2023 recruiting trends

Talent teams’ pain points, priorities, expectations, and initiatives
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Introduction

What does the future hold for recruitment? If the past few years have taught us anything, it’s that none of us can predict that—or much of anything—for sure. That’s why we surveyed nearly 700 talent acquisition professionals as 2022 came to a close: to get a collective sense of pain points, priorities, expectations, and goals; along with a shared sense of what 2023 might have in store for us.

We asked about everything from tech stacks, to executive investment in the recruiting function, to headcount plans, to diversity hiring goals, to employer value propositions and employee benefits, to recruiting KPIs, to key focus areas and challenges anticipated. So while we can’t say for sure what talent acquisition will look like this year, we *can* observe some important industry trends, including:

- How teams are using recruiting technology, what KPIs they’re holding themselves to, and what data they’re tracking
- How TA teams are thinking about diversity initiatives, and what their biggest challenges are to diversity hiring
- What “downturn activities” recruiting teams are engaging in *(if* they’re experiencing downtime), and how prepared they feel for when hiring turns back on again
- Where teams are investing their resources when it comes to candidate experience, along with their biggest struggles with candidates
- What’s keeping teams from hitting their hiring goals
- Which recruitment marketing strategies recruiting teams are employing—and which see the best ROI
- What talent teams are laser-focused on in 2023, and where their budget is going
- The recruiting and hiring challenges TA pros anticipate this year

... and more. We’ve also segmented responses by company size, recognizing that recruiting teams in smaller organizations (0-999 FTEs) and larger organizations (1000+ FTEs) may be having different experiences right now.

The challenges ahead for recruitment may be changing, but the challenges *themselves* aren’t going anywhere. We hope this resource helps you better understand the broader recruiting landscape, assess your company’s place in that landscape, and anticipate what may lie ahead. It’s as important as ever to keep a finger on the pulse of the industry. So here’s what your peers are thinking about, and what they’re up to.
Executive summary

Reasons for optimism: recruiting team—and overall headcount—growth is expected
24% of recruiting organizations saw reductions in force in the last half of 2022—but 33% of smaller organizations and 54% of larger organizations saw recruiting team growth. And only 11% of respondents expect their recruiting teams to shrink this year; 34% expect growth in 2023.

What’s more, 75% of talent acquisition professionals at smaller organizations and 70% at larger organizations say they expect company-wide headcount increases in 2023. (Only 16% and 20%, respectively, expect decreases.)

Pipeline-building is the #1 activity talent teams are engaging in, in preparation for a market return
Continuing to build talent pipelines for the inevitable bounceback in hiring is the #1 activity talent teams are engaging in: 60% of respondents say their teams are pipeline-building. Data cleanup, evaluating DEI initiatives, and building or strengthening employee value propositions (EVPs) are also high on the list of downturn priorities: 47%, 46%, and 41% of teams respectively say they’re engaging in these activities.

Meeting diversity goals and initiatives continues to be challenging
54% of smaller organizations and 76% of larger organizations say they have formal diversity hiring goals or initiatives in place, yet only 16% say they’re meeting them. The biggest barrier for organizations struggling to meet diversity goals is finding underrepresented talent to begin with (53%), followed by moving them through the hiring funnel (29%), and retaining them (17%).

Best source of hire is the #1 data point teams are tracking
The top-4 use cases for data this year are: to uncover best source/s of hire (61%), to track passive candidate outreach (58%), to report on time-to-hire and cost-per-hire (57%), and to track diversity hiring (55%).

“Difficulty finding quality candidates” is, by far, the top anticipated challenge of 2023
61% of talent acquisition professionals from smaller organizations and 57% from larger organizations say finding quality candidates is a current challenge.

Engaging passive talent is a top priority in 2023
Sourcing tools and tech are the #1 technology talent teams will invest budget in this year. (Recruitment marketing platforms and technologies are #2, and the ATS is #3—regardless of company size.)

Diversity hiring takes the #1 place in terms of talent team focus
54% of respondents say DEIB should be a top hiring focus this year. (Talent sourcing came in at #2: 51% of talent professionals think recruiting teams should be focusing here.)

Finding qualified candidates is 2023’s top challenge
The top 3 recruiting and hiring challenges talent acquisition professionals anticipate in 2023 are the same, regardless of company size: difficulty finding qualified candidates (53% anticipate this challenge), uncompetitive offers (37%), and nurturing passive talent over the long term (31%).
Talent acquisition tech stacks

The applicant tracking system (ATS) is the most common technology used across TA teams, regardless of company size: 84% of respondents from larger organizations and 85% of respondents from smaller organizations say they have one in place.

From there, there are some differences in the technologies small and large organizations prioritize: smaller organizations, for example, are more likely to prioritize candidate sourcing software (probably because they don’t see the volume of inbound larger organizations see), while larger organizations are more likely to prioritize recruitment marketing tools (probably because they have the resources and the bandwidth to attend to a formal recruitment marketing strategy).

Did you know?

Gem’s customers see:

- 5x faster sourcing,
- 2x response rates, and
- 5x higher passthrough rates

with our talent engagement platform as their source of truth for hiring.
These numbers suggest that there’s a considerable opportunity in 2023 for talent acquisition teams to grow and mature their technology stacks, streamline processes, and do more with fewer resources if necessary. Candidate sourcing software, for example, should be an integral part of any tech stack by now. A CRM that integrates with your ATS will give you full-funnel views of your hiring efforts—from initial reachout to offer-out—allowing you to understand best source-of-hire, demonstrate ROI, optimize for candidate experience, and increase offer-accept rates.

Which of the following recruiting technologies do you currently use?

**SMALLER ORGANIZATIONS (1-999 FTES)**
- 85% Applicant tracking system (ATS)
- 53% Candidate sourcing software
- 46% Interview scheduling tools
- 46% Recruitment marketing tools
- 30% Onboarding software
- 29% Candidate assessment tools
- 28% Candidate experience rating/survey tools
- 27% Candidate relationship management platform (CRM)
- 18% Candidate screening tools
- 5% Other

**LARGER ORGANIZATIONS (1,000+ FTES)**
- 84% Applicant tracking system (ATS)
- 59% Recruitment marketing tools
- 51% Interview scheduling tools
- 49% Candidate sourcing software
- 43% Candidate relationship management platform (CRM)
- 38% Onboarding software
- 35% Candidate experience rating/survey tools
- 33% Candidate assessment tools
- 28% Candidate screening tools
- 4% Other

* Respondents who chose “Other” added spreadsheets, recruitment matrices, talent intelligence tools, analytics tools, LinkedIn, and Gem. A very few said they had their own in-house recruiting software; others said “none of the above.”
Executive investment in the TA function

On average, business executives received a 7.2 out of 10 when it comes to their investment in the company’s recruiting function. Talent acquisition professionals at larger organizations perceive their executives as slightly more invested than those at smaller organizations do; but the general sentiment is that—while there’s certainly room to grow—executive teams understand how critical Talent Acquisition is to business success.
Recruiting team size: growth or cuts?

In the last half of 2022, around ¼ (24%) of recruiting organizations saw reductions in force, regardless of company size. On the other hand, ⅛ of smaller organizations and more than ⅛ (54%) of larger organizations saw recruiting team growth.

The outlook for 2023 appears conservatively optimistic: only 11% of respondents expect their recruiting teams to shrink this year (TA professionals at larger companies are more likely to expect reductions), while more than ⅛ (34%) of respondents say they expect recruiting team growth in 2023.

* Respondents who chose “Other” mostly said some version of “I don’t know,” though quite a few respondents from smaller organizations described the team increasing and then decreasing over the last 6 months.
How do you expect the size of your recruiting team to change over the next 12 months?

**SMALLER ORGANIZATIONS**

- 30% I expect it to grow
- 8% I don’t know
- 8% I expect it to shrink
- 54% I expect it to stay the same

**LARGER ORGANIZATIONS**

- 6% I don’t know
- 38% I expect it to grow
- 13% I expect it to shrink
- 43% I expect it to stay the same
75% of talent acquisition professionals at smaller organizations and 70% at larger organizations say they expect company-wide headcount increases in 2023. (Only 16% and 20%, respectively, expect decreases.) These numbers explain why more than ⅓ of respondents expect their recruiting teams to grow this year (see p. 9).

