

FUTURE-PROOFING TALENT ACQUISITION FOR 2025 ONWARDS

Discover the main trends and challenges facing talent acquisition managers in 2023, and learn how to make sure your organization is prepared for the future world of hiring.



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ABOUT



A world leading provider of market intelligence on the Future of Work and HR Technology. UNLEASH is a customer-first, global digital media and events business, delivering the latest news, analysis and market trends for HR, technology, learning and recruitment leaders.

UNLEASH has championed HR excellence and disruption since 2011, serving as the strategic transformation engine for Human Resources. We are built to inspire, connect, and empower HR leaders worldwide to navigate the fast-changing world of work.

Our community is a diverse group of leaders, including HR Buyers from over 120 countries, who reimagine work and help optimize, enable and unleash new ideas and thinking that improve the lives of millions of people each year.

unleash.ai



AMS is a talent solutions business. Working with clients across the globe, AMS has learned what it takes to build a high performing employer.

It starts with talent; sourcing, selecting and keeping the right people in the right jobs. To do this well, you need unmatched expertise in digital innovation, and a deep understanding of the complex needs of the talent you are seeking to engage - whether that talent is external to your business or already inside it.

Taking a holistic approach to the HR value chain and to attracting and retaining a world class workforce enables business success. With 10,000+ experts, across 120+ countries, speaking more than 50 languages, delivering projects for the world's most admired companies - Talent is our world.

www.weareams.com

INTRODUCTION

Life isn't exactly a walk in the park for talent acquisition leaders in 2023.

Amid ongoing economic uncertainty and widespread skills shortages, those in charge of recruitment and retention face an uphill battle to maintain an edge against the competition.

Against the backdrop of today's economic climate, almost all talent acquisition teams have been given a mandate to achieve more with less. That means finding new ways to build an agile, resilient workforce that can withstand short-term challenges and deliver sustainable growth for years to come.

More attention is being paid to crucial touch points throughout the talent lifecycle – from attraction and procurement to onboarding, personal development and internal mobility. Strong crossover between recruitment and learning professionals is becoming more common, a positive sign that silos are being replaced by a holistic approach to talent deployment.

Employee demands are evolving too. More candidates than ever are demanding flexible or hybrid arrangements, a better work-life balance and ethical work practices. They also expect fair remuneration in line with the rising cost of living and clear opportunities for internal progression.

Although the Great Resignation appears to have peaked, there's no doubt the labor market remains extremely mobile, especially for job roles where skills are in high demand.

This report explores the emerging trends that will likely have a huge impact on talent acquisition teams over the coming 2-3 years, and we hope it proves useful for any business currently evaluating their own approach to attraction and retention.

