

BLU DIGITAL RECRUITMENT



# HIRING TRENDS 2023

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# Introduction

There's no doubt that major factors have played a role in the challenges employers have faced between 2020 - 2022. These factors include a global pandemic, followed by economic challenges; not to mention the existing skills gap.

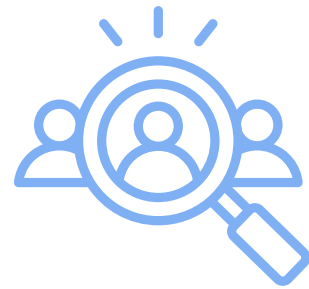
As a result, this has left employers and hiring teams with a shortage of candidates, with employers across various sectors scrambling to fill vacancies with not a lot of options to choose from.

Through the lessons and challenges 2022 presented, hiring managers have learned they must be prepared for 2023. As the current economic challenges are likely to remain in 2023, there will be major factors that will continue to affect their ability to recruit talent; so identifying the trends that will help them navigate this is important.





76% of employers are offering remote and hybrid positions (hiring people)



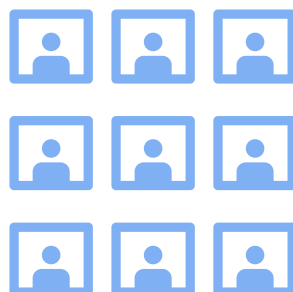
Recruitment specialists have been most in demand in the last year (CIPD)



76% of employers have adapted to and offered remote or hybrid positions (hiring people)

