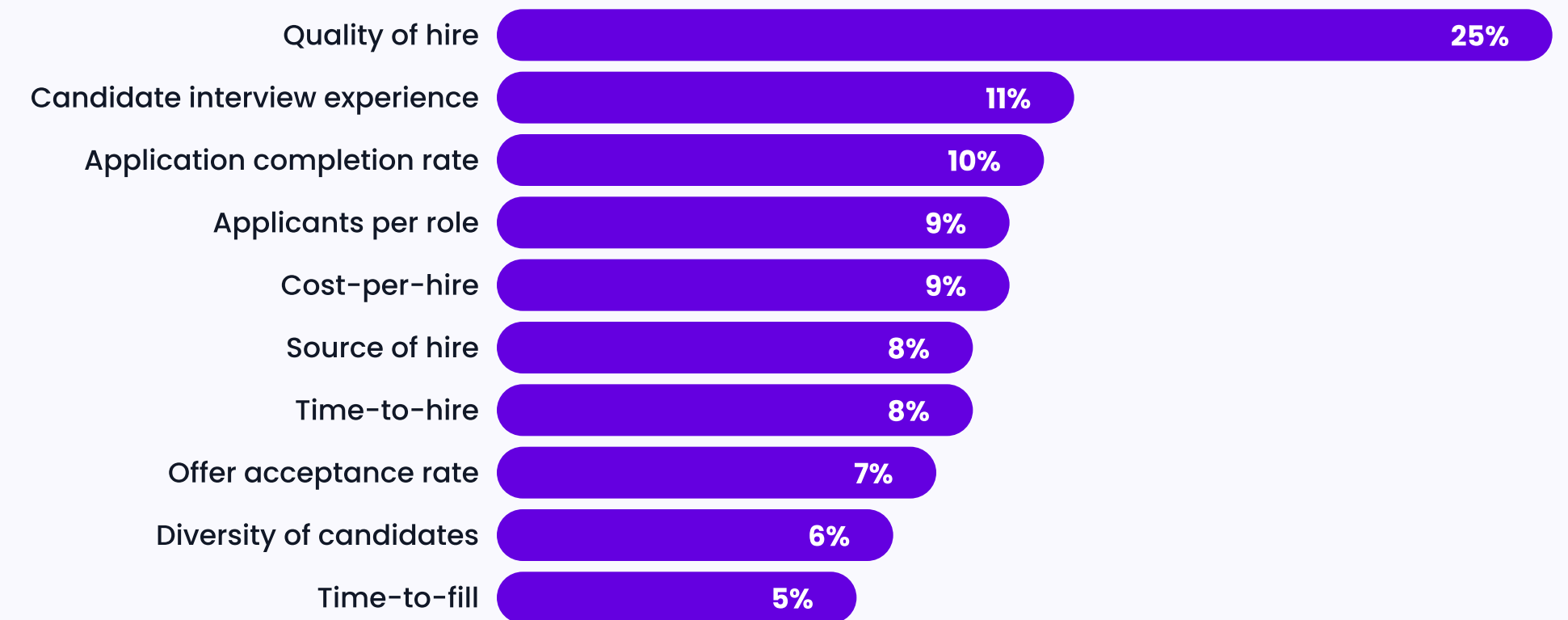
They may feel they are doing their best to contend with factors outside their control, such as the economy, ever-changing hiring policies, employee burnout, and inflated resumes, but they also recognize that their hiring processes still could be leveled up in terms of efficiency and automation.

Talent acquisition process efficiency



Quality of Hire Leads the Pack

Which hiring metrics are most important?



As teams navigate 2023's challenges, they'll be doing so with a firm pulse on quality of hire. Across sectors, quality of hire ranked as the number one most important metric (25%). It's an interesting note, as most hiring leaders agree that quality hires are mission critical; measuring quality of hire is challenging, and carries its own subjectivity and qualitative nuances.