What’s more, 45% of talent professionals expect there will be more qualified candidates than open roles this year—likely due to the numbers of available talent on the market after a year of layoffs, and the number of passive candidates willing to have conversations in the wake of reductions in force. Fewer respondents—37%—believe they won’t have enough qualified candidates for their open roles.

“What we can now show is: ‘This is how hard our team is working.’ Gem’s data is incredibly impactful when it comes to asking for additional headcount or resources. When the company has metrics that show we’re outgrowing our business, we’re all the more likely to get immediate support.”

Jaime Schmitt
Talent Attraction Manager
for North America

Celestica®
“As we grow, we can justify more headcount for the sourcing function in TA. Gem’s metrics are invaluable in explaining to Finance why this is where I want to leverage our headcount.”

Angela Miller
Head of Recruiting
(formerly Senior Director, Global Talent Acquisition & Operations @ Pure Storage)
What’s your outlook on recruiting for your organization in 2023?

**SMALLER ORGANIZATIONS**
- 35% I expect us to have more open roles than qualified candidates
- 43% I expect us to have more qualified candidates than open roles
- 18% I don’t know
- 4% Other

**LARGER ORGANIZATIONS**
- 46% I expect us to have more qualified candidates than open roles
- 39% I expect us to have more open roles than qualified candidates
- 14% I don’t know
- 1% Other

* Most respondents who chose “Other” said the answer was role-dependent, yet many roles would see more qualified candidates (“in general we’ll have more qualified candidates but for some specialized roles I think we’ll still have difficulty filling”; “it depends on the role—we have some hard-to-fill senior roles that may be challenging, but otherwise I expect us to find more qualified candidates than we have roles for”; “Mix of the above. Some roles are niche and difficult to fill while others will have more qualified candidates than open roles”).
Downtime/downturn priorities & readiness-to-hire

Continuing to build talent pipelines for the inevitable bounceback in hiring is the #1 activity talent teams are engaging in, regardless of company size: 60% of respondents say their teams are in the process of pipeline-building. Data cleanup, evaluating DEI initiatives, and building or strengthening employee value propositions (EVPs) are also high on the list of downturn priorities: 47%, 46%, and 41% of teams respectively say they’re engaging in these activities. (Meanwhile, 31% of respondents say their recruiting organizations aren’t experiencing downtime.)

The moral of the story? If you’re not building pipelines, engaging in data cleanup, evaluating DEI initiatives, building out your EVP, and more, you won’t be as prepared as the majority of teams say they are for when hiring returns in full force. While recruiters at larger organizations are slightly more likely to say they’re prepared for the rebound, 42% of respondents say they’re very prepared, and 47% say they’re somewhat prepared. Only 12% admitted they’d be unprepared if hiring were to rebound tomorrow—don’t find yourself among them!

“How are we maintaining our pipeline right now? We have a lot of roles on plan, so how do we nurture our networks so if that person is available in three months when we’re ready to hire, we’re top-of-mind for them? Gem is wildly helpful with this. We’re seeing response rates go up these days—people are victims of hiring freezes or they’re working overtime because their teams have been cut. So people are more receptive right now, which is great for building foundational relationships.”

Abigail Chambley
Director of Talent Acquisition

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CLOUD SERVICES

2023 recruiting trends
Is your team engaging in any of the following activities as a response to downtime due to a hiring freeze or slowdown?

**SMALLER ORGANIZATIONS (1-999 FTES)**

- **56%** Building our talent pipeline
- **46%** Data cleanup
- **41%** Evaluating our DEI hiring initiatives
- **39%** Building and/or strengthening our employee value proposition
- **30%** Checking in with recent hires
- **27%** Investing in recruiter upskilling / L&D
- **21%** Consolidating tools in our tech stack
- **20%** Conducting an audit of our tech stack
- **16%** Investing in internal mobility
- **12%** Redeploying recruiters to other teams
- **33%** We are not experiencing downtime
- **2%** Other
Is your team engaging in any of the following activities as a response to downtime due to a hiring freeze or slowdown?

**LARGER ORGANIZATIONS (1,000+ FTES)**

- **63%** Building our talent pipeline
- **50%** Evaluating our DEI hiring initiatives
- **47%** Data cleanup
- **43%** Building and/or strengthening our employee value proposition
- **35%** Investing in recruiter upskilling / L&D
- **26%** Investing in internal mobility
- **25%** Checking in with recent hires
- **24%** Redeploying recruiters to other teams
- **22%** Conducting an audit of our tech stack
- **22%** Consolidating tools in our tech stack
- **28%** We are not experiencing downtime
- **3%** Other

*Respondents who chose “Other” added social media marketing, talent branding, process & program evaluations and improvements, reviewing and standardizing processes, rebuilding compensation frameworks and skill leveling, and watching turnover/retention.*
If the hiring market were to rebound tomorrow, how prepared do you feel your team would be?

**SMALLER ORGANIZATIONS**
- 37% Very prepared
- 11% Somewhat unprepared
- 47% Somewhat prepared
- 5% Very unprepared

**LARGER ORGANIZATIONS**
- 46% Very prepared
- 7% Somewhat unprepared
- 46% Somewhat prepared
- 1% Very unprepared
Outbound recruiting

The most mature talent acquisition teams have a TA strategy that considers both active and passive candidates, allowing them to discover the best talent, rather than just the best available talent. Of course, sourcing is an activity that anyone in your organization can (and should!) engage in; but dedicated sourcers are specialists in everything from talent market research to Boolean to selling the role in initial reachouts.

29% of respondents in smaller organizations say their teams have dedicated sourcers, while 58% of respondents in larger organizations say they do. These numbers are smaller than last year’s (when 58% and 75% of small and large organizations, respectively, had dedicated sourcers), which suggests that sourcing functions got hit hard in last year’s reductions in force.

Regardless of whether they have dedicated sourcing roles, the majority of recruiting teams—73% of smaller organizations and 83% of larger organizations—track data on candidate outreach in order to optimize their messaging efforts. (Last year, 87% of talent professionals said they track data on candidate outreach.)

More than half of respondents who track outreach data do so through a solution that tracks the data for them. One advantage to automated solutions, of course, is team-wide visibility: sourcers and recruiters can see what messaging from their peers resonates most with passive talent, and develop and share best practices from there. They can also A/B test and track the efficacy of specific strategies—such as sending-on-behalf-of hiring managers or executives.

* Respondents at smaller organizations who chose “Other” added comments such as: “we’re in the process of hiring our first dedicated sourcer”, “we did, but the sourcing team was impacted by recent layoffs”, “we use an agency for sourcing”, “we only have full-cycle recruiters, no coordinators”, “our hiring managers are sourcers—there’s a heavy use of referral networks”, “our coordinators also dedicate time to sourcing efforts”, and “as a small business, we have one corporate recruiter who manages all our hiring efforts.” Respondents at larger organizations who chose “Other” mostly said they didn’t know; though a few responded that the answer depended upon the role.
“The team has grown; it’s no longer a few of us sitting next to each other asking, ‘How are your reachouts doing; what are you sending out?’ I can jump into Gem and get that information myself. Which reachouts are seeing the highest reply rates? What about those are unique? Is it the length, the style, the headline? We literally get to learn from each other through data, and leverage that learning to craft better outreach emails.”

Joe Gillespie
Head of People @ a stealth startup
(formerly Head of Tech Recruiting @ Robinhood)
Diversity recruiting & hiring initiatives

Over half (54%) of smaller organizations and over 2/3 (76%) of larger organizations say they have formal diversity hiring initiatives or diversity goals in place. These numbers are also smaller than last year’s (when 66% and 72% of small and large companies, respectively, said they had diversity goals and initiatives), suggesting—sadly—that diversity has been deprioritized for some organizations over the last 12 months. Larger organizations are more likely—20% more likely—to make these goals public.

The majority of diversity hiring initiatives—52% for smaller organizations and 63% for larger organizations—take more than gender and racial diversity into account, considering things like age, veteran status, and LGBTQ+ identity.