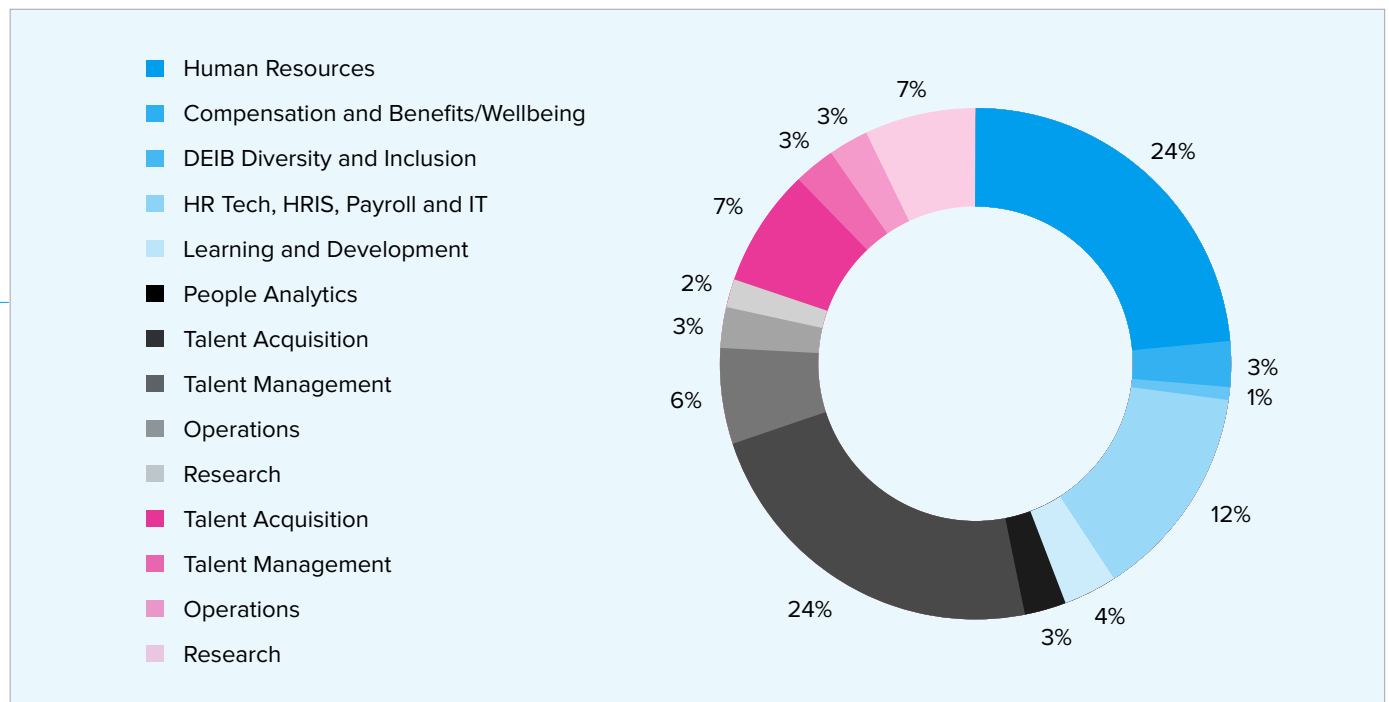


About the data

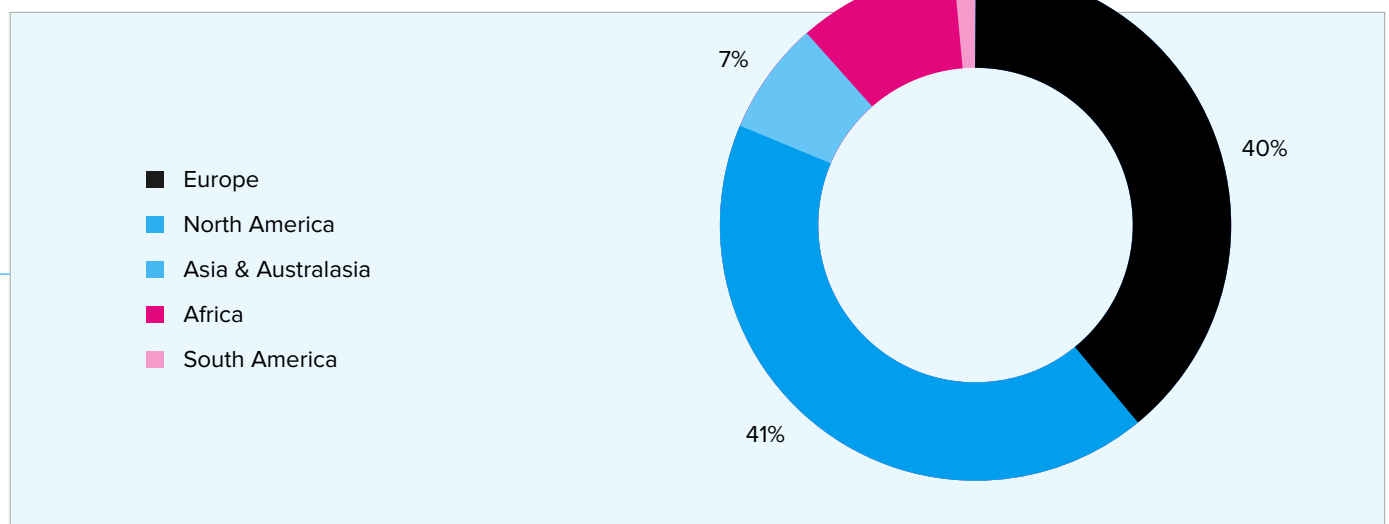
The data featured in this report has been sourced from an international research survey of 122 HR and talent leaders, predominantly based in the US and Europe. The sample covers a wide range of industries and sizes of business – see [Appendix](#) for full breakdown.

This research has enabled us to analyze current and emerging trends in the world of talent acquisition, while also highlighting the key opportunities and risks associated with the ongoing evolution of recruitment.

Role focus

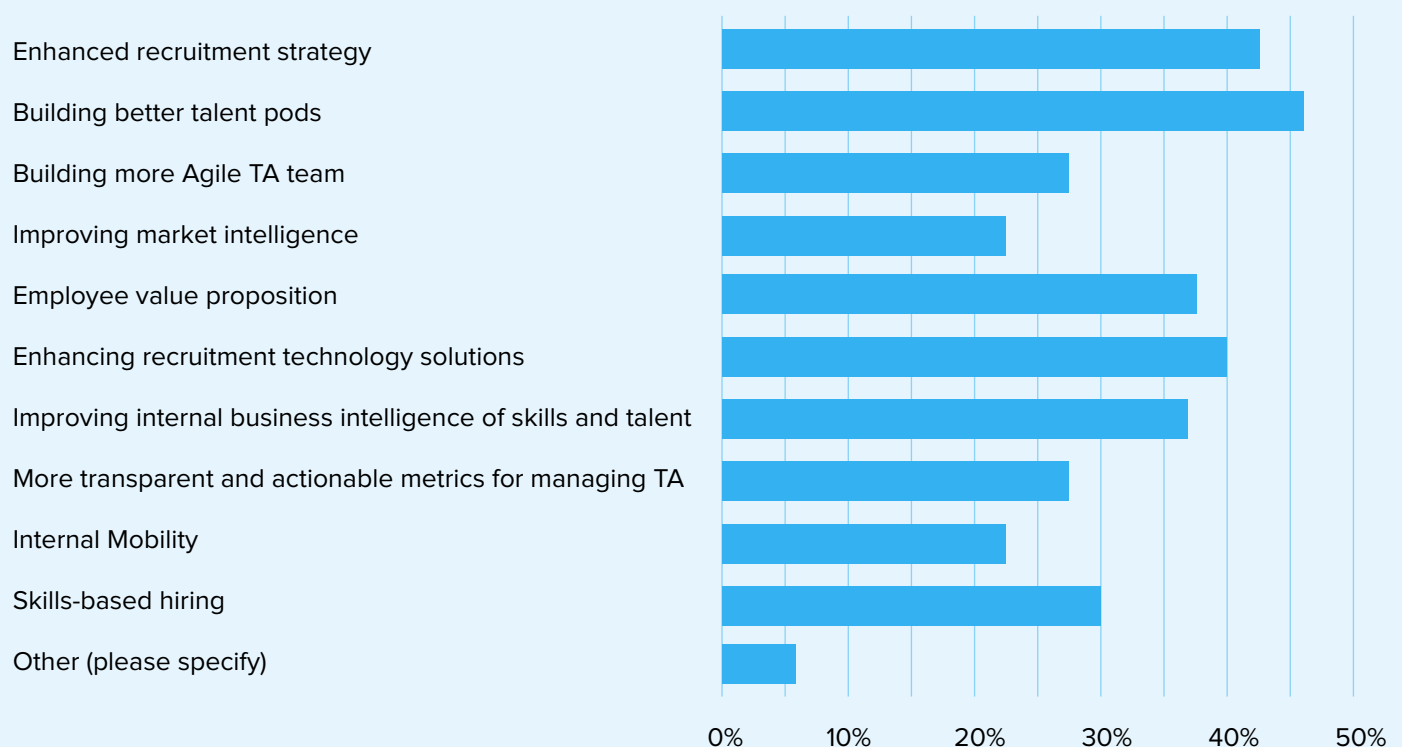


Location



HIRING PRIORITIES IN 2023 AND BEYOND

We asked HR and talent acquisition leaders to list their current top three recruitment considerations for the remainder of this year – here's what they told us.