While time-to-hire matters, it's far less important than taking the time to secure the best candidate for the role. Everyone wants to fill empty seats fast, but rushing to hire can cause problems; especially when 26% of companies say candidates' skills don't match what's on their resumes. Diligent candidate screening and evaluation are essential. Companies need to make the right hiring decisions in today's economy.

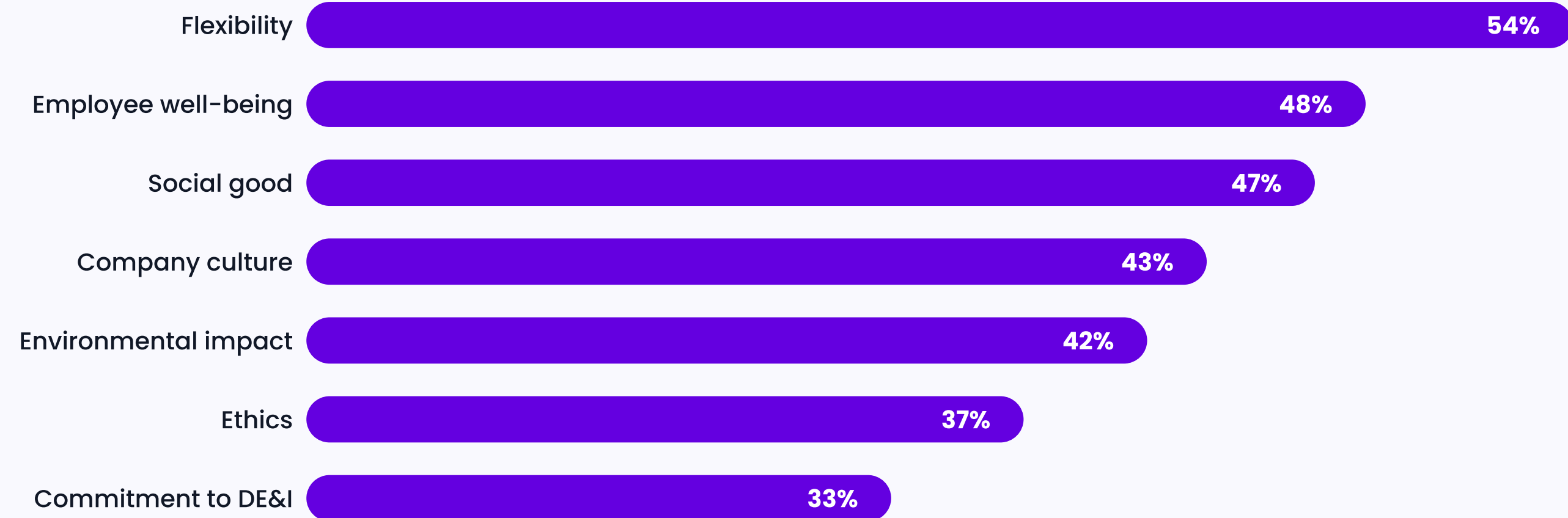
Winning Talent With Flexibility

More than half of TA leaders (54%) believe top talent seek flexibility above all else. Employers must meet the demands of a changing demographic that values flexibility, social good, connection, and a life outside work. However, specific sectors and roles require employees to be on-site. So, what does flexibility look like in these environments?

Companies might consider allowing employees to work from anywhere within the office, take lunch when they'd like, or skip lunch to head home early. A candidate-led market requires employers to bend; when choosing between two job offers, candidates will select the company willing to meet them halfway.

While "flexibility" was the most selected among financial services and healthcare TA leaders, manufacturing and retail TA leaders favored "social good." "Employee well-being" was the top selection among TA leaders at tech companies.

What do you communicate to attract top talent?



Better Scheduling, Better Relationships

One in two companies (50%) agree that efficient scheduling is key to creating a faster and simpler hiring experience for candidates. Delivering this streamlined process not only helps hiring teams hit their goals, but it also creates a positive candidate experience that leads to stronger, more memorable relationships between candidates and hiring teams.