16% of all respondents, regardless of company size, say they’re meeting their diversity goals and not experiencing roadblocks in their diversity initiatives—meaning 84% of teams see at least some struggle in meeting those goals. The biggest barrier for organizations when it comes to diversity is finding underrepresented talent to begin with (53%), followed by moving underrepresented candidates through the hiring funnel (29%), and retaining underrepresented employees (17%).

* Respondents who chose "Other" added comments such as: “we are in the process of developing them for 2023”; “our DEBI strategy and goals are in the process of being defined”; “no specific goals but a focus”; “very broad goals”; “we are working with a consulting group to develop a company-wide philosophy which will impact how we create those goals—and what they are”; “we don’t have a formal diversity hiring initiative but we are absolutely always open to all kins of diversity”; and “diversity in our organization is organic.”
Most respondents who chose “Other” did so because their organizations do not have diversity goals in place, or because they don’t know what those diversity initiatives entail.

“We’re striving to increase the representation of certain employee populations across teams, roles, and levels based on the research we’ve collected on the existing talent pool. Gem is not only informing those targets; it’s also helping us track how we’re trending.”

Joe Salazar
Talent & Performance Programs Manager
“With Gem, we’ve seen a 54% increase in URG candidates and a 31% increase in female-identified candidates making it to the first-round interview. Offers extended to, and offers accepted by, URGs have increased. That’s been phenomenal to see.”

En-Szu Hu-Van Wright
Talent Operations Manager

What would you say are your biggest barriers to improving diversity?

**SMALLER ORGANIZATIONS**

- **49%** Finding underrepresented talent
- **25%** Moving underrepresented candidates through our hiring funnel
- **13%** Retaining underrepresented employees
- **9%** Getting underrepresented candidates to accept our offer
- **23%** We’re not tracking diversity, so I don’t know
- **16%** We’re not experiencing any barriers, and we’re meeting our diversity goals
- **4%** Other

**LARGER ORGANIZATIONS**

- **56%** Finding underrepresented talent
- **32%** Moving underrepresented candidates through our hiring funnel
- **20%** Retaining underrepresented employees
- **16%** Getting underrepresented candidates to accept our offer
- **12%** We’re not tracking diversity, so I don’t know
- **16%** We’re not experiencing any barriers, and we’re meeting our diversity goals
- **5%** Other

* Respondents who chose “Other” added comments such as: “engaging underrepresented talent (e.g. through employer brand)”; “not having a dedicated DEIB leader”; “we don’t have the budget right now for a full-time DEI People & Talent team member”; “lack of leadership alignment on DE&I”; “lack of budget to fund initiatives”; “attracting underrepresented candidates—our brand is still nascent”; “finding female engineers”; “finding underrepresented talent with the right skills”; “difficulty sourcing diversity”; and “don’t have enough data to give a good answer.”
Employee value propositions, benefits, & compensation

An employee value proposition (EVP) is the unique set of benefits employees receive in return for the skills, experience, and other contributions they bring to your company to help it succeed. One might argue that in today’s market, an EVP—and the employer brand it sustains—is more important than ever. This is especially true if the number of open roles at your company has decreased, since the need for the highest-quality talent to fill those roles then increases. If you want to attract that talent? You need an impeccable brand story.

Still, only about ¼ (24%) of respondents at small organizations and ⅔ (39%) of respondents at larger organizations say their company has a formalized EVP—numbers we’d love to see increase over the course of 2023. The good news for larger companies? Those numbers look better than they did last year, when 28% of respondents said yes, their organizations had a formalized EVP. Over the last 12 months, larger organizations seem to have recognized the importance of a coherent and consistent story about the value their company offers to talent—11% more of them have formalized EVPs in that time.

The other good news is that the majority of organizations have been reflecting upon the benefits they offer: over half of all respondents (53%) say their organizations introduced new employee benefits in 2022. (Mental health benefits (51%), flexible work schedules (50%), allowing employees to choose where they work (44%), and career development and training (43%) were the most common benefits added last year.)

Finally, 58% of smaller organizations and 56% of larger organizations say their salary offers increased in 2022. (While salary is only a fraction of what makes up an EVP, it’s certainly a crucial part!)
Does your organization have a formalized employee value proposition (EVP)?

**SMALLER ORGANIZATIONS**
- 26% No
- 11% I don’t know, but I’ve come up with my own based on what I know about our org
- 7% I think so, but I don’t really use it
- 24% Yes, and we share it regularly throughout our hiring process
- 3% I work for an agency, so EVP varies by client
- 9% We’re in the process of creating one
- 9% I don’t know

**LARGER ORGANIZATIONS**
- 12% No
- 12% We’re in the process of creating one
- 39% I don’t know
- 2% I think so, but I don’t really use it
- 9% I don’t know, but I’ve come up with my own based on what I know about our org
- 17% I work for an agency, so EVP varies by client
- 24% Yes, and we share it regularly throughout our hiring process
- 9% We’re in the process of creating one
- 3% I don’t know
Has your org changed its employee value proposition or introduced new employee benefits in the last 12 months?

* Respondents who chose “Other” added comments such as: “we are evaluating this”; “we are working on this now”; “there were a few changes but nothing was formalized”; “we have changed some vendors, but overall our benefits have remained the same”; and “not in the region I am recruiting for.”
If so, what did those include?

**SMALLER ORGANIZATIONS**
- 47% Mental health benefits
- 47% More inclusive company holidays (e.g. Juneteenth)
- 44% Flexible work schedules
- 40% Career development and training
- 39% The ability for employees to choose where they work (home, in-office, hybrid)
- 31% Additional PTO days
- 20% Financial wellness programs
- 20% Supporting the social causes employees care about (e.g. donation-matching)
- 7% Childcare assistance
- 17% Other

**LARGER ORGANIZATIONS**
- 56% Flexible work schedules
- 54% Mental health benefits
- 48% The ability for employees to choose where they work (home, in-office, hybrid)
- 45% Career development and training
- 37% Financial wellness programs
- 34% More inclusive company holidays (e.g. Juneteenth)
- 29% Supporting the social causes employees care about (e.g. donation-matching)
- 27% Additional PTO days
- 15% Childcare assistance
- 13% Other
Some “other” employee benefits employers have added over the last 12 months:

“Fertility benefits!”
“We added Fertility/Family Forming benefits as well as healthcare advocacy assistance”

“$10,000 stipend to be used towards 1) travel for medical care that is covered by insurance but which is not available where you live; and 2) fertility treatments, which are currently not included in our insurance plan”

“Increased parental leave”
“We increased parental leave from four weeks to eight weeks and the bereavement leave from five days to ten days”

“Paid family leave”
“Paid medical leave”

“4 day work weeks”
“Attendance bonus incentives and pay raise”
“We went fully remote”
“401k match and pet insurance”
“401k match increase, broadened mental health benefits, pet insurance”
“RSU vesting schedule changed from 4 years to 3 years”
“Bonus and stock options”
“Retention bonuses”
“Additional benefits coverage, i.e. adult orthodontia”
“Increased covered dental/vision benefits”
“Changes to Medical, Dental, 401k plans, hourly employees to weekly pay”
“Added disability coverage”
“Life Insurance + AD&D”
“Casual Fridays”
“Mental health days quarterly”
“Wellness benefits”
“Work from home stipends”
“Increased pension”
“Equity changes”
On average, how have your salary offers changed over the last 12 months?

**SMALLER ORGANIZATIONS**

- 35% They’ve stayed the same
- 5% They’ve decreased
- 58% They’ve increased
- 2% Other

**LARGER ORGANIZATIONS**

- 4% They’ve increased
- 56% They’ve decreased
- 35% They’ve stayed the same
- 5% Other

* The majority of respondents who chose “Other” said they don’t know. Other comments included: “depends on location”; “they’ve increased with inflation”; “they’ve increased for talent outside of tier 1 markets with pay parity laws in CA and a choice to pay agnostic of location”; and “we are a recruitment agency so the salary offers are not up to us.”
The top 4 KPIs recruiting teams currently track are the same regardless of company size: time to hire (73% of teams track this), source of hire (70% of teams track this), offer-accept rate (66% of teams track this), and offer rejection reasons (55% of teams track this). The top 3 KPIs talent teams track haven’t changed since last year—though diversity has lost its place as #4.