Building better talent pools (46%)

As industries transform, job roles shift and business needs emerge, having a diverse and well-stocked pool of talent means a company can react quickly to fill skill gaps whenever they arise.

The best talent acquisition teams streamline the hiring process at every opportunity, so instead of scrambling to find the right candidate when the need suddenly arises, hiring managers can tap into an existing pool of primed, fully vetted candidates. This agility is invaluable in fast-paced industries where a delayed hire could mean missed opportunities or unsustainable workloads for existing staff.

Enhanced recruitment strategy (43%)

Basic recruitment strategies focus on little else outside of the standard recruitment process: job postings, CV screening, interviews and referrals.

By contrast, more advanced hiring strategies align with core business objectives and focus on the broader impact of employer branding, hiring data trends, employee value propositions and different types of assessment.

Close collaboration with L&D teams is another a hallmark of more developed recruitment strategies. This is the only way that recruiters can determine which skills are better developed among existing staff, and which need to be sourced externally. Done right, this can significantly reduce hiring costs and help fine-tune the organization's approach to career development.

Enhancing technology (40%)

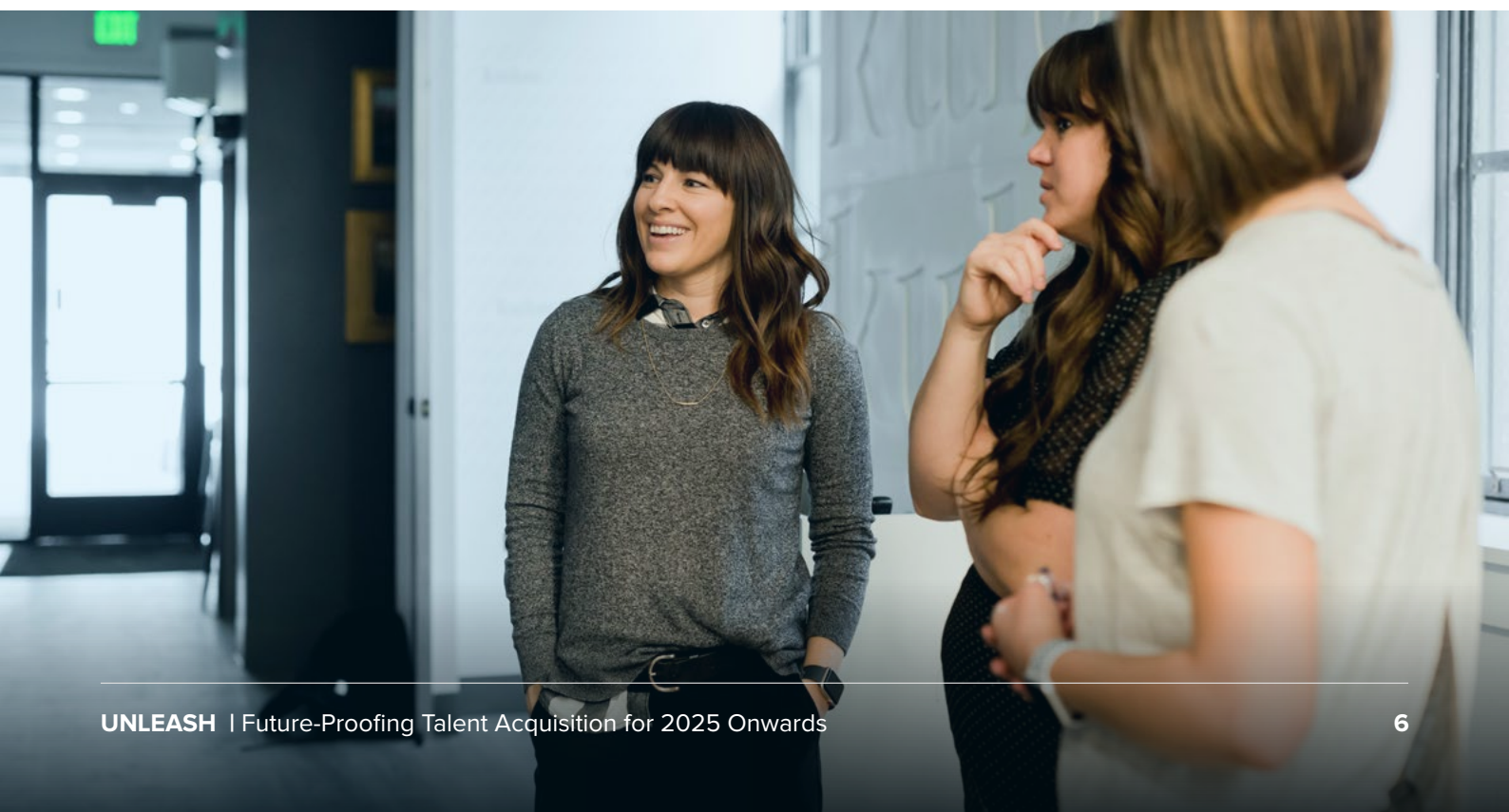
The success of every talent acquisition team in 2023 depends on the strength of systems at its disposal. From resume screening to applicant tracking, putting the right systems and automated processes in place can cut time spent on repetitive admin and create a seamless candidate experience that attracts top talent.