Additionally, candidate-driven rescheduling (46%), and a fast interview process (45%) round out the top three, which is no surprise. Creating a streamlined process and giving candidates control shows that you care about them and value their time. These capabilities align with modern consumer preferences. People want help in their moment of need without emailing or calling someone; 50% of consumers would rather live chat than pick up the phone.⁷

For employers in a candidate-led market, the focus needs to be on candidate experience. But TA leaders must still pay attention to their teams' needs. Improving scheduling efficiency via automation and technology is a win-win that results in less stressed employees and more satisfied candidates.

What do you do to build a fast and simple recruiting process for candidates?



“

“TA teams must transform to meet the needs of the candidate-driven market, continuously evolving their hiring process and embracing new tech to remove friction for the entire workforce including gig workers, contractors, and full-time employees.”

Peter Clare

CEO | Relode

Conclusion

Several trends impacted talent acquisition teams and made their jobs more difficult in the past year:

- 1 **An unstable economy and stock market**
- 2 **Widespread reductions in force**
- 3 **Increased candidate demands**

Talent acquisition teams are doing the best they can with what they have. But unfortunately, 44% were impacted by recruitment team turnover last year, and 24% lacked the technology they needed to support their talent acquisition process. So it's no wonder talent teams only hit 48% of their hiring goals last year.

However, it is shocking that 99% of companies say their talent acquisition process is efficient, given that they hit less than half of their goals. TA leaders might say they're doing a good job; however, their efforts aren't yielding results because they lack the following:

- 1 **Efficient hiring processes that reflect candidate preferences**
- 2 **Hiring tools that provide efficiency, automation, and scalability**
- 3 **Qualified candidates**

Faced with a perfect storm of candidate resume padding, hiring team burnout, and changes in hiring policies, talent acquisition leaders must embrace change. With upgraded technology, refined hiring processes, and iterative systems for optimizing those processes, hiring teams can weather the most tumultuous of storms.



Want insights specific to your sector?

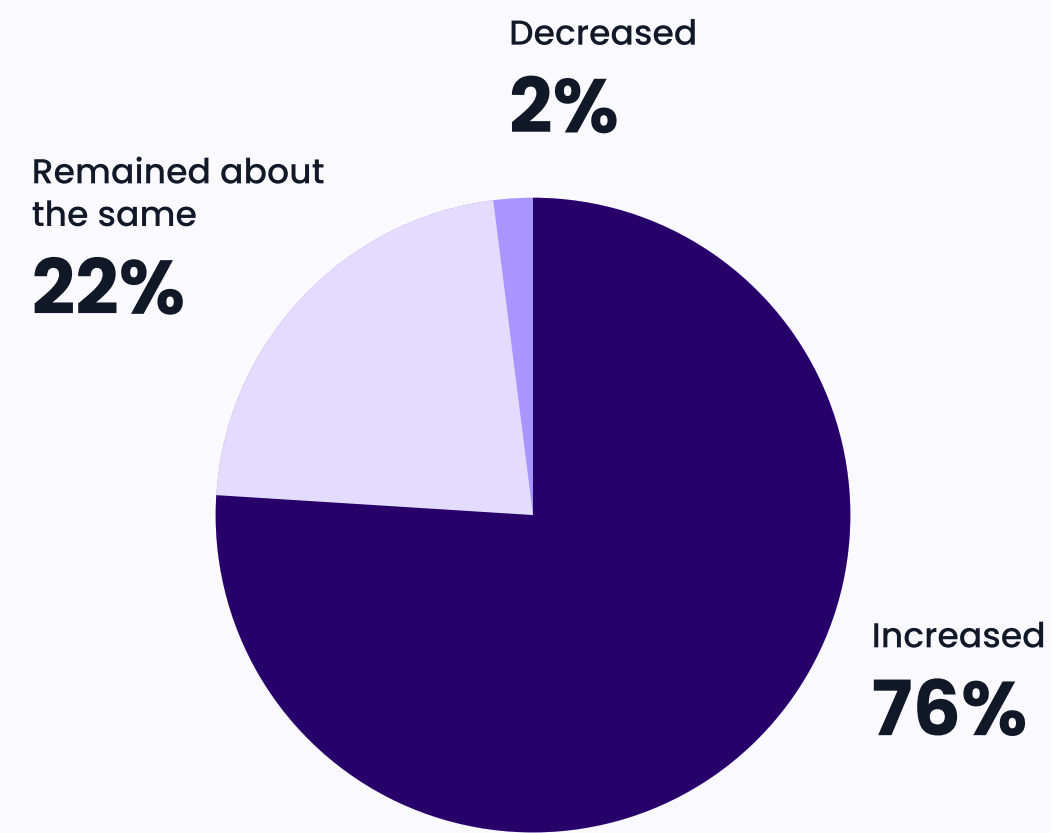
Sign up here to receive sector-specific editions of the report with a deep dive into the data and trends:

goodtime.io/sector-edition

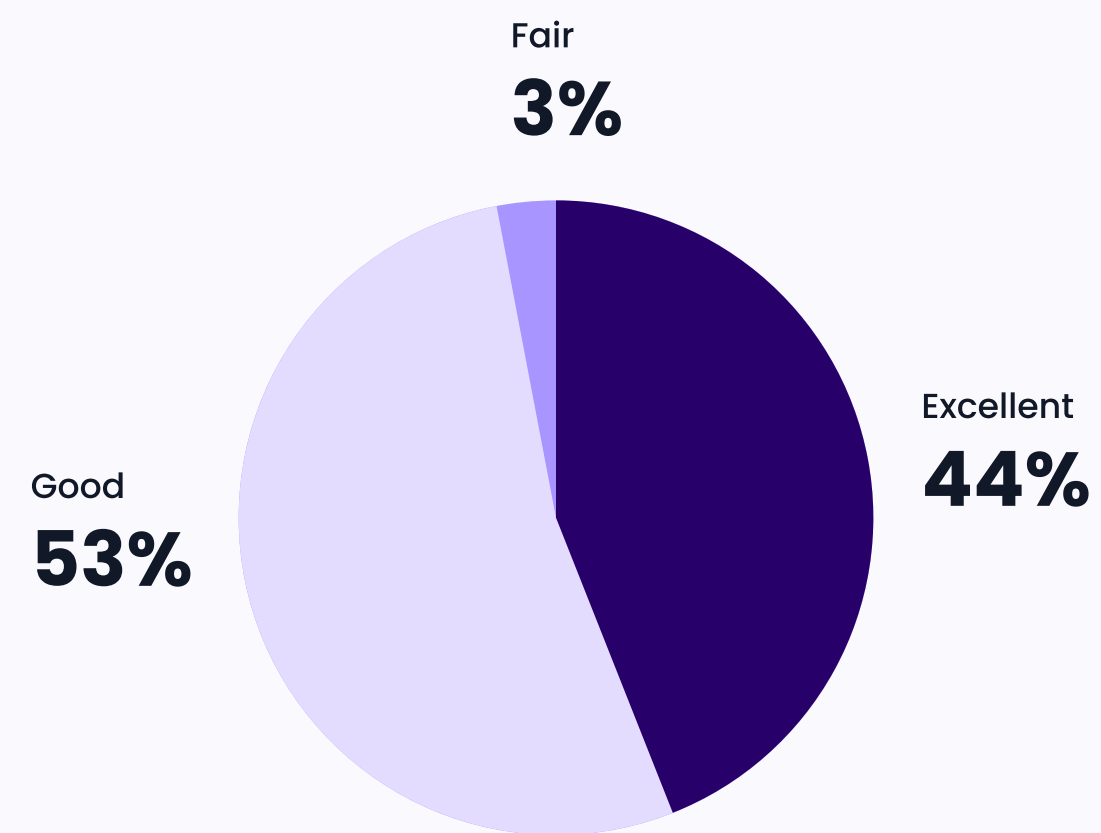
Appendix

Additional Findings

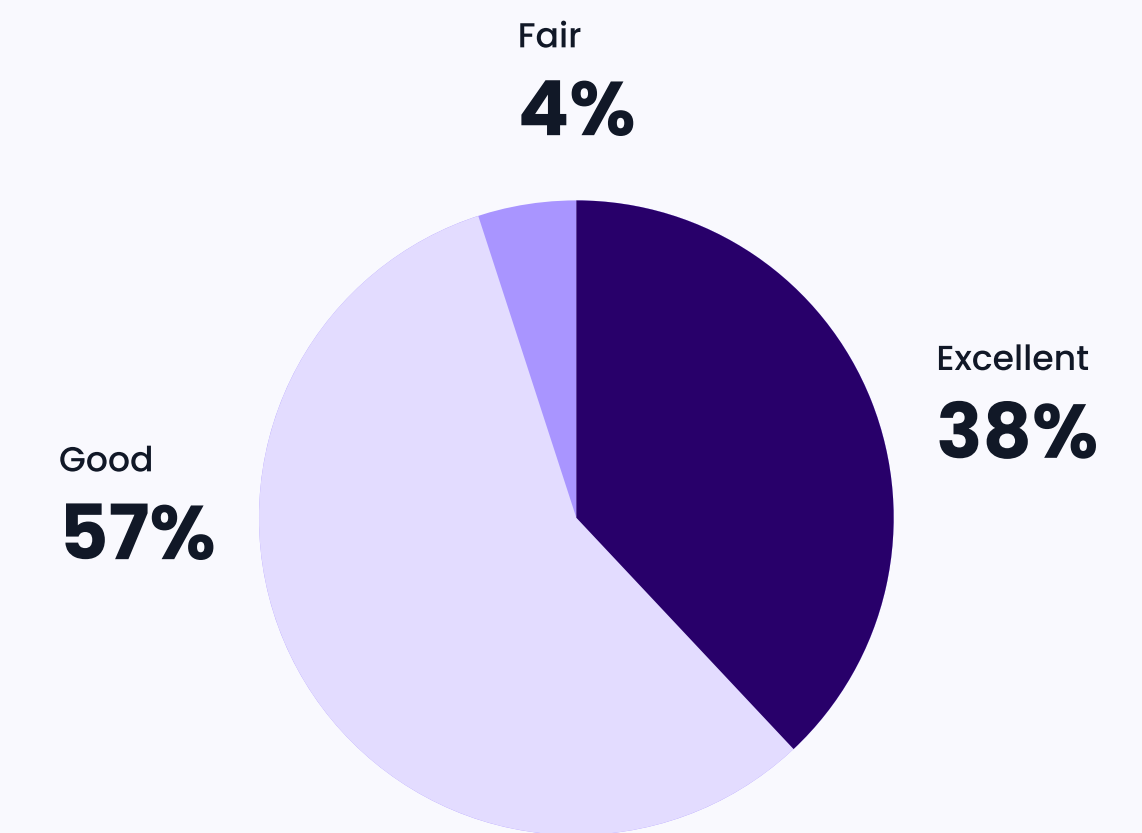
Over the past 12 months, has your acceptance rate increased, decreased, or remained about the same?



How would you rate your overall recruiting process?



Overall, how do you think an average candidate would rate your recruiting process?