For the most part, larger organizations are only slightly more likely to track specific KPIs (an exception is quality-of-hire—smaller organizations are slightly more likely to track this metric); and respondents from larger organizations were more likely to say they “don’t know” about specific use cases for data. (If you answered “I don’t know,” it may be worth reaching out to find out what KPIs your team holds themselves accountable to and what metrics they track.)

Looking ahead to 2023, the top 4 use cases for data are also the same regardless of company size: 61% of teams will use data to uncover best sources of hire; 58% of teams will use data to track passive candidate outreach; 57% of teams will use data to report on time-to-hire and cost-per-hire; and 55% of teams will use data to track diversity hiring. Tracking passive candidate outreach is seeing a new emphasis in 2023—fewer teams focused on this KPI last year, suggesting a new urgency at the top of the funnel around attracting passive talent.

When we asked how important data will be in 2023 on a scale of 1-10, recruiting professionals gave it a 7.8 out of 10. Read on for insights directly from the mouths of talent acquisition professionals—why did they choose the number they did?

“With Gem’s Outreach Stats, recruiters can see exactly how many messages they’ve sent, what their open and response rates look like, what percentage of their outreach is to female talent or underrepresented talent. These are SLAs we hold recruiters to, so to be able to track prospective candidates’ behavior is remarkably insightful. What content resonates for talent; what’s making them click? Recruiters are meeting their SLAs because they have access to precisely the data that helps them do so.”

Emily Russell
Manager, Recruiting Ops
(formerly Senior Global Data Analyst, Recruiting @ Unity)
What recruiting KPIs do you currently track?

### SMALLER ORGANIZATIONS

- **73%** Time to hire
- **69%** Source of hire
- **65%** Offer accept rate
- **55%** Offer rejection reasons
- **40%** Passthrough/conversion rates
- **38%** Top of funnel activity
- **37%** Retention rate of hire
- **37%** Diversity
- **35%** Recruiter workload (# of reqs/candidates)
- **34%** Time in stage
- **34%** Quality of hire
- **30%** Cost per hire
- **25%** Candidate experience SLAs
- **21%** Hiring manager satisfaction
- **19%** Interviewer workload (hours/week per interviewer)
- **10%** Other

“What does team activity look like? What are our best sources of hire? What do passthrough rates look like at every stage of the hiring funnel, for every role? Gem gives us historical data to work with. Understanding what our baseline metrics were and being able to identify opportunities to optimize drove a 10-day drop in our time to fill.”

Amber Hayes, VP, Recruiting, People Strategy, & Operations
The data is now right there. Execs can self-serve it in Gem. Plus I have access to data I didn’t have when I was manually cobbling reports together—average time to hire, for example, or offer decline reasons, or offer-accept rates by gender or by source.

Andon Cowie
Head of Global Recruiting

* Respondents who chose “Other” added “branding,” “licensing,” “roles per department,” and “inefficiencies.” Others said “none of the above,” or some version of “we’re just beginning to track these” or “we don’t track these well, but we do look at them regularly.”
Do you currently use data to:

**Track sourcer/recruiter activity at the top of the funnel?**

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<th>SMALLER ORGANIZATIONS</th>
<th>LARGER ORGANIZATIONS</th>
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<tbody>
<tr>
<td>Yes</td>
<td>58%</td>
<td>64%</td>
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<tr>
<td>No</td>
<td>33%</td>
<td>35%</td>
</tr>
<tr>
<td>I don’t Know</td>
<td>9%</td>
<td>10%</td>
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**Track recruiting team workload?**

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<tr>
<td>Yes</td>
<td>58%</td>
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<td>No</td>
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<td>I don’t Know</td>
<td>7%</td>
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**Track passthrough rates to identify bottlenecks?**

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<tr>
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<td>54%</td>
<td>56%</td>
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<tr>
<td>No</td>
<td>35%</td>
<td>28%</td>
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<tr>
<td>I don’t Know</td>
<td>10%</td>
<td>16%</td>
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<tr>
<td>Other</td>
<td>1%</td>
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**Track interviewer and hiring manager workload?**

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<td>42%</td>
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<tr>
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<td>55%</td>
<td>39%</td>
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<tr>
<td>I don’t Know</td>
<td>9%</td>
<td>19%</td>
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## Do you currently use data to:

### Forecast hires, capacity plan, and plan for resource allocation?

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<td><strong>Yes</strong></td>
<td><strong>58%</strong> Yes</td>
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<td><strong>No</strong></td>
<td><strong>22%</strong> No</td>
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<td><strong>20%</strong> I don’t Know</td>
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<tr>
<td><strong>Other</strong></td>
<td><strong>1%</strong> Other</td>
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<tr>
<td><strong>Yes</strong></td>
<td><strong>36%</strong> Yes</td>
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<tr>
<td><strong>No</strong></td>
<td><strong>36%</strong> No</td>
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<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>28%</strong> I don’t Know</td>
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* Respondents who chose “Other” to the above added comments such as: “yes, but it’s not done effectively across the board”, “for engineering, yes”, “this is done ad hoc, not on a regular cadence”, “only when there is a lot of hiring going on”, “we are starting to do this more diligently”, “data is loosely tracked but steps haven’t been taken to ensure data accuracy/integrity”, “we share it once a quarter”, and “it’s complicated.”

### Track career/micro site conversions and efficacy?

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<td><strong>20%</strong> Yes</td>
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<td><strong>No</strong></td>
<td><strong>62%</strong> No</td>
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<td><strong>Yes</strong></td>
<td><strong>29%</strong> Yes</td>
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<td><strong>No</strong></td>
<td><strong>37%</strong> No</td>
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<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>34%</strong> I don’t Know</td>
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### Track cost per application or cost per hire?

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<td><strong>34%</strong> Yes</td>
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<td><strong>No</strong></td>
<td><strong>52%</strong> No</td>
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<td><strong>13%</strong> I don’t Know</td>
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<tr>
<td><strong>Yes</strong></td>
<td><strong>36%</strong> Yes</td>
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<tr>
<td><strong>No</strong></td>
<td><strong>36%</strong> No</td>
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<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>28%</strong> I don’t Know</td>
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### Assess recruitment marketing ROI/attribution?

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<td><strong>Yes</strong></td>
<td><strong>28%</strong> Yes</td>
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<tr>
<td><strong>No</strong></td>
<td><strong>57%</strong> No</td>
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<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>15%</strong> I don’t Know</td>
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<tr>
<td><strong>Yes</strong></td>
<td><strong>41%</strong> Yes</td>
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<td><strong>No</strong></td>
<td><strong>28%</strong> No</td>
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<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>31%</strong> I don’t Know</td>
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### Do you bring data to your leaders or execs regularly?

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<td><strong>Yes</strong></td>
<td><strong>67%</strong> Yes</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>25%</strong> No</td>
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<td><strong>I don’t Know</strong></td>
<td><strong>4%</strong> I don’t Know</td>
</tr>
<tr>
<td><strong>Yes</strong></td>
<td><strong>71%</strong> Yes</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>18%</strong> No</td>
</tr>
<tr>
<td><strong>I don’t Know</strong></td>
<td><strong>11%</strong> I don’t Know</td>
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“We send a weekly Hiring Update to all of c-suite. This includes YOY hiring trends, current HC, wins, bottlenecks, industry trends and a c-suite TA Dashboard.”

“We’re tracking monthly retention, vacancy, time to hire—a higher overview.”

“We regularly track recruiter activity, workload, and hiring manager/interviewer workload. We don’t have metrics in place to track marketing ROI and we only bring data to execs when needed. Unfortunately we aren’t a big enough company yet to be tracking a lot more.”

“Our executive team reviews our recruitment data weekly as part of a weekly executive meeting with our recruitment team.”

“We track and have realtime dashboards on top of monthly and quarterly reports.”

“We would love to track interviewer and hiring manager workload, but haven’t found a good way to do it.”

“We do more than this; we also meet with hiring teams across our largest divisions (sales and research) regularly to talk through how they’re performing/what trends we’re seeing. I also created an “Inclusive Hiring Standard” guideline and each requisition is scored out of 10 total points. 8 points are earned on behaviors/actions the manager can take (simple yes/no), and the last 2 points are reflective of candidate diversity at the initial manager interview. (Target threshold for race/ethnicity, gender, sexual orientation, physical disability or neurodivergence, and veteran status.)”

