HIRING IS MORE CRITICAL THAN EVER:

How Employers and Candidates are Evolving in the Current Market

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A Personal Welcome

Hiring today is more challenging, yet more rewarding (when done well), than ever before.

In the following pages you will learn from brand new research on this topic that explores what employers are doing to combat the difficult hiring challenges they are facing, but you'll also learn from candidates exactly what they are hoping for in a hiring process. By leveraging both of these sets of information, you can adjust your own approach, create a better and more candidate-friendly process, and deliver the best possible outcomes for your organization and the candidates you support.

I know all too well the difficulties of hiring in a tight market based on some of my own unique experiences as a recruiter in my earlier career. Today, I have the pleasure and privilege of supporting recruiting leaders, talent advisors, and HR executives from organizations across the globe as they look for ways to innovate and drive better results.

I hope you enjoy learning from the research findings as much as I did developing and exploring them. Bottom line: there's much for us to do if we want to win in today's environment.

If you want a more personal introduction to this research, check out this short video.

WATCH VIDEO

Thanks so much for investing some of your valuable time here,

Ben Eubanks

BEN EUBANKS
Chief Research Officer
Lighthouse Research & Advisory

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About the Research

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The Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study was developed to highlight and understand the most pressing hiring challenges today. The survey-based information was collected in March 2022 and contains data from two audiences:

- A global sample of 1,000 candidates working or currently looking for work. This group covers broad demographics in gender, age, and ethnicity, but it also includes countries beyond the US, including Australia, Canada, India, the United Kingdom, and more. For a global workforce of approximately 3.3 billion, this represents a sample with 95% confidence +/- 3.1% margin of error.

- A set of 1,054 employers ranging from under 250 employees up to 10,000+ employees. These companies cover every industry and include firms with global operations.

Statement of Ethics

As an independent analyst firm, our research and reporting provide unbiased, neutral views of the HR trends and technologies impacting work today. While this specific research was vendor-funded, it does not impact how we share the data with employers and practitioners. If you have any questions, please contact us.

Research Support

Thank you to Advanced RPO for supporting this research and for your commitment to excellence within the HR and talent community. Learn more about Advanced RPO.

About Our Work

This research initiative is a continuation of our commitment to the HR, talent, and learning profession and to the larger business community. We use the data as a foundation for speaking at conferences and virtual events, internal presentations for HR teams, and more. If you're interested in learning more, please reach out to us for additional information.

We make our research reports like this one freely available for all practitioners, students, researchers, and vendors that want to read and leverage the information contained within. If you choose to cite this data, please do so with attribution: Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (https://LHRA.io)

Talent Priorities for The Next 12 Months

In the research, we have asked the same primary question for more than 5 years now: what's going to be hot in the next year? We use this as a gauge of what priorities employers have and a proxy for areas to explore more deeply in the research.

The chart below depicts the top six priorities as outlined by the talent leaders in this year's study.

Figure 1: Top Six Priorities for Talent Teams in 2022

TOP 6 PRIORITIES		
Diversity and inclusion	+3
Sourcing	+6
Recruitment marketing	+7
Hiring manager relations	-1
Candidate experience	+2
Internal talent mobility	+5

Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

In addition to their ranking, we also see how the relative priority for each item changed over the last year. For instance, D&I rose three spots to claim the top item on the list of hiring priorities, while recruitment marketing leapt seven spots into the top five for the first time in the five-plus years we've been measuring this.

Listen to this clip from our Chief Culture Officer, George Rogers, on his take about why inclusive hiring is critical today.

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Not only that, but other than D&I and hiring manager relations, all other items in the top set of priorities have changed. The graphic below shows how these priorities have evolved from pre-COVID 2020 data to mid-COVID 2021 to the latest 2022 results.