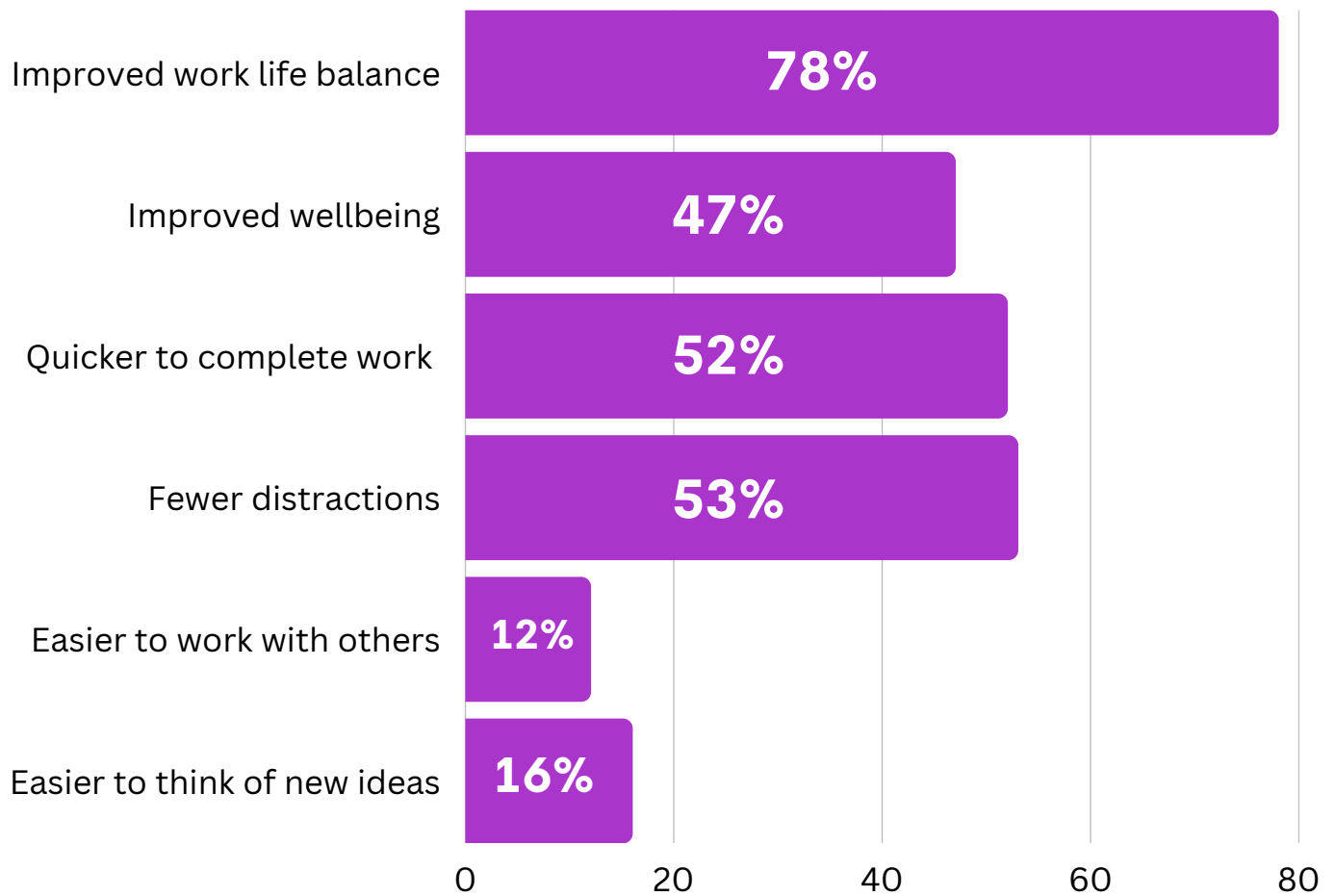


Over 36% of jobs in the digital tech economy are in non-tech occupations (Tech Nation)



68% of candidates proclaimed a desire to work flexibly (43% hybrid, 25% fully remote) (hiring people)

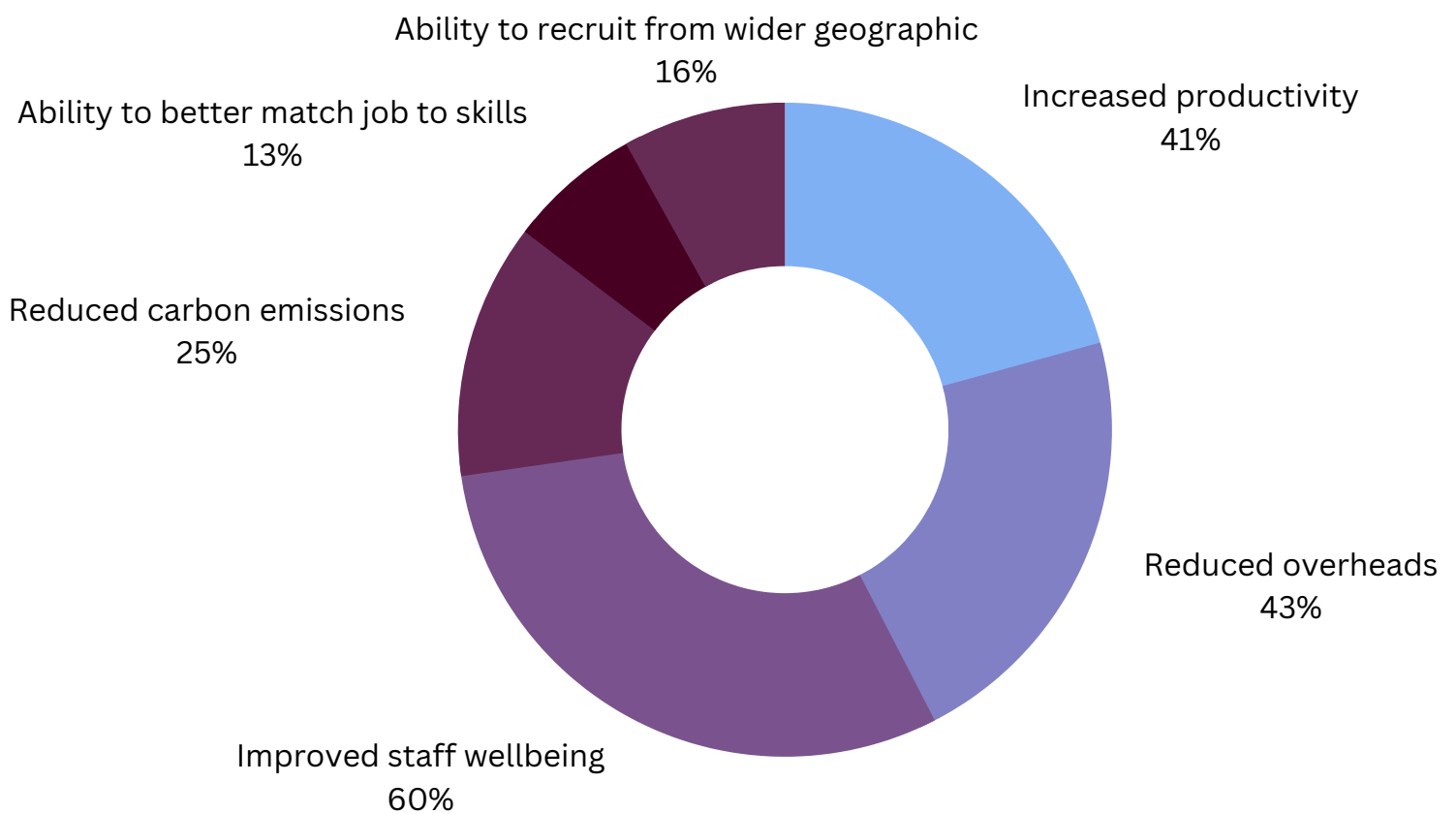
# The percentage of homeworkers reporting advantages (February, 2022)