Hiring managers should also be making use of the goldmine of people data available to them to identify talent trends, track KPIs and make informed decisions that lead to better hires. Again, working with L&D teams can ensure that recruiters understand the characteristics and attributes of top-performing employees, helping to form more accurate candidate profiles for key roles.

Skills-based hiring (30%) and internal mobility (25%)

It's interesting that skills based-hiring and internal mobility are not yet considered to be top priorities by HR and talent acquisition leaders. Both are direct solutions to alleviate talent shortages, which begs the question as to whether teams are finding these approaches too difficult, or that they simply don't know where to begin.

The fact that only 1 in 4 businesses rank internal mobility as a top priority indicates either a lack of strategic collaboration between recruitment and L&D teams, or that existing staff simply aren't getting opportunities to progress within their organization.

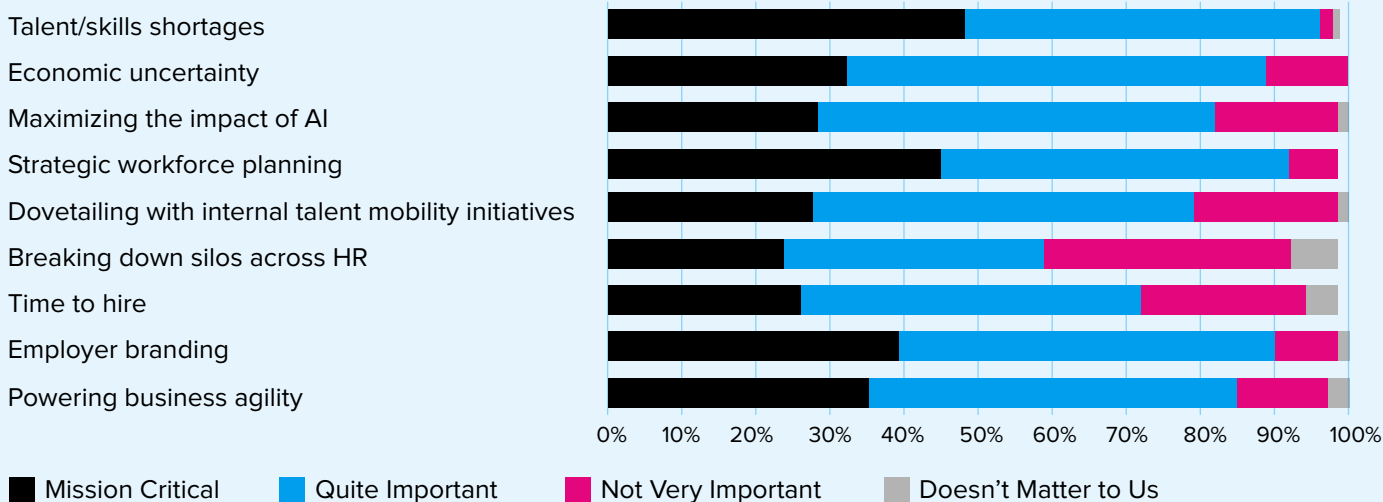


Preparing for emerging challenges

As the world of work continues to evolve, so too do the expectations placed on HR and talent acquisition teams. New ways of working, innovative business models and accelerated digital transformation all present their own challenges, while also creating opportunities to add long-term value.

Here's a visual forecast of the primary talent challenges that organizations will need to deal with over the next two to three years. The chart is ranked by relative importance, from 'mission critical' to 'it doesn't matter to us'.

What are the main challenges you expect to see in talent acquisition over the next 2-3 years?



Talent and skills shortages ranks in first place, with 47% of respondents forecasting this as their biggest challenge in the coming years. This comes as little surprise given the nature of changing job roles and the rate at which new technologies are advancing, such as AI. Along with technical skills to harness the power of new technologies, talent leaders are also searching for candidates who possess valuable skills in management, leadership and problem-solving¹. These are the skills that can't be easily replicated via automation and AI.

Economic uncertainty is also high on the list of future challenges that talent acquisition leaders expect to navigate. This naturally has a big impact on cost control and the level of budget that recruitment teams will have to work with. It may cause an influx of candidates into talent pools due to layoffs and downsizing in other

companies. The key is for talent leaders to stay agile and alert to changing market conditions at all times, enabling them to shift talent priorities accordingly.

Strategic workforce planning is listed as a 'mission critical' challenge by 45% of HR and talent professionals, clearly an area of substantial focus in both the near and long term. Along with talent scarcity, hiring managers need to take a strategic approach to digital transformation, remote work and diversity, equity and inclusion (DE&I) if they are to maintain a competitive advantage. This aligns with the fact that employer branding ranks so highly in importance, as this is another crucial way for employers to stand out among the crowd and signpost their cultural positioning.

1. [Most In-Demand Hard & Soft Skills](#), LinkedIn

HARNESSING THE POWER OF DATA

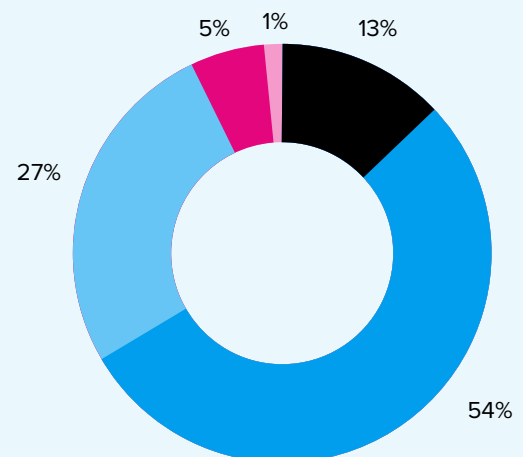
Data analytics has moved far beyond buzzword territory in recent years and has started having a major influence on the decisions taken by talent acquisition professionals.

When it comes to building a high-performing team and ensuring that an organization has the right talent to meet its business objectives, a data-driven approach can help identify attrition trends, reduce time to hire and cost to hire, and maximize candidate experience.