Figure 2: Talent Acquisition Priorities Year Over Year

Evolving TA Priorities 2020-2022

Legend: 2020, 2021, 2022

Categories (top to bottom): Diversity and inclusion, Sourcing, Recruitment marketing, Hiring manager relations, Candidate experience, Internal Talent Mobility, Virtual Hiring, Onboarding, Emploer branding, Video interviewing, Assessments, Measurement and analytics, Employer review sites, Business Alignment, Artificial intelligence
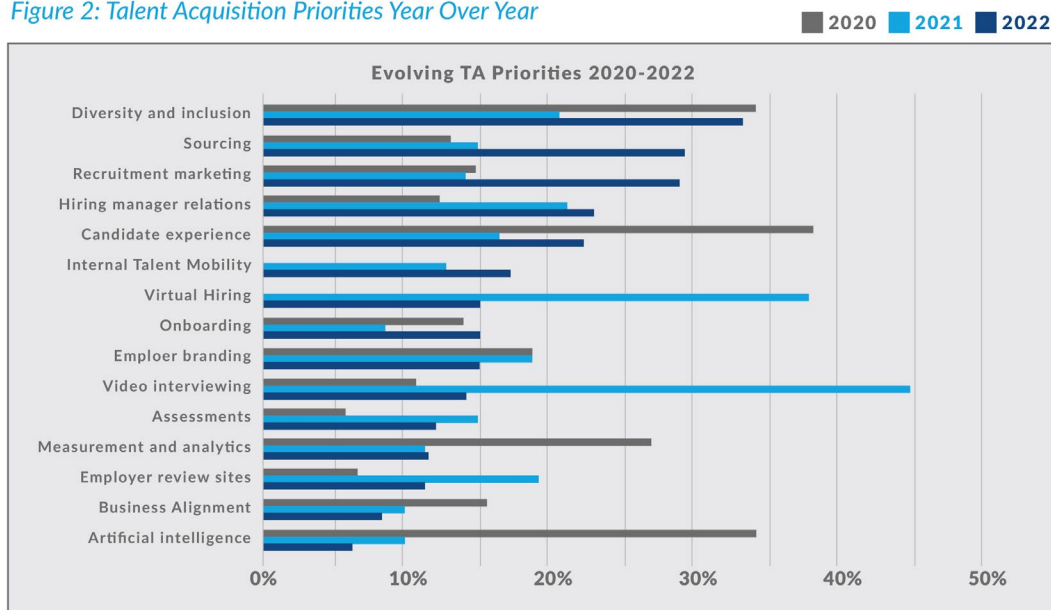
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

We see the ebb and flow over time pretty clearly across the list of priorities. For instance, after the world went remote, data from early 2021 showed that employers were still prioritizing video interviews and a new category of hiring tools around virtual hiring as they struggled to bring talent back to work. In 2022, many of those problems had been addressed, circumvented (returning to the office) or replaced by bigger challenges around sourcing, marketing, and candidate experience.

This set of priorities is mixed, covering things like technology areas (assessments, sourcing) but also practice areas (onboarding, analytics) and more, which makes it an interesting look across the spectrum of what is top of mind for talent leaders today. This also varies a bit by company size, as midsize firms (500-2,500 employees) are more likely to be prioritizing recruitment marketing, onboarding, and hiring manager relations over DEI, while the largest companies of 10,000+ are tackling onboarding, candidate experience, and recruitment marketing as priorities behind inclusive hiring practices.

However, we tried to slice the data in a different way by asking a slightly different question. In the last 12 months, eight in 10 employers said that hiring has risen to the level of a business challenge, not just an HR or talent priority. Because of that, we specifically strove to understand how they planned to address that stated challenge with the different tools available to every talent acquisition team, as evidenced by the responses below.