“We are just beginning to build our recruiting/sourcing function beyond the base level of the function. All of this data tracking is a hopeful future state.”

“I set up reports on conversion rates and response rates.”

“We use Gem to track all of these. Love pipeline analytics.”

“I created a dashboard to bring data to execs and department leaders. Currently working on getting an ATS so data is easier to track/manipulate.”

“I bring ideas and suggestions to increase applicant flow and help track retention.”

Would you be willing to elaborate?
How do you plan to use data in 2023?

- **64%** To uncover best sources of hire
- **60%** To report on time-to-hire, cost-per-hire, etc.
- **58%** To track passive candidate outreach (open rates, click-through rates, etc.)
- **53%** To track diversity hiring
- **51%** To identify bottlenecks in the pipeline
- **50%** To forecast hiring
- **49%** To track recruiter performance
- **43%** To know where to invest resources
- **40%** To determine the ROI of our recruiting tools
- **35%** For capacity planning
- **35%** To justify/ask for more resources
- **34%** To report the business impact of the recruiting function
- **31%** To determine the ROI of recruitment marketing initiatives (events, campaigns, career sites, etc.)
- **25%** To check unconscious bias
- **12%** All of the above (We’re a data MACHINE!)
- **4%** Other
How do you plan to use data in 2023?

**LARGER ORGANIZATIONS**

- 57% To uncover best sources of hire
- 57% To track diversity hiring
- 57% To track passive candidate outreach (open rates, click-through rates, etc.)
- 54% To report on time-to-hire, cost-per-hire, etc.
- 52% To track recruiter performance
- 51% To identify bottlenecks in the pipeline
- 46% To forecast hiring
- 43% To determine the ROI of our recruiting tools
- 41% To justify/ask for more resources
- 38% To know where to invest resources
- 37% To determine the ROI of recruitment marketing initiatives (events, campaigns, career sites, etc.)
- 37% To report the business impact of the recruiting function
- 29% For capacity planning
- 28% To check unconscious bias
- 20% All of the above (We’re a data MACHINE!)
- 3% Other

* The majority of respondents who chose “Other” said they don’t track any of the above. Others added comments such as: “we’re in the process of moving to a platform that will help us track this data”; “I would love resources on how to connect these goals more efficiently for leaner talent teams”; “my talent org doesn’t use data as heavily as others I have worked for”; and “we’re tracking all of this already, but we plan to start using the data more next year.”
“Numbers never lie. Data is extremely important for us and that’s the reason gathering accurate data is a big goal for 2023.”

“As hiring slows, we will be much more intentional about each hire we make. As such, we need high-fidelity data to inform our processes and decisions.”

“Data is important in knowing how to become more efficient and increase candidate satisfaction and retention.”

“We need to find the best sources of hire for the cost.”

“Without data there is no plan in place on how to move forward and what adjustments are to be made to the processes we have in place.”

“Behavior doesn’t change because you want it to, or because it’s the ‘right’ thing. Data is the only driver of change. If you have specific examples of ‘we lost this candidate because they were in the hiring manager interview stage for 3 weeks and that’s why we have a TTF of 55 days,’ it’s far more effective than saying ‘so-and-so manager isn’t moving quickly enough.’ Point to the data and let that drive behavior change.”

“I personally find data to be critical for 2023 if we want to be competitive, let alone survive.”

“In an economic downturn, data is how we prove the need for anything and everything, both quantitative and qualitative.”

“I think that if recruiting continues to have the same struggles in 2023, all data possible will help us plan ahead and assist in successful hiring.”

“Budgets will only be tighter so I need data to justify needs and decisions with senior leaders.”

“Since it is a lean period, it is efficient to collect data so when the work picks back up again we don’t waste our energy.”

“Recruitment is all about data and numbers; this is how we can justify to our clients why they pay retention fees. Data drives better decisions and keeps customers happy.”

“We need to be able to track full cycle recruiting for the team to best utilize its time.”

“Data is important to identify opportunities to improve and create a better and more efficient recruiting function.”

“Data is important to understand the value of TA.”

“Data is the main resource to understand the job market.”

**On a scale of 1-10, how important will data be for recruiting in 2023?**

**Smaller organizations**

7.7 / 10

**Larger organizations**

7.9 / 10

Would you be willing to elaborate on the number you chose?
“Data = knowledge = power position on the job market.”

“We provide very detailed analyses about any recruiting investment decisions so we need to have accurate, compelling data to influence stakeholders.”

“We are building out our TA stack and the data it generates will be a key driver moving forward. Currently all recruiting is manual and paper-based.”

“Data is our everything; we can make informed decisions when we have data. If we don’t track/use data, we will be operating on guesses and assumptions.”

“Data before opinions. Data tells the story and helps with decision-making and influencing decision-makers.”

“Personally, I think it’s important to track and evaluate this data. However, I don’t think my company is prioritizing this.”

“While data will be important, our team is still measured more by final outcomes (hires and time-to-hire) than the other data points listed. Several of our stakeholders care more about the destination than the map & journey.”

“We started to gather HR data/analytics/metrics in 2022 and expect to dive deeper in 2023.”

“Right now this team has unusable data and zero metrics. I joined recently and I intend to change that for 2023.”

“We have lacked in reporting in the past and will be making a big push for it this year.”
Obstacles to hitting hiring goals

“Difficulty finding quality candidates” was, by far, the top challenge of 2022 for talent acquisition professionals: 61% of respondents from smaller organizations and 57% of respondents from larger organizations said finding quality candidates was a current challenge. “Difficulty nurturing passive talent” was also in the top-3 recruiting challenges for organizations, regardless of size.

Larger organizations, however, were more likely to cite both “recruiting process delays” (43% versus 28% for smaller organizations) and “uncompetitive offers” (33% versus 24% for smaller organizations) as a challenge.
What challenges are you currently facing that impact your ability to hit hiring goals?

**SMALLER ORGANIZATIONS**

- **61%** Difficulty finding quality candidates
- **33%** Difficulty nurturing passive talent
- **29%** Lack of budget/resources
- **28%** Recruiting process delays
- **27%** Weak talent/employer brand
- **24%** Uncompetitive offers
- **20%** Lack of headcount
- **19%** Lack of data (best source of hire, funnel analytics, forecasting, etc.)
- **18%** Lack of involvement from hiring managers
- **11%** Access to recruiting tech
- **11%** No (or weak) referral programs
- **10%** Proper adoption of recruiting tech
- **10%** We are not experiencing any challenges in hitting hiring goals
- **6%** Other
What challenges are you currently facing that impact your ability to hit hiring goals?

**LARGER ORGANIZATIONS**

- **57%** Difficulty finding quality candidates
- **43%** Recruiting process delays
- **34%** Difficulty nurturing passive talent
- **33%** Uncompetitive offers
- **26%** Lack of budget/resources
- **22%** Lack of data (best source of hire, funnel analytics, forecasting, etc.)
- **21%** Lack of headcount
- **16%** Lack of involvement from hiring managers
- **14%** Weak talent/employer brand
- **14%** Proper adoption of recruiting tech
- **11%** Access to recruiting tech
- **9%** No (or weak) referral programs
- **8%** We are not experiencing any challenges in hitting hiring goals
- **4%** Other

*Respondents who chose “Other” added comments such as: “competitive marketplace”; “onsite location requirement”; “location and on-site policy”; “candidates asking for high offers”; “lengthy hiring process”; “inconsistent involvement from hiring managers”; “unclear and changing expectations from hiring managers”; “niche industry / role requirements”; “shifting departments / req pauses / reorg”; “unclear hiring goals as we reforecast due to the economic downturn”; “difficulty finding candidates who are willing to change companies because of the macro economy”; “hiring levels are off, underinflated titles, it’s hard to get people to take a lesser title to join us”; “passive candidates are not willing to move with the many layoffs happening”; and “segmented tools: we need to house it all under one roof to make it easier for our team.”
Candidate experience & candidate struggles

While smaller teams were more likely to have invested resources at the interview and onboarding stages of the candidate journey last year, larger organizations were more likely to have focused on the application experience. Yet recruiting teams hear the same top-3 rejection reasons from candidates, regardless of the size of the organization: compensation is too low (53%), they have better offers elsewhere (50%), and they’ve received counter-offers from their current employer (36%).