Industry leaders are already analyzing past hiring patterns and using predictive analytics to identify the best candidate profiles for a specific role. They can also use this data to forecast future hiring needs and proactively address potential talent shortages before they put a dent in the company's bottom line.

Does your organization have the data and insights it needs to hire the right people with the right skills, at the right time?

- Yes
- We're making good progress
- We're just getting started
- No
- Other



Our research shows that 67% of organizations have already begun making good progress in their approach to data-driven hiring, 13% of which say they already have all the data insights they need to recruit effectively.

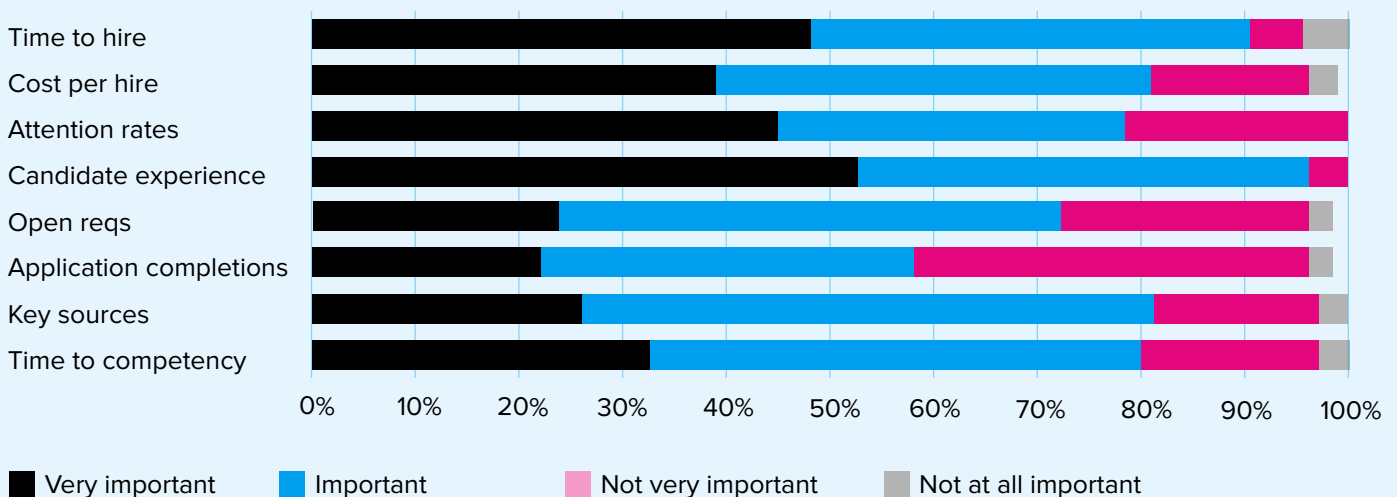
It's clear that many now see data as a way to resolve glaring inefficiencies that often crop up during the hiring process. By drilling down into key performance indicators related to recruitment, talent managers can highlight issues and track progress over time. With that in mind, let's take a closer look at the individual metrics used by talent acquisition leaders and their relative strategic importance.

Defining the metrics that matter

From the chart below, we can see that 54% of respondents listed candidate experience as their most important talent acquisition metric. This is a clear sign that HR and recruitment leaders see the value in streamlining the application process and removing any barriers that could stand in the way of recruiting an exceptional candidate.

Data on application completions, abandonment points, response times and communication preferences allows organizations to paint a picture of candidate experience, highlighting both positives and recurring pain points. Talent leaders can then tweak their approach accordingly to maximize engagement and make life easier for prospective hires.

What are the most important metrics in managing your talent acquisition strategy and priorities?



Time to hire (49%) and cost per hire (37%) are two of the primary metrics used by talent acquisition teams to benchmark success and efficiency over time, and both rank highly in importance among our sample group.

Time to hire measures the time taken from the moment a recruit entered the pipeline, to the moment they accepted your job offer. Although it's not always the case, a lower time to hire is generally seen as a positive because it reduces operational downtime, cuts time spent on admin and indicates a well-designed candidate experience. Some companies are actually shifting focus from time to hire to aging, which broadens scope from the hires in that time frame to a review of all requisitions.

Cost per hire is the sum of your internal and external recruiting costs, divided by the total number of hires within a given time period, usually per year. A clear view of this enables talent managers to stay in control of their budget and spot areas to reduce or increase investment as needed.

A further 45% of respondents listed attrition rate as their most valuable metric. It's important to note that attrition is affected by various factors beyond the efforts of talent acquisition, which is why close collaboration with other functions such as L&D and employee experience leaders is essential. That said, high staff turnover could indicate an issue with mismatched hires, weak talent pools or poor onboarding processes.

STAYING AHEAD OF THE CURVE

Talent acquisition never stops, especially within businesses aiming for sustainable growth.

The pace of transformation happening in hiring means HR and talent teams can't rest on their laurels without giving an edge to their competitors. Whether it's anticipating skill requirements or planning an effective leadership pipeline, it's the proactive steps taken today that will determine tomorrow's growth and sustainability.

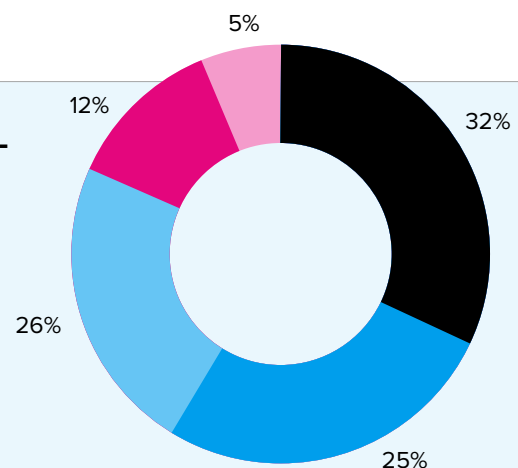
Our data reveals that 32% of HR leaders listed technology as their biggest area of focus when aiming to future-proof their talent function. Automated systems

in particular are becoming more central to applicant tracking, interview scheduling and onboarding, while also freeing up time and internal resources previously spent on admin and facilitating remote hiring processes.