Figure 3: Talent Acquisition Priorities Year Over Year
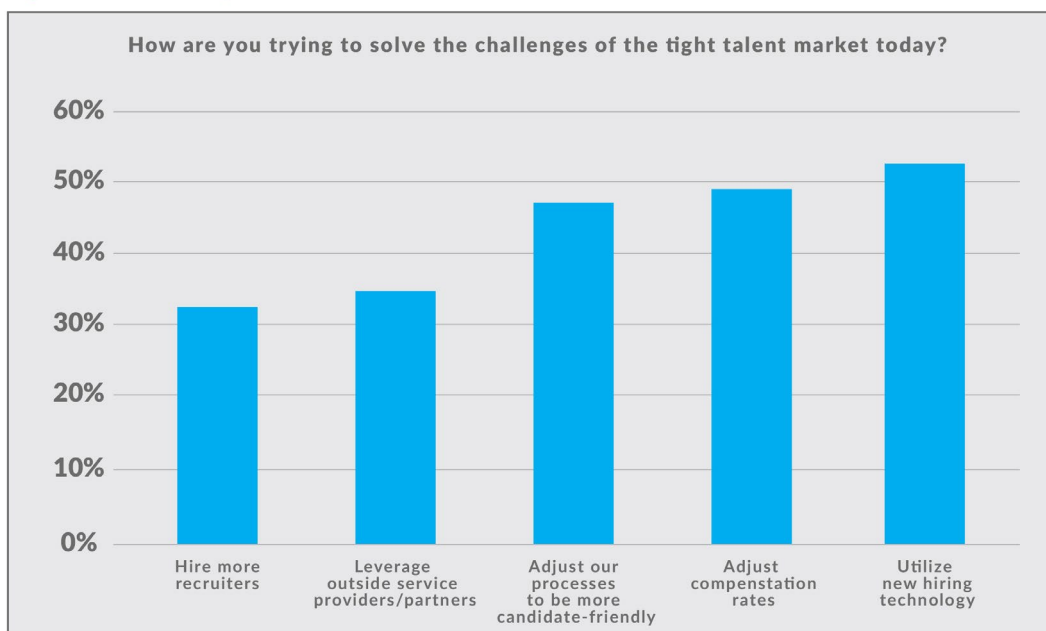
How are you trying to solve the challenges of the tight talent market today?

Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

More than anything else, employers are looking at technology to help them solve the bigger talent challenges at hand. Interestingly, "hire more recruiters" is at the bottom of the list. That's possibly due to a number of factors, including nearly unbelievable levels of demand. According to data from labor market intelligence company Greenwich.HR, the number of job postings for recruiters is up 5x when we compare the volume of postings in Q1 of 2020 to that of Q4 2021. In addition, recruiter pay scales have gone off the charts, which means many companies can't afford to hire any new ones, and they are having trouble replacing any that they lose.

Talent Centric Organizations

Employers with more strategic, proactive talent teams often make different decisions and have different priorities when it comes to hiring. In this case, Talent Centric Organizations are nearly 50% more likely to prioritize the use of new hiring technology and compensation adjustments compared to passive hiring teams.

Click below to listen to our Chief Research Officer talk more about what it means to be a Talent Centric Organization.

🔊 LISTEN HERE

The second solution on the list? Adjusting compensation. In the last year, 75% of employers have said that compensation has been a sticking point in their hiring activities. In years past, compensation adjustments from a competitive perspective were often made in bits and pieces. Company A increases its hourly rate by fifty cents and Company B across the street has to decide whether it wants to raise its rates or focus on culture, benefits, or another employee-centric practice. Workers can be swayed by money, but at that thin of a margin, they can also be swayed by a great manager or culture as well.

However, when a front line worker gets the opportunity to leapfrog from $10 an hour to $18, $20, or more, that is potentially life changing, and that often trumps any culture, relationship, or other priority the person might have in the moment.

Comp leaders and talent leaders have tried to come together on this, but each has a different set of priorities and challenges. For instance, yes, you might bring in that new hire for $95k instead of $80k, but what about the other three people in the same job currently making 80k? That creates a negative ripple effect that can't be ignored. Data from one of our clients that prioritizes employee retention found that

as an indicator of turnover, compensation in the form of internal equity (how I'm paid relative to my peers internally) makes more of an impact than external equity (how I'm paid relative to the market) when it comes to office or white collar workers.

Most of all, compensation is a moving target, and today the most innovative companies are using emerging sources of compensation data in order to stay on top of the most competitive information. **To hear more about this type of compensation data and how it's gathered, listen to our Chief Research Officer's explanation.**

Bottom line: there are so many things shifting around that it's hard for some companies to know where to start. Next up in this report we'll show you how companies are planning to adjust budgets, headcount, and other elements to address the ongoing challenges.