(These were the same top-3 rejections reasons hiring teams heard last year, by the way, but in a different order: better offers elsewhere (64%), compensation was too low (42%), and counter-offers at candidates’ current job (41%)). The data suggests that organizations have indeed raised their compensation offers over the last 12 months.

Smaller organizations’ biggest struggle with candidates is finding them (43% versus 37% for larger companies), while larger companies struggle most with competing offers (56% versus 43% for smaller organizations). It’s worth noting that “finding candidates” became more difficult in 2022: only 30% of respondents noted this as a struggle in last year’s trends survey, while 40% say it’s a struggle now.

And while “willingness to relocate” was a struggle for only 10% of respondents last year, 17% say it’s a struggle this year.

---

When it comes to candidate experience, where did your team invest its resources in 2022?

**SMALLER ORGANIZATIONS**

- **60%** The interview stage
- **49%** Onboarding
- **43%** Scheduling
- **41%** Timely responses/SLAs
- **38%** The application experience
- **36%** Candidate feedback
- **31%** The assessment stage
- **4%** Other

**LARGER ORGANIZATIONS**

- **47%** The application experience
- **46%** The interview stage
- **38%** Onboarding
- **36%** Timely responses/SLAs
- **32%** The assessment stage
- **32%** Scheduling
- **28%** Candidate feedback
- **7%** Other

*Respondents who chose “Other” added comments such as: ‘sourcing’; ‘pre-application experience / identification and nurturing of passive talent’; ‘rejection reasons’; ‘offer alignment’; ‘communication’; ‘we send gifts to L5 candidates and above at the offer stage’; ‘I’ve been speaking with the company about the onboarding piece to ensure the experience extends beyond the recruitment phase’; ‘we did not invest enough attention on overall candidate experience yet—this will be a big focus for us in 2023’; ‘our company invests very little in its recruiting resources’; and ‘we did not invest but we need to in all of these.’
What are the most common reasons candidates give for rejecting job offers at your org?

**SMALLER ORGANIZATIONS**

- 49% Better offers elsewhere
- 49% Compensation is too low
- 35% Counter-offers at candidates’ current job
- 24% Concerns about the economy
- 16% Hiring process takes too long
- 12% Inadequate benefits
- 12% Concerns about career path
- 11% Not enough flexibility
- 8% Concerns about business strength
- 6% Concerns about culture
- 7% I don’t know
- 6% Other
What are the most common reasons candidates give for rejecting job offers at your org?

**LARGER ORGANIZATIONS**

- **56%** Compensation is too low
- **50%** Better offers elsewhere
- **36%** Counter-offers at candidates’ current job
- **29%** Hiring process takes too long
- **20%** Concerns about the economy
- **15%** Concerns about career path
- **13%** Not enough flexibility
- **11%** Inadequate benefits
- **7%** Concerns about business strength
- **7%** Concerns about culture
- **7%** I don’t know
- **4%** Other

* Respondents who chose “Other” added “leveling”; “location”; “competing offers do not demand relocation”; “hybrid work environment”; “not offering fully remote”; “company stage”; “we are a small unknown company”; “wanting to work at a larger, more established company”; “concerns about difficulty of role”; “quicker offers from other employers”; “visa issues”; “immigration policy”; “work-life balance”; “deciding that our employer value prop isn’t what they’re looking for”; and “the licensing process is too time-consuming/difficult.”
What is/are your biggest struggle/s with candidates?

**SMALLER ORGANIZATIONS**

- 43% Finding them
- 43% Competing offers
- 40% Getting them interested and engaged
- 40% Having them pass our interview process
- 27% Ghosting
- 13% Willingness to relocate
- 4% Other

**LARGER ORGANIZATIONS**

- 56% Competing offers
- 39% Getting them interested and engaged
- 39% Having them pass our interview process
- 37% Finding them
- 35% Ghosting
- 20% Willingness to relocate
- 4% Other

* Respondents who chose “Other” added “working on-site”; “wanting to work remote only”; “remote work requests—hybrid is not acceptable in many cases”; “relocation assistance”; “compensation levels”; “having the necessary skill sets”; “licensing”; and “it varies by role. For example, for FP&A roles it often has to do with finding candidates with the right mix of certifications/education background that are open to making a move, while for marketing/creative it’s often sorting through SO many candidates to find the right fit/unicorn.”
“We have a very lengthy interview process that requires a lot of time from the candidate. On top of that we require 90% of our roles to sit onsite full time.”

“Getting them to want to come on-site 5x days a week to our ‘inconvenient’ location.”

“Finding the right candidate is always a big task and sometimes after finding them they are not ready to relocate or want remote work. Sometimes Client takes a long time to respond which makes candidate back off.”

“Our jobs are fully remote and we no longer offer relocation. This is a big deal for younger candidates who want to go in the office after years of being virtual.”

“Our clients are small companies who compete for talent with corporations who can afford to pay more.”

“I recruit in Construction—Project Managers, Superintendents, Development. Tough to find qualified talent.”

“I am in web3 space and looking for very specific skills that candidates rarely have so identifying them is the biggest problem.”

“We have a high technical bar.”

“We have a very high technical bar, and are in an edge case business, so our EVP is sometimes tough.”

“We have a specific tech stack and require knowledge of our industry so it narrows the pool down. For every 4 phone interviews 1 will pass through.”

“We have a case study or mock pitch for nearly every job. Candidates either nail this stage, or not—and it’s hard when you see the potential but they couldn’t make it past this step. However, as a small start up we’re intentional with our interview process and see this as a core differentiator in our selection/hiring process vs. competitors.”

“Not hard to find qualified candidates but harder to find diverse qualified candidates.”

“Finding and engaging qualified underrepresented talent in a timely manner is challenging. We’re intentional, but get no response or they apply too late. But competitive offers are probably the biggest issue followed by URPs qualifying for niche roles.”

“Would you be willing to elaborate?”
“Because we’re so invested in our hiring process, I find it difficult to find candidates that will match the qualifications I’m looking for; and because the market is so unpredictable right now it’s hard to get people to chat because they’re afraid to move.”

“Recession, interested rate is at a record low (from 7% few years ago to 4-5% beginning of the year, now 3% is the best interested rate in SW); most candidates want to work fully remote.”

“Candidates are not showing up to interviews and some don’t show up to orientation after they have been hired.”

“Ghosting is happening so much more often than it used to. It feels like almost weekly now that candidates just won’t pick up for a scheduled interview.”

“GHOSTING!! It is insane. So many people just do not show up or communicate at all. It is truly my biggest struggle recruiting nowadays.”

“Lower-than-average base salary and commission structure at the company.”

“We cannot compete with public companies and larger tech/gaming companies with respect to salary.”

“Competing offers—we’re a small startup and not in a position to dole out bonuses or pay at 90th percentile across the board. We are also huge on fairness as a team value, which means being disciplined about our comp bands. When our top choice has competing offers, it usually comes down to the employee value proposition.”

“Candidates often don’t know our company. In addition, they often have several offers.”

“Everyone in our organization is required to have licensing in property and casualty. Many need Life & Health as well. Many candidates do not want to put the time required into licensing.”
Recruitment marketing

While larger teams are—perhaps unsurprisingly—more likely to have recruitment marketing strategies in place overall, multi-channel touchpoints (54%) and employment branding campaigns (51%) are the recruitment marketing strategies most used by talent acquisition teams, regardless of company size. Yet the most-used strategies don’t entirely square with the strategies that see the best ROI: twice as many respondents say social media recruitment sees great ROI as those that say employment branding campaigns do. (Though respondents say multi-channel touchpoints do see the best ROI.)

Which of the following recruiting technologies do you currently use?