This clear focus on tech also tallies with our previous findings that the majority of organizations have begun integrating data-driven systems and dashboards to underpin their recruitment strategy.

What are you currently working on that will future-proof talent acquisition in your organization?

- Technology
- Skill building
- Strategy and forecasting
- Talent pools and sourcing
- Onboarding



Only 5% of talent leaders said that onboarding was an area of future focus, which indicates the vast majority of departments feel their current approach is working well. Although this isn't necessarily a sign of complacency, HR and hiring teams should recognize the role that onboarding plays in the candidate experience – and that emerging issues could see a sharp drop off in efficiency and engagement if left unchecked.

Strategy and forecasting (26%) and skill building (25%) are higher on the list of priorities. Beyond technical competencies, skills like leadership, problem-solving

and critical thinking are becoming increasingly prized by organizations as they try to mitigate against future skill gaps.

Achieving strategic alignment between hiring objectives and core business goals is a huge positive because it ensures every recruit is contributing directly to the growth plans of the company. It prevents hiring decisions from becoming disconnected or overly reactive, which leads to a workforce planning process built on purpose.

THE FUTURE OF RECRUITING IS NOW

Change is the only constant in the world of talent acquisition, and businesses can't afford to stand by as new systems and technologies create new ways of working.

Today's talent leaders and HR managers are the change-makers responsible for optimizing inefficiencies and making sure that hiring processes and candidate experiences run as seamlessly as possible.

Top departments have started thinking more strategically about how talent acquisition drives KPIs and core business goals. They are now working closely with employee learning teams to uncover skill gaps and determine where best to allocate resources. Traditional silos are being dismantled in favor of a more unified approach to talent – and that can only be a good thing for decision-making and resource allocation.

At the same time, people data and predictive analytics give teams the capability to build detailed models and profiles that make it quicker to source and attract high-potential candidates.

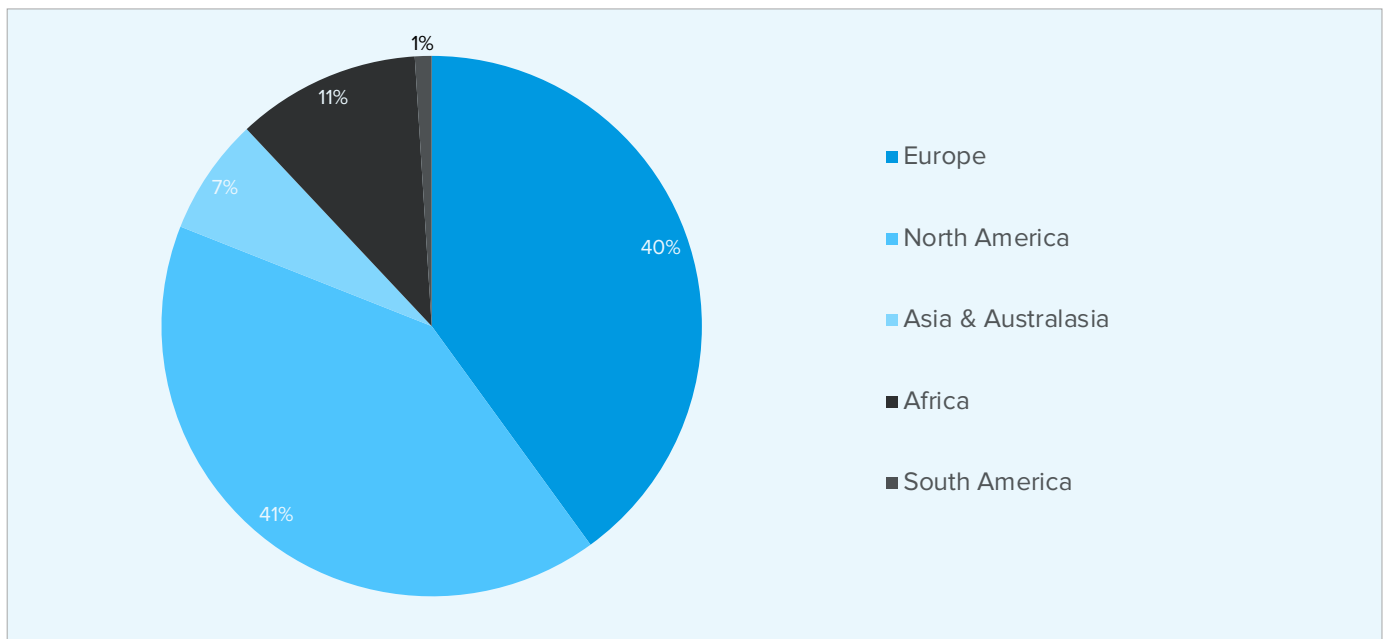
Now is the time for forward-thinking talent acquisition leaders to capitalize on opportunities and set their organization up for sustainable long-term growth. In the end, the future of recruiting will belong to those willing to plant the seeds today.