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HIGH PERFORMER INSIGHT

High-performing companies (those with better revenue, retention, and engagement scores than their peers) are 33% more likely to be increasing budgets than low performers. This is going to push them even farther ahead in the struggle for talent.

Budget Changes and Technology Plans

A few years ago I met with a CHRO on the eve of his team's annual budgeting exercise for HR. One of the things the team did that seemed unique was to start from scratch, building the budget based on priorities and needs for the year ahead, not based on "what we've always done." While many budget items remained the same year over year, they consistently and continuously re-evaluated them to ensure they were the right priorities based on where the company was in its stage of growth.

As the image below illustrates, most companies are leaning in across the board on talent acquisition budgets, headcount, technology usage, and even service partners as well, with an average of six companies in 10 planning increases in one or more areas.

Figure 4: Aggregate Data on Employer Budget and Investment Plans
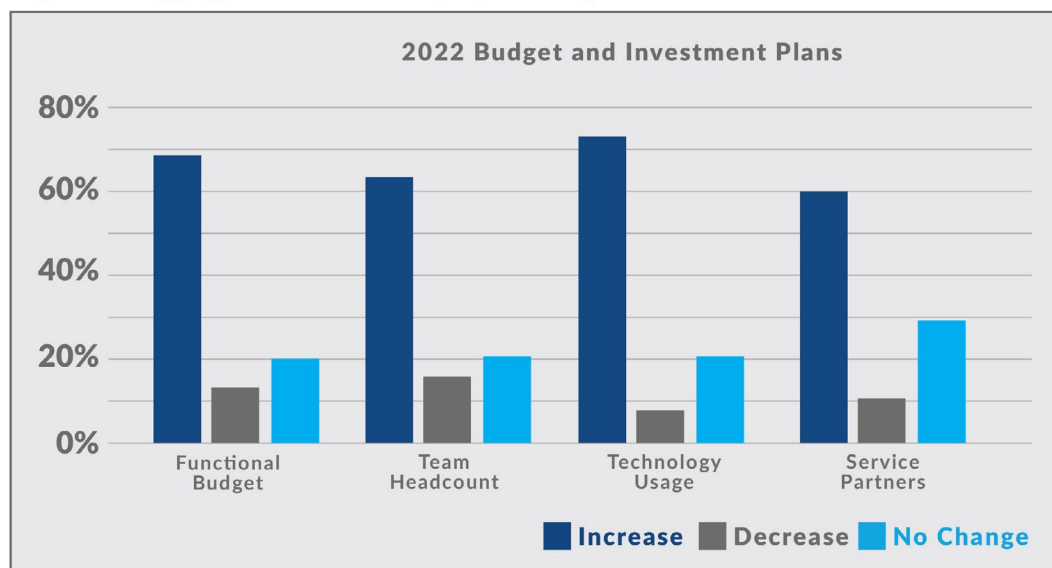
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

To take it a layer deeper, we looked at the specific types of talent acquisition technology that are available in the market, bucketing common options in order to understand the level of priority across the board. The graphic below indicates which ones are outpacing others. For transparency, approximately 10% of employers said that they weren't planning to acquire any of these. The rest? They're in for a wild ride as they look for ways to add value for candidates, hiring managers, and recruiters within their talent technology stack.