Source: Office For National Statistics



# Reasons for adopting homeworking as a permanent business model (April, 2022)



Source: Office For National Statistics



# What have previous findings concluded?

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For many HR leaders, the 2020 pandemic was the catalyst for permanent change within their businesses throughout 2021 and 2022. Offering remote and hybrid working was one of the main adaptations to business strategies; as over half of candidates voted in favour of flexible working.

As an improved work-life balance and increased productivity is the main benefits of hybrid working for employees, HR leaders have realised the benefits it can bring to their business model - with 13% of leaders believing it can help them better match skills to jobs.

Although there are current challenges regarding employee turnover in certain sectors, all leaders share the same ambition of making employee turnover their highest priority in the next few years.



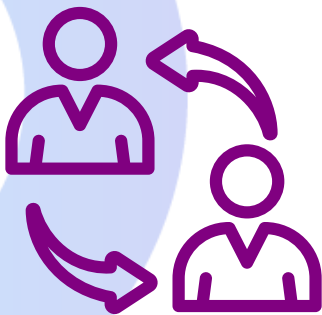
In the UK alone, employers invest around £42 billion in employee training every year (Department for Education UK).



87% of human resources department leaders say that their employee retention rate is their highest priority for the next few years (Travel Perk)



The hospitality industry tends to have a turnover rate higher than the workforce average - in the UK the figure is 30% - double the national average (Travel Perk)



The average turnover rate in the UK is around 15% - although this varies widely from industry to industry (Monster)

# Hard skills vs Soft skills

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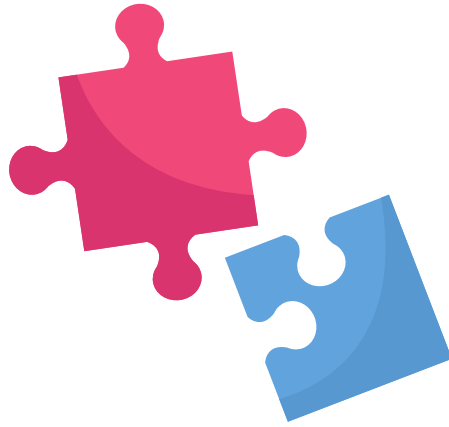
# 18%

of HR leaders believe their biggest obstacle in hiring is a lack of technical skills and knowledge, amid the growing concerns in the UK (People Management)

# 91%

% of talent professionals agree that soft skills are very important to the future of recruitment and HR (digits)