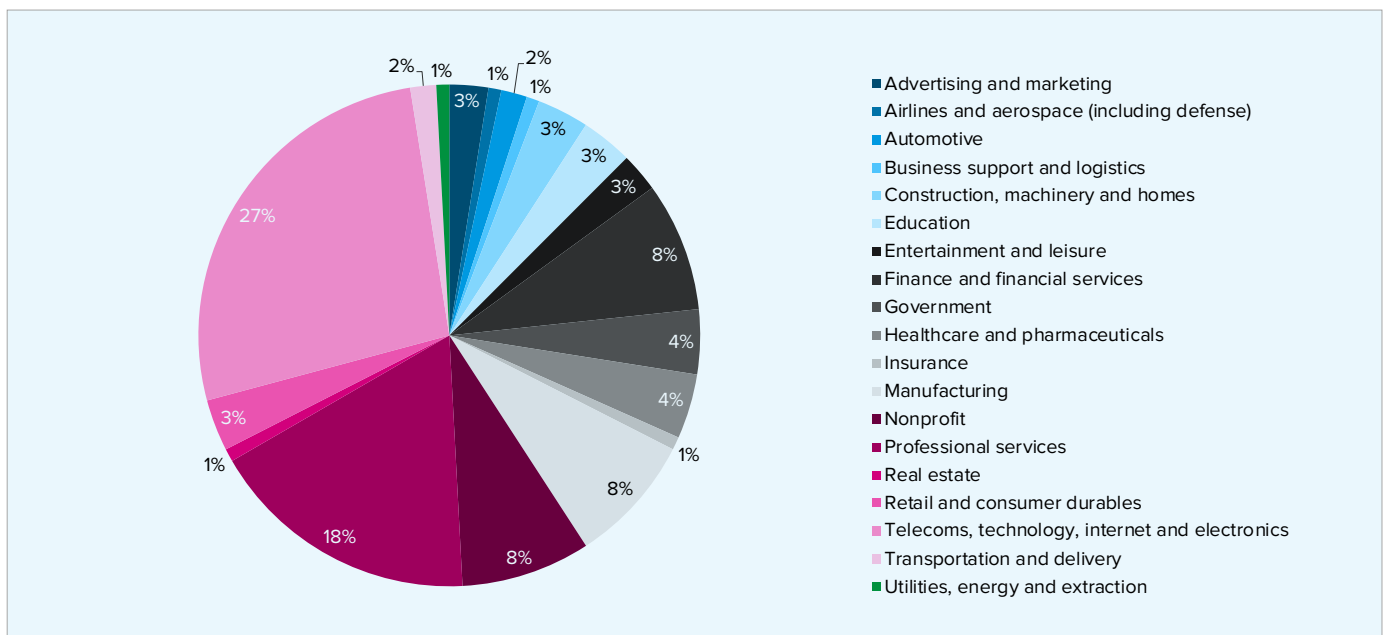
APPENDIX

Respondent demographics: HR Leaders

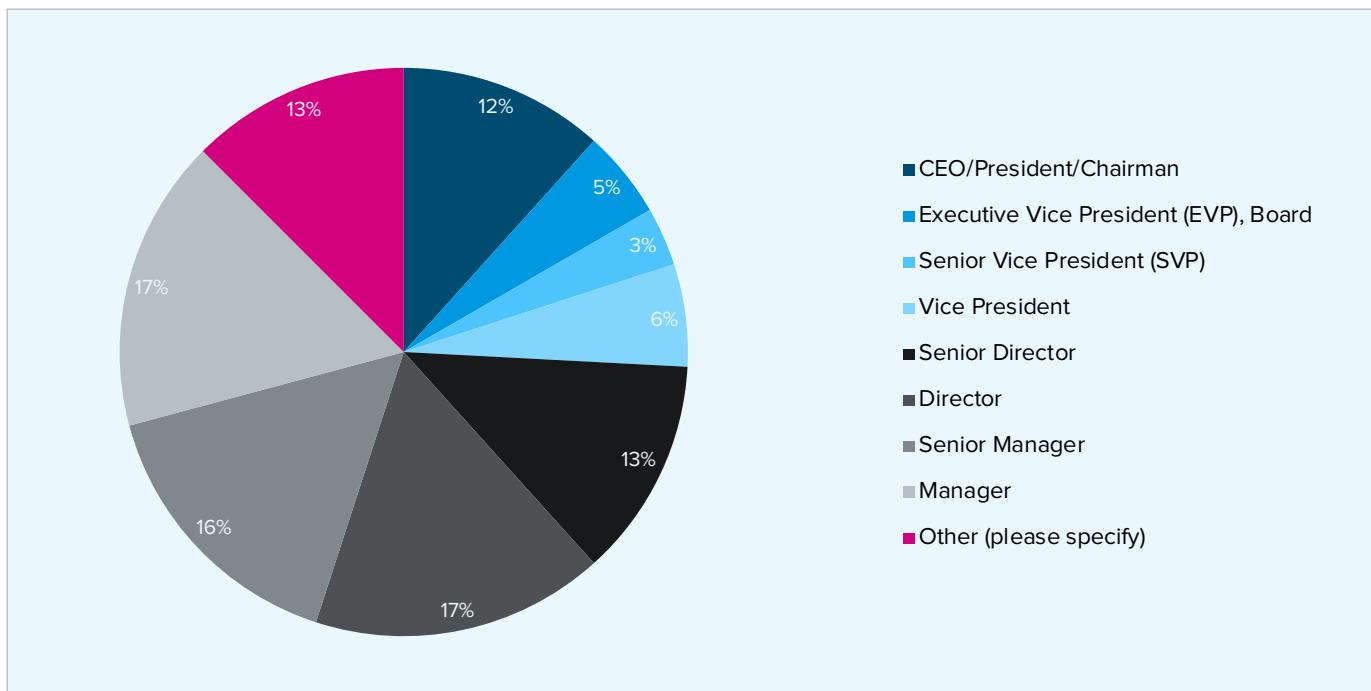
Geography Split



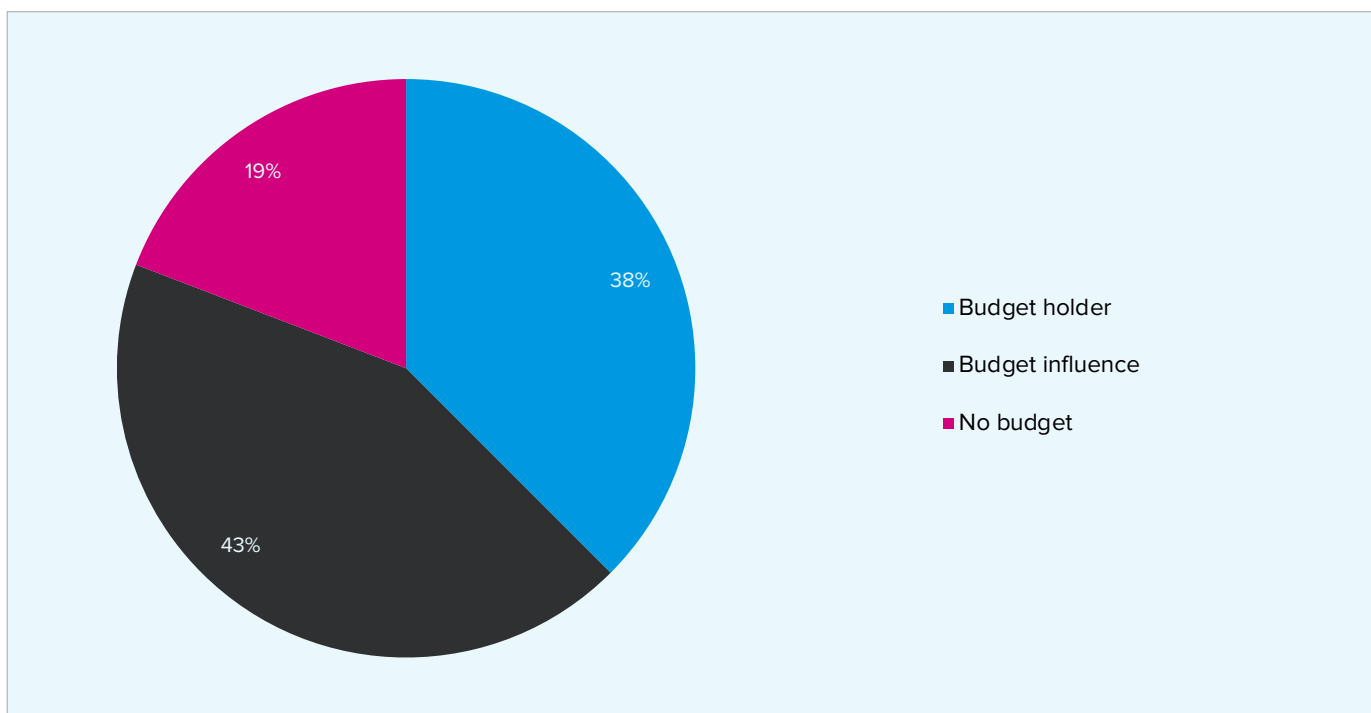