Figure 5: 2022 Talent Acquisition Technology Purchase Plans

How are you trying to solve the challenges of the tight talent market today?
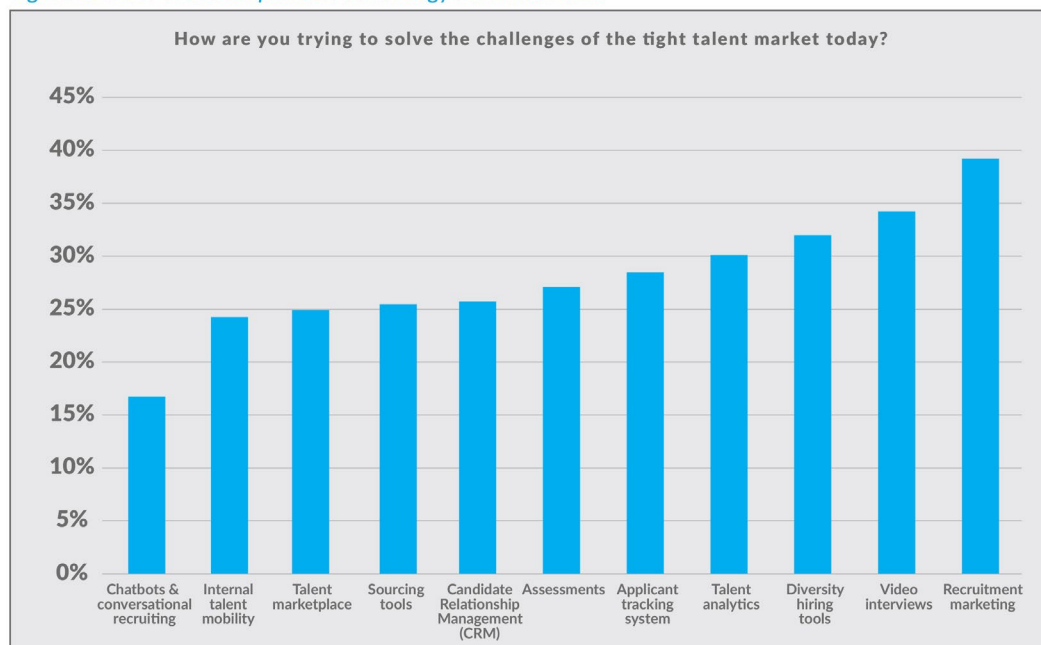
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

As we can see, recruitment marketing is outpacing the other solutions in the list as companies try to attract candidates, create meaningful connections, and influence them to apply for relevant opportunities.

What's incredible is the simple level of demand. Nine out of 10 companies are actively shopping for some type of talent acquisition technology. This is due to a continuation of the scarcity of talent in the marketplace (there are more jobs available than candidates to fill them, and that's even if we had a way to magically/ instantly make every available candidate suitable for one of the open jobs). However, this demand is also likely related to one of our findings from 2021. Two out of every three companies told us that the events of 2020 exposed critical gaps in their hiring

technology, and a significant percentage of those companies hadn't filled those gaps yet at the time of our 2021 measurement.

It's easy to understand that hesitation, if you can call it that. Selecting the right talent technology isn't easy. There are hundreds of solutions across the talent acquisition spectrum alone, and it's easy to get swayed by an Internet search or a flashy headline. We work with some of the best and brightest technology companies, and there's a big difference between those and other inflexible, untested providers. You need the solution that best fits your company's needs, or you'll be disappointed and looking for another solution in the near future. We hear from companies regularly that use our HR Tech Awards program as a sort of filter to understand some of the solutions in the market that have been vetted by independent judges to have a measure of success and positive impact on the industry.

To dive deeper, the following analysis is a busy one, but it breaks down the buyer intent into company size so you can see how you stack up against similar companies.