**LARGER ORGANIZATIONS**
- 57% Multi-channel touchpoints (InMail, email, SMS, etc.)
- 57% Employment branding campaigns
- 57% Recruitment events
- 54% Social media recruitment
- 45% Talent communities
- 38% Career/micro-sites
- 36% Long-term candidate nurture
- 2% Other

**SMALLER ORGANIZATIONS**
- 51% Multi-channel touchpoints (InMail, email, SMS, etc.)
- 45% Employment branding campaigns
- 43% Social media recruitment
- 37% Career/micro-sites
- 34% Long-term candidate nurture
- 30% Recruitment events
- 27% Talent communities
- 5% Other

* Respondents who chose “Other” added “none”, “employee referrals”, “just LinkedIn and calling”, “not much—only Facebook and LinkedIn posts”, “we need much more attention on longer term candidate interaction/nurture”, “I would love to have a strong and visible employer branding campaign in my company”, and “we don’t have a marketing team. I am responsible for creating, but recruiting events will begin in 2023.”
“Our CTO did a podcast about tech at Wheel; we put that in our outreach and Gem tracked clickthrough rates. That behavioral data showed passive talent was more interested in that podcast than a lot of other things we’ve linked to in the past. I took that data to Chris and said: ‘Now we know you need to do more podcasts. Clearly this is a powerful talent attraction strategy for us.’ You see tangible results in Gem that literally inform your employer branding strategy.”

Greg Troxell
Recruiting Manager

Of the recruitment marketing strategies listed below, which do you think has the best ROI?

- Social media recruitment
- Multi-channel touchpoints
- Employment branding campaigns
- Career/micro sites
- Recruitment events
- Long-term candidate nurture
- Talent communities
- Job boards
- LinkedIn sourcing
- Employee referrals
- Word-of-mouth

“The 2023 recruiting trends”

“2023 recruiting trends”
Recruiting teams are recognizing the value of passive talent in 2023: sourcing tools and tech are the #1 technology recruiting teams will invest budget in this year. Recruitment marketing platforms and technologies are #2, and the ATS is #3—regardless of company size. (Last year, budgets went to employer branding initiatives, sourcing tools and tech, and talent team headcount, in that order.)

While half of all respondents insisted that recruiting teams should be focusing on talent sourcing in 2023, diversity took the #1 place in terms of talent team focus: 54% of respondents say DEIB should be a top hiring focus this year.
Where will you invest your talent acquisition budget in 2023?

**LARGER ORGANIZATIONS**

- **38%** Sourcing tools/tech
- **37%** Recruitment marketing (career page/microsite builder, branded campaign tools, events, etc.)
- **25%** ATS
- **18%** CRM
- **17%** Email tools/tech
- **16%** Specialized candidate databases
- **15%** Talent team headcount
- **7%** Remote hiring technologies
- **13%** What budget?!?
- **26%** I don’t know
- **2%** Other

* Respondents who chose “Other” added “none”; “still deciding”; “diversity job boards and websites for sourcing”; “DEI”; “training”; “finding more of an all-in-one solution when it comes to sourcing, email, and data”; “performance management platform”; “I don’t possess this info, but I hope we can invest more in sourcing tools and recruitment marketing”; “it’s not a priority for the organization”; and “likely not all of these, but this is my wish list.”
Where do you think recruiting teams should be focusing in 2023?

**SMALLER ORGANIZATIONS**

- **55%** Diversity hiring
- **50%** Talent sourcing
- **44%** Fully embracing remote/flex/hybrid work
- **44%** More data-driven recruitment practices
- **41%** Pay transparency
- **35%** Hiring for soft skills and potential / rethinking role requirements
- **33%** Recruitment marketing (events, career sites, campaigns, etc.)
- **31%** Re-engaging past applicants and silver-medalist candidates
- **28%** Collaborative hiring
- **27%** Structured interviews
- **25%** Social recruiting
- **25%** Internal mobility
- **24%** Recruitment automation
- **8%** Consolidating tools
- **8%** Mobile/SMS recruiting
- **5%** Contract/gig economy
- **4%** AI screening
- **2%** Other
Where do you think recruiting teams should be focusing in 2023?

**LARGER ORGANIZATIONS**

- **53%** Diversity hiring
- **51%** Talent sourcing
- **47%** More data-driven recruitment practices
- **43%** Fully embracing remote/flex/hybrid work
- **35%** Pay transparency
- **32%** Recruitment marketing (events, career sites, campaigns, etc.)
- **31%** Hiring for soft skills and potential / rethinking role requirements
- **29%** Re-engaging past applicants and silver-medalist candidates
- **28%** Social recruiting
- **27%** Internal mobility
- **25%** Recruitment automation
- **24%** Collaborative hiring
- **14%** Structured interviews
- **14%** Mobile/SMS recruiting
- **10%** Consolidating tools
- **7%** AI screening
- **4%** Contract/gig economy
- **2%** Other

* The majority of respondents who chose “Other” said some version of “I don’t know.” Others added “retention strategies”; “staying employed!”; and “more active recruiting techniques.”
“You cannot scale recruitment without sourcing.”

“The workforce has changed so much that it is very difficult to engage people for challenging jobs.”

“We need to get in front of more candidates. Apply rates are low so ways we can get candidates to come to us more easily is the priority.”

“Recession—people do not want to move. Good tech professionals will not be laid off and will not want to move.”

“Data followed by flexible working are paramount, along with reaching out to diverse talent pools.”

“Give people what they want and treat them as people, not resources. Think about what you’d want to have as an employee and offer it to your future colleagues.”

“Allowing flexibility is very important given that it allows us to find a bigger pool of candidates for more places.”

“Candidates frequently ask for remote or hybrid work options.”

“Pay transparency. Candidates leave the process if it’s not there from the beginning.”

“Pay transparency would benefit the recruitment team because candidates have better access to the range prior to applying.”

“Transparency in pay will lead to trust and more commitment and loyalty.”

“Compensation ranges—transparency in job postings is a current topic in my country. When ranges are clearly shown, more candidates are interested and feel the transparency of actions from the very beginning.”

“As a global company with 40 peeps in the US, we are increasingly required to get transparent on pay, which is a good thing.”

“Since we’re a digital by default company (strictly WFH), I think it’d be good to explore more in-person hiring like recruiting events to see how helpful/effective it’d be.”

“I believe previous candidates are often overlooked because ‘there must be something wrong with them’ if they weren’t hired for the initial role.”

“I think hiring for potential needs to be looked at more closely if candidates meet most of the requirements because you can’t find everything.”

“Soft skills: With flex work, collaboration and the ability to connect has become extremely important. When the whole world has been put through the wringer the last few years, resilience as a trait has also become very valuable. Technical competence can be taught but these soft skills are true value-adds to a team.”

“Social recruiting is crucial for finding young talent (Gen Z), and they are our future. Recruiting marketing is important to do also during downtimes as it should not be a one-off thing, but consistent.”

“We will stick to basics which worked for us in past years and try to add new methods like SMS or mobile recruiting.”

“All selected options should be a focus.”
2023 recruiting challenges

Regardless of company size, the top 3 recruiting and hiring challenges talent acquisition professionals anticipate in 2023 are the same: difficulty finding qualified candidates (53% anticipate this challenge), uncompetitive offers (37%), and nurturing passive talent over the long term (31%). The top 3 challenges have not changed since last year: in 2022, 55%, 44%, and 35% of TA professionals respectively anticipated these same challenges.

This year, smaller organizations are more likely to anticipate difficulty meeting diversity goals (it’s their #4 anticipated challenge), while larger organizations are more likely to anticipate recruiting process delays.
What are the biggest recruiting/hiring challenges you anticipate for your org in 2023?