Industry Split



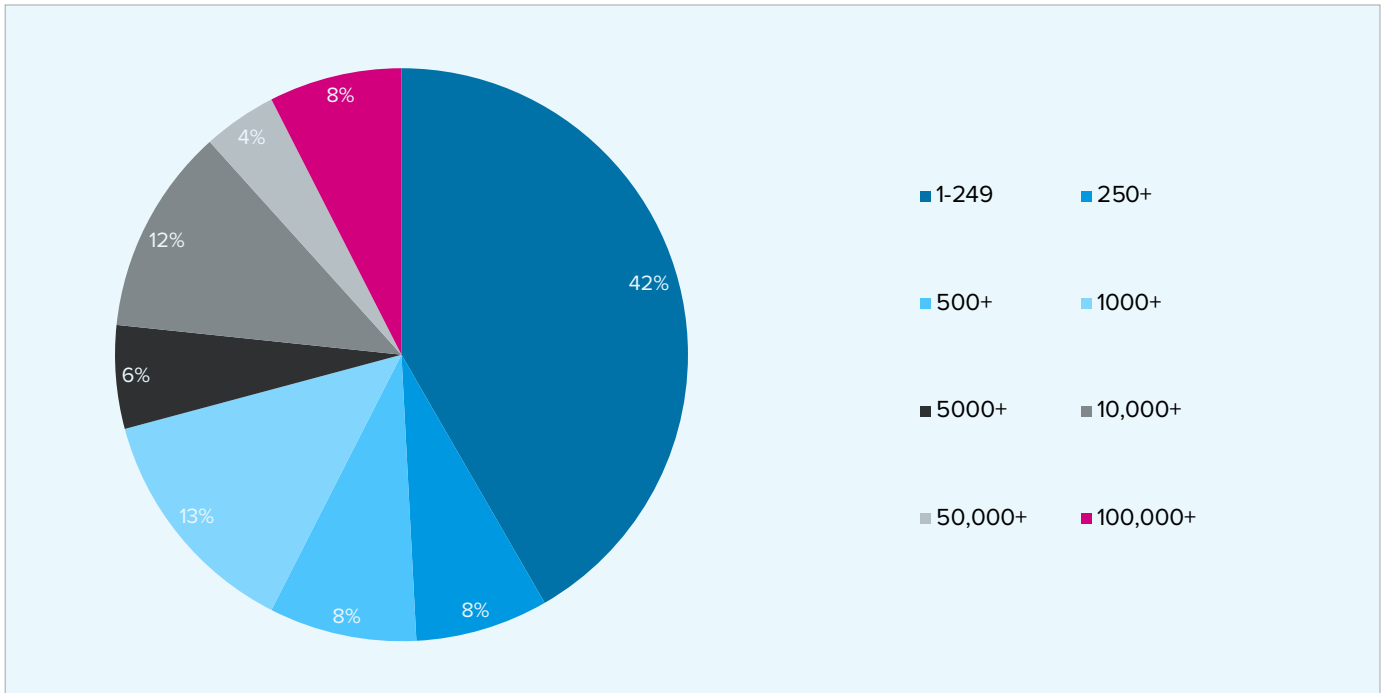
Seniority



Budgetary Control



Organization Size



Accuracy of information and warranties

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