Figure 6: 2022 Talent Acquisition Technology Purchase Plans by Company Size
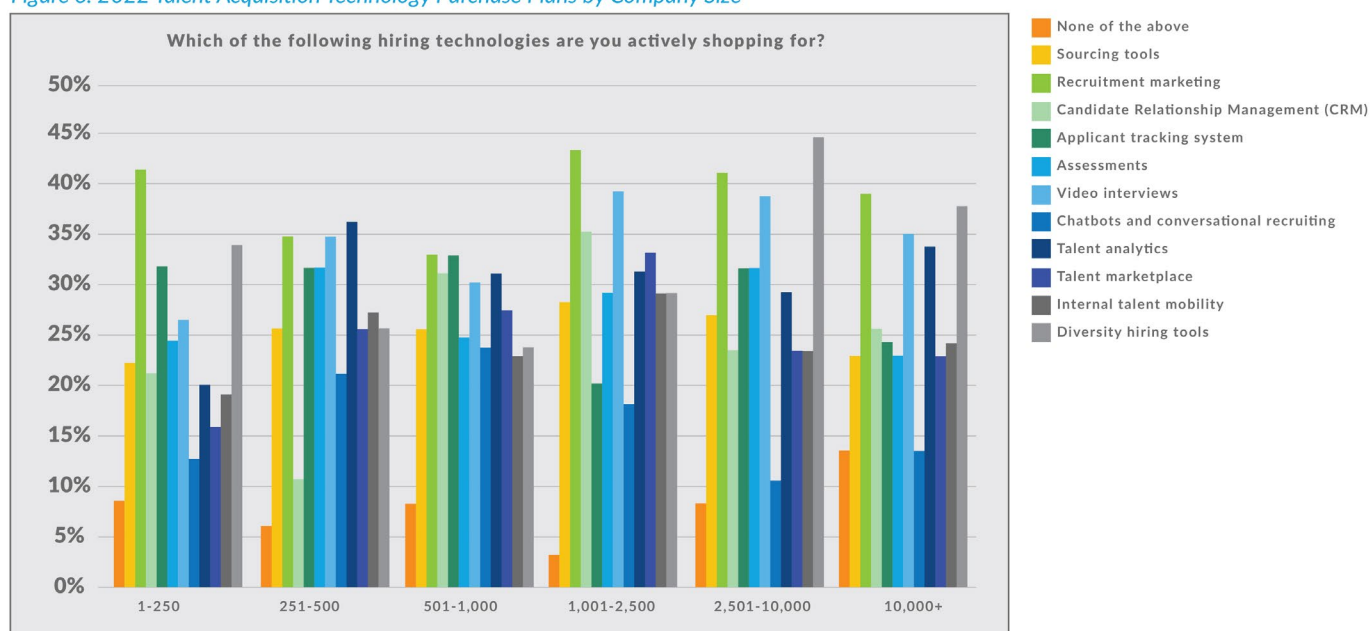
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

According to George Rogers, our Chief Culture Officer, "Employers must consider how different opinions, experiences, and values can work together to achieve a common goal. Workers today don't just want the biggest paycheck. They want a company that recognizes and appreciates the unique value they bring." Business leaders that use inclusive hiring tools can help to paint that picture effectively during the hiring process, and recruitment marketing platforms enable them to share that message far and wide.

Technology isn't the only answer to the problems at hand, but it can help talent teams to scale up more quickly, create more consistent experiences, and deliver seamless candidate journeys that convert well.

PRIORITY #1	PRIORITY #2	PRIORITY #3
Sourcing Tools	Recruitment Marketing	Talent Analytics
Recruitment Marketing	Talent Analytics	Diversity Hiring Tools
CRM (Candidate Relationship Management)	Recruitment Marketing	Video Interviews
Applicant Tracking System	Talent Analytics	Diversity Hiring Tools
Assessments	Recruitment Marketing	Talent Analytics
Video Interviews	Diversity Hiring Tools	Recruitment Marketing
Chatbots and Conversational Recruiting	Video Interviews	Applicant Tracking System
Talent Analytics	Recruitment Marketing	Diversity Hiring Tools
Talent Marketplace	Recruitment Marketing	Talent Analytics
Internal Talent Mobility	Talent Analytics	Recruitment Marketing
Diversity Hiring Tools	Recruitment Marketing	Video Interviews

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There are also interesting combinations in the data that we saw. For instance, if an employer selects the item in the left column below as their primary selection, they are most likely to select the items in the second and third columns as their next choices. It paints a helpful picture of where and how those relationships between system usage may occur. For example, if a company prioritizes sourcing tools to gather more raw candidate volume into the hiring funnel, they look to recruitment marketing tools to help them communicate and convert those raw profile into applicants and (eventually) hires.

RPO Partner Value

For years, recruitment process outsourcing (RPO) providers have been delivering powerful value to business and talent leaders, and we saw that the majority of employers are looking at bringing in some sort of hiring partner if they haven't already done so.