**LARGER ORGANIZATIONS**

- **52%** Difficulty finding qualified candidates
- **38%** Uncompetitive offers
- **33%** Nurturing passive talent over the long term
- **29%** Recruiting process delays
- **23%** Lack of headcount
- **21%** Lack of budget
- **20%** Difficulty meeting diversity goals
- **20%** Inefficient interview process
- **17%** Lack of technology/platforms to enable the team
- **17%** Lack of hiring manager involvement
- **16%** Lack of data (outreach activity, pipeline stats, forecasting data, etc.)
- **14%** Difficulty expressing our employee value proposition
- **14%** Poor adoption of current recruiting tech
- **12%** Undefined talent/employer brand
- **9%** Meeting close rate targets
- **6%** Meeting passthrough rate targets
- **5%** No (or rarely-used) referral programs
- **4%** Other

*Respondents who chose “Other” added “the economy”; “hesitation to switch jobs in the circumstances surrounding recession”; “candidates not wanting to relocate”; “relocation requirements”; “not enough open positions to fill”; “headcount planning”; “hiring managers doing whatever they want”; “my company has reduced benefits due to the cost”; “lack of clients and open positions, candidates not wanting to move because of huge layoffs and uncertainty”; and “lack of engagement from our recruitment team who are constantly in fear of keeping their roles in a tough market.”
“The biggest hindrance will probably be uncompetitive offers. I would like to see better compensation + benefits packages here at my company.”

“People are looking for far more money than the job salary bands we have in place.”

“It’s very difficult to be competitive in this market when there is a shortage of the skillset we need and it’s in demand everywhere.”

“We require licensed therapists with masters and doctoral degrees.”

“We need to be more competitive with offers, but our hands are somewhat tied being in the DoD industry.”

“We need to improve our data and we need to be better at reaching out to talent.”

“Finding the right sourcing platform for our industry.”

“Our interviews are redundant and candidates get tired of it.”

“Our internal hiring process as a whole is challenging.”

“There is no interest in improving through new methods.”

“Lack of onboarding, lack of proper management/direction, corporate policy for onsite vs flex.”

“Our company is expanding in several markets but our nature of biz does require some employees to be onsite, which has been a main barrier for me.”

“We are working to establish a stronger employer brand, but we have internal woes that need to be fixed for this initiative to achieve long-term success.”

“Investors are holding off investments in IT and tech until Ukraine war is over or at least until 2024; plan is to pause.”

“The budget for 2023 is very tied due to current economic situation.”

“Hiring slowdown.”

“Macro economic volatility.”

“While we plan to grow our recruitment team, it won’t grow a lot, and that might cause some struggle.”

“There are always challenges in the recruiting process. We expect some of the common challenges to haunt us again in 2023.”

Would you be willing to elaborate?
About our respondents

Which job title best matches your role?

- 29% Recruiter
- 14% Talent Acquisition Manager
- 12% Sourcer
- 9% Director of Talent
- 8% Talent Ops/People Ops
- 8% VP of Talent/People
- 4% Sourcing/Recruiting Manager
- 3% Hiring Manager
- 2% Recruiting Coordinator
- 1.5% Talent Brand/Recruitment Marketing
- 1% HR Administrator/Dir/VP/Head
- 1% HR Manager/Generalist
- 1% Talent Acquisition/HR Business Partner
- 1% HR/Talent Acquisition Analyst
- 1% Talent Management/Acquisition Specialist
- 5% Other

* Respondents who chose “Other” added: Executive Search Consultant, Talent Intelligence, Learning & Development, Employee/Labor Relations Specialist, Head of Change Enablement, Sales, Sales Support Specialist, Commercial Sales Manager, Engineer, Data Analyst, Financial Analyst, Paralegal, Underwriter, UX, Teacher, Student, Epidemiologist, Auditor, RN, Consultant, Project Manager, Program Manager, Organizational Effectiveness Consultant, Claims Adjuster, Pharmaceutical Sales Rep, Litigation Adjustor, Production Worker, Admin Assistant, Production Associate, Agent, Materials/ Receiving, Production, Service Associate, COE, Vice President, and Founder.

How big is your organization?

- SMB (1-249 FTEs): 32%
- Mid-Market (250-999 FTEs): 25%
- Enterprise (1000-4999 FTEs): 20%
- Large Enterprise (5000+ FTEs): 23%
Which option best matches your industry?

- 38% Tech
- 9% Manufacturing
- 9% Financial services
- 5% Staffing & recruiting
- 5% Insurance
- 4% Healthcare services
- 4% Automotive
- 4% Biotech or medical devices
- 3% Government and/or non-profit
- 2% Consumer goods
- 2% Retail
- 1% Hospitality
- 1% Pharma
- 1% Media
- 1% Real estate
- 1% Education/higher ed
- 1% Oil & gas
- 1% Construction
- 0.5% Gaming and entertainment
- 0.5% Health and fitness
- 0.5% Consulting
- 0.5% Professional services
- 6% Other

* Respondents who chose “Other” added: mining, restaurant, aerospace & defense, renewable energy, environmental & engineering, transportation, venture capital, farming/horticulture, defense, jewelry, waste management, dental, research, crypto, market research, marketing, translation & localization, travel, advertising, accounting, interior design, legal services, security, IT, AV, e-commerce, promotional products, consumer electronics, wholesale/distribution, business process outsourcing, and transmission & distribution.
How Gem can help
2023 will demand that recruiting teams be more data-driven (and more data-savvy) than ever. That’s why Gem’s Talent Compass is equipped with full-funnel visibility, hiring forecasts, performance metrics, and executive reporting that TA teams use to plan ahead and guide their recruiting strategy.

**End-to-end visibility**

Tap into every dimension of the recruiting funnel. With access to all recruiting data from Gem and the ATS from one source of truth (without raising a support ticket), TA teams can track everything outreach to hire and identify key trends across the process. They can then slice and dice metrics the way their business thinks: by role, department, geo, demographics, and more. For example, recruiting teams can uncover outreach strategies that lead to more replies for specific roles and industries. They can also track how these candidates pass through the funnel and spot any troubling dropoffs or bottlenecks.
Diversity recruiting insights

Talent Compass also offers visibility and insight into how an organization recruits diverse talent, from initial outreach to eventual hire. At the top of the funnel, teams can review the progress they are making in reaching out to diverse talent. By pinpointing specific content and strategies that drive greater engagement, teams adjust their sourcing strategy towards building diverse applicant pools. With visibility into how candidates from underrepresented groups pass-through the recruiting funnel, hiring teams can uncover any disproportionate drop-offs and adjust their process accordingly.

Forecasting & planning

Talent Compass includes a forecasting calculator that projects not only how many hires you can expect to make, but also by when. This can be forecast at the individual job req or at an aggregate level, like department. Passthrough rates and time-in-stage are based on historical data, but can be adjusted. The calculator also works backwards: users can input the final number of hires they would like to make and the calculator will output the number of candidates and applicants required at each stage in order to meet final goals.
Executive reporting

Within Talent Compass, users can launch configurable, presentation-ready reports to visualize KPIs. With easily digestible metrics on hand, talent acquisition teams can come prepared to discuss how they are progressing and where there are opportunities to improve. Reports can be customized with built-in widgets and filters, thereby surface tailored, actionable insights.

Peer benchmarks

Talent Compass also offers built-in benchmarks within the Dashboards module. Users can evaluate their team’s Offer Accept Rate and Time to Hire against companies with similar profiles. Benchmarks are available across 6 different slices: company size, location, gender, race/ethnicity, department, and valuation. All told, there are >1,400 unique permutations, with each one validated by over 100 data points across 20+ companies.
Performance optimization

Within the Pipeline Analytics module, recruiting managers and leaders can monitor individuals and roles to better understand how their teams are faring. Reviewing specific job breakdowns allows managers to observe pipeline risks across roles or even spot any troubling candidate bottlenecks and/or drop-offs. Within dashboards, managers can even create widgets with specific metrics for their individual recruiters (e.g., phone screen to interview ratio, offer acceptance rate, etc.), serving as a performance scorecard.

“[Our] talent acquisition [team] has even more credibility now because they are no longer speaking anecdotally; they’re speaking with data.”

Amber Hayes
VP of Recruiting
Gem’s end-to-end modern recruiting solution empowers talent acquisition teams to engage their entire talent network, optimize sourcing efforts, and uncover actionable insights that guide smarter, forward-looking decisions. Gem works alongside LinkedIn and other places that you source, while integrating with Gmail, Outlook, and your ATS. Find the talent you need to meet hiring targets and scale your teams with Gem.

To learn more and see a demo, visit gem.com

Lauren Shufran, Author

Lauren is a content strategist with a penchant for 16th-century literature. When they’re not trying to solve talent teams’ pain points, they’re on their yoga mat or hiking Mount Tam. Come at them with your favorite Shakespeare quote.