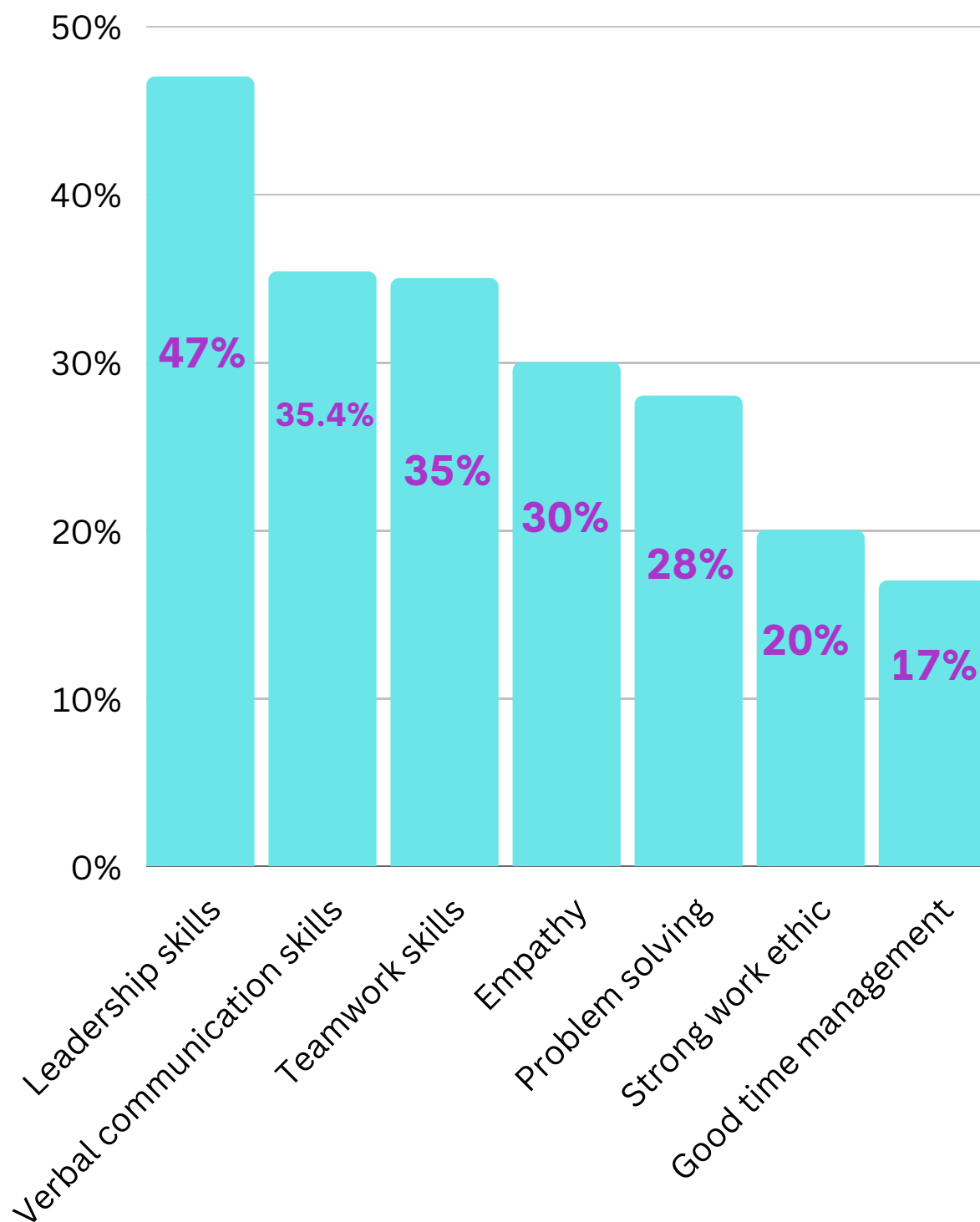


A study by Deloitte Access Economics predicts that “Soft skill-intensive occupations will account for two-thirds of all jobs by 2030”



LinkedIn’s Global Talent Trends report found that 92% of talent acquisition professionals reported that soft skills are equally or more important to hire for than hard skills

## The most important soft skills for a manager to possess, according to UK adults



Source: Digits

# Employee turnover statistics

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A report by Wily Edge, gathered data from 500 UK-based business leaders on the effects of high employee turnover.