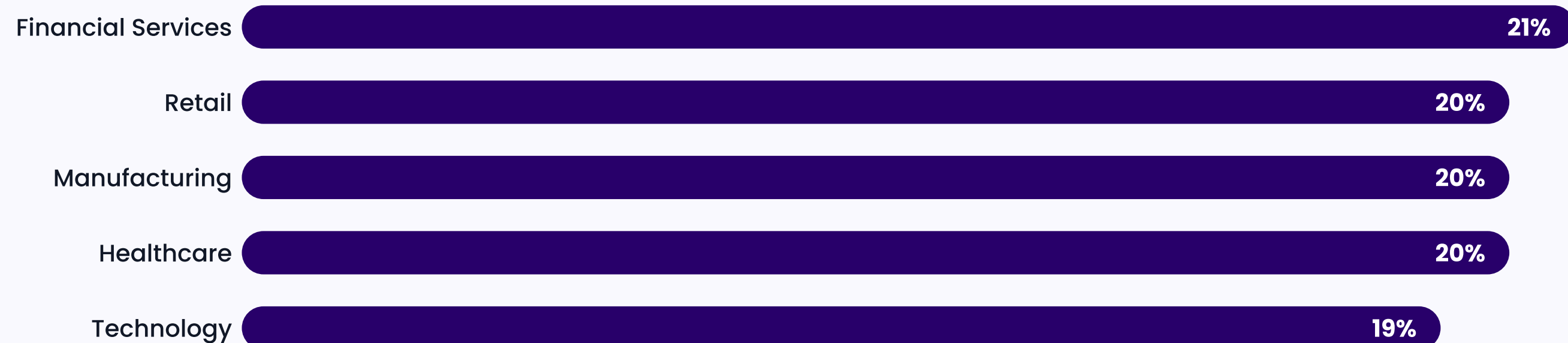
Survey Demographics/ Firmographics

- 531 U.S. Residents
- Employment Status: 100% employed full-time
- Job Level: Director and above
- Job Function: Human Resources/Recruiting
- Sectors: Financial Services, Healthcare, Manufacturing, Retail, Technology, (100+ respondents per sector)
- Company Size: 1,000 or more employees (1,000-1,999: 68% , 2,000-2,999: 13%, 3,000-3,999: 1%, 4,000-4,999: 2%, 5,000+: 16%)

Job Level



Employer's primary business sector



Survey Methodology

This report was developed with scientific rigor in partnership with Qualtrics. We began by identifying the population of interest. Qualtrics distributed the anonymous survey to HR leaders, from directors to C-suite executives. We had 1,353 respondents attempt to take the survey. 184 respondents were terminated either by the security check (either registered as a duplicate or a bot), or for belonging to a category filled, deeming them as an “over quota respondent.” 616 respondents were terminated via pre-screening, and 20 respondents were removed by the data scrubs. In this case, 531 completed the survey. We developed the survey questions according to best practices in survey research, ensuring they were clear, concise, and understandable to people with various backgrounds. Questions had response formats designed to balance the richness of data to be collected with the ease of responding. We selected the topics based on a set of research questions identified by subject matter experts as relevant to emerging trends in the hiring landscape amidst the current economic and hiring conditions. Together, these actions encouraged participant engagement and high-quality responses while collecting in-depth information about changes in the hiring landscape. No reward was offered as an incentive to complete the survey.

Endnotes

- 1 <https://goodtime.io/resources/report-hi2022-main>
- 2 <https://www.bls.gov/jlt/>
- 3 <https://www.bls.gov/news.release/pdf/empsit.pdf>
- 4 <https://www.resumebuilder.com/job-market-difficulties-continue-in-2022-as-employers-fail-to-meet-job-seekers-expectations/>
- 5 <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-great-attrition-is-making-hiring-harder-are-you-searching-the-right-talent-pools>
- 6 <https://www.gartner.com/en/financial-services/research/improving-frontline-performance-fs>
- 7 <https://www.superoffice.com/blog/live-chat-statistics/>

About GoodTime

GoodTime helps people and companies drive better results from their most important meetings. The GoodTime Meeting Optimization Engine automates scheduling, ensures the right people are in the room, and provides actionable insights to meet smarter. Its flagship product, Hire, allows organizations to win top talent faster with Candidate Relationship Intelligence while reducing time-to-hire by up to 50%. Over 300 leading companies like Spotify, Slack, Pinterest, Okta, HubSpot, and Box have scheduled more than seven million smart meetings with GoodTime. Learn more at goodtime.io.

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