**23%**

of businesses have received complaints from remaining team members about a change in company culture.

**22%**

of UK leaders have seen long-standing employees leave the company as a direct result of the culture change.

**16%**

of organisations report that 51% to 100% of their graduate employees typically leave the business within 24 months.

**"By creating a positive, welcoming environment in which employees from all backgrounds can flourish and progress in their careers, businesses should not only find that their retention rates improve, but also that employee engagement increases, productivity improves, and recruitment and onboarding costs are minimised."**

Thomas Seymour  
Chief People Officer, Veramed



**"Listen to those exit interviews. It's uncomfortable, but you have to know why you're seeing big attrition. It's then about using that intelligence to create an environment that feels like the best place possible to work in."**

Chris Preston  
Director, The Culture Builder



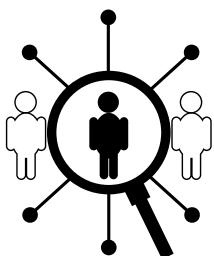


# What will 2023 bring?

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For many HR leaders, the 2020 pandemic was the catalyst for permanent change within their businesses. Offering remote and hybrid working was one of the main adaptations to business strategies; as over half of candidates voted in favour of flexible working.

Currently, employers in the UK invest around £42 billion in employee training every year, and high-quality employee training and development is likely to continue in the immediate future. Equality and inclusion are factors that employers will no longer be able to ignore in order to keep employees satisfied and retention high.



**58% of HR leaders said that boards are now looking to the HR department to drive transformation, and that this skill will be most in demand in the coming year (People Management)**

# Hiring trends to watch in 2023

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# Hiring challenges to continue

Although it's 2023, that doesn't mean that recruitment challenges will disappear. The UK continues to have a large participation gap, due to a rise in long-term sickness – leading to the size of the UK workforce shrinking.

This undoubtedly presents hiring challenges for employers. So, how do employers become an attractive proposition to join? As candidates are likely to have the freedom of choosing from multiple options, does your job posting stand out, and what enhanced benefits can you offer?

# Remote working is here to stay

Due to the convenience and benefits remote work offers employees, it's safe to say remote work will be around for the long haul. Although the pandemic forced the initiative to adopt a remote style of working during that period, businesses and employers have realised the long-term benefits it brings to their businesses.

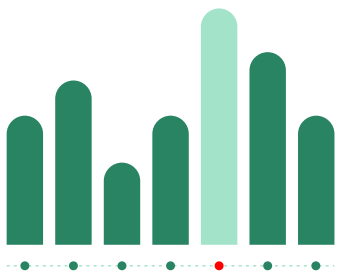
Companies that embrace this will widen their talent pool and could relax some of the strain on recruitment. Employees who benefit from hybrid work are generally happier with their company.



**Jobs offering remote work in the UK rose by 274% since the start of the pandemic while searches for remote work grew by 674% ([fenews.co.uk](https://www.fenews.co.uk))**

# Attractive benefits increase your chances

As job seekers analyse their options when searching for new opportunities throughout 2023, benefits and compensation are amongst their top priorities, due to the cost of living crisis. Benefits play a key role in not only attracting new talent but also retaining existing talent.



In-office benefits such as a gym, kitchen, or microwave are still much rarer than pre-pandemic (declining by 55% from March 2020), with only a small increase (12%) since summer 2021 (Glassdoor)

## Employee happiness = retention

More benefits for employees in 2023 will mean increased happiness. When employees are happy, this leads to higher productivity levels, but also the chances of retention are much higher. Satisfied employees are far less likely to consider outside employment opportunities, and businesses that fail to make employee satisfaction a priority in the years ahead will find it difficult to build a quality workforce.

The popularity of hybrid working is surging, and employees won't find it difficult to walk away from a job that negatively affects their well-being.

# Younger workers want diversity, equality, and inclusion

Employers opting for more diverse workplaces that offer equality and inclusion is likely to rise. As more Gen Z workers enter employment in 2023, employers must consider how their DE&I efforts appeal to this group. It can make you a more attractive place to work but equally, failing to integrate this could reduce employee satisfaction.

## New working normalities

Covid-19 meant everybody changed the way they work and now that temporary trends have settled into permanent ones, we can see what a post-pandemic world of work looks like. The scale and speed of change have been dramatic and while the UK market has adapted and shown signs of resilience, the pandemic exposed underlying challenges that look set to hinder hiring in the near future.



## **Recruiters to become strategic advisors in 2023 and beyond**

In 2023, clients will begin to choose recruiters that think about the work that needs to be done rather than the body that needs to be hired. An opportunity has been presented for recruiters to work out how to solve an entire talent problem rather than how individual roles can be filled.

Going forward, information and advice on how businesses can make important decisions are where recruiters will prove their value.

## **Utilising recruitment tech will improve candidate search efficiency**

Implementing tech functions in 2023 is likely to improve your chances of securing the right talent. Having a CV Search function will allow businesses to quickly and easily find candidates across multiple job board CV databases, as well as their own database. A first-class website will help bring in candidates and act as your own job board.





# Predictions for 2023

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"The shifting priorities for HR towards transformation and leadership came through very clearly in our research, and this is backed up in our daily practice.

The businesses we're speaking with are increasingly looking for people to come and sit at the table to challenge them, to help them grow and shape their business to focus on their people."

Emma-Claire Kavanagh  
Managing Director of HR, BIE Executive Ltd





"Interestingly, the task that is high on HR's priority list also tops the list of their biggest challenges in 2023. In January, we surveyed 100 HR professionals in the UK to determine how the HR landscape appears to them in 2022 and beyond. 45% of respondents cited the recruitment of talent as the most difficult task for the year ahead.

As the supply of labour shrinks, many employers have adopted tactics to combat the challenges they are facing around recruitment such as raising wages, upskilling existing staff and hiring apprentices."

Sarah Dowzell  
Chief Operating Officer, Natural HR



"Improving performance and retention drives greater efficiencies, better team relationships, employee loyalty, and a positive working environment. Today's managers and leaders need to concentrate on building relationships to boost results in this area.

There is no doubt, with the current recruitment challenge many companies face, that developing and retaining people should and will be top of the agenda in 2023."

Joanna Gaudoin  
Managing Director, Inside Out Image



63% of UK workers are likely to stay for three or more years if their organisation is living their values; and they are 7% less likely to be at risk of burnout. (HRreview)

"2023 will bring a new wave of HR trends for businesses to stay on top of. One of these which will be at the forefront is organisational agility. As the war for talent intensifies, hiring teams will need to keep bringing in and developing existing talent to be fluid and adapt to changing business demands. Role definitions will become less stringent, allowing businesses to flex talent and teams more easily around resourcing bumps and mitigate impacts on business outcomes."

Gareth Jones

Chief Product Officer, Thomas International





"As we look to 2023, business leaders must not forget the factors which have played a major part in the economic landscape in 2022. The ongoing war in Ukraine, rising energy prices, and the cost-of-living crisis will continue to be the major drivers of the economy and consequently will have an impact on the direction businesses take.

Every market will continue to be affected differently, but regardless of what vertical they are based in, business leaders need to stay on top of potential issues impacting their short term and mid-term business results. Despite this, in 2023 there will be some key trends enabling businesses to win in the marketplace."

Burcin Ressamoglu  
CEO, Sodexo Engage



# Summary

There's no doubt that HR leaders will see the challenges they experienced in 2022, make their way into the beginning of 2023 and they must be ready to tackle this. However, the new working normalities are set to remain present in 2023 and beyond, benefitting employees, employers, and business structure. Understanding what employees are looking for will ensure employee satisfaction, retention, and lower turnover rates.

In addition to understanding what employees want, benefits continue to be an attractive element for employees when either joining or staying at a company. Hiring managers will be continuing to incorporate diverse and inclusive workplaces, without underestimating the part tech can play in improving candidate search efficiency in 2023.