This isn't just because it's hard to find recruiters, even though it is.
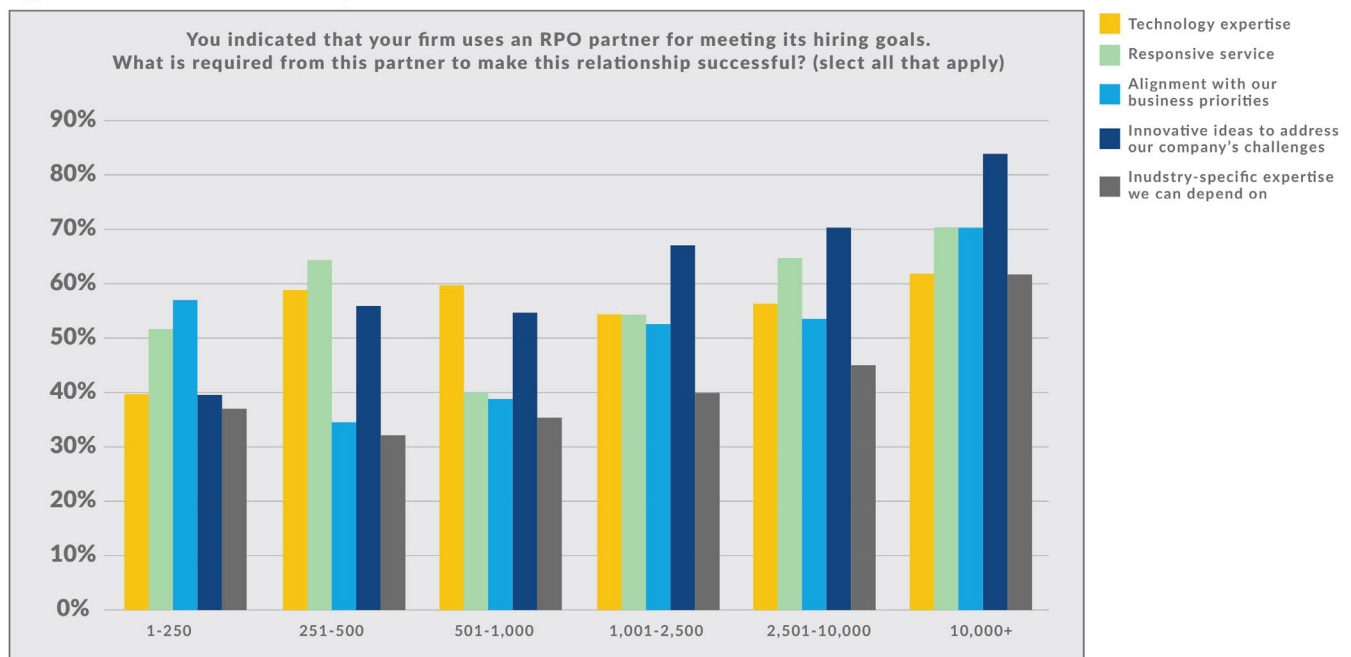
This isn't just because they have specialized expertise, because they do.

This is because of a range of benefits that RPO partners bring to the table for employers. It truly is a partnership, and the best relationships are ones built on transparency, trust, and shared goals.

In the words of a close partner of Lighthouse Research & Advisory, Executive Director of The RPO Association Lamees Abourahma said, "Recruitment process outsourcing has always been a relationship-based talent solution. The number one key RPOs reference for a successful relationship is executive sponsorship. Successful RPO partnerships start with a clear understanding of talent challenges and a collaborative solution to achieve the hiring goals."

As the data points below indicate, employers of all sizes are looking for value from multiple perspectives, treating their trusted RPO partners as subject matter experts and consultants in addition to raw recruiting talent.

Figure 7: RPO Partner Value Components

You indicated that your firm uses an RPO partner for meeting its hiring goals.
What is required from this partner to make this relationship successful? (slect all that apply)

Legend:
- Technology expertise
- Responsive service
- Alignment with our business priorities
- Innovative ideas to address our company's challenges
- Inudstry-specific expertise we can depend on

Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

The priorities for the company change dramatically depending on size. The smallest companies, for example, are most interested in business alignment and responsiveness. One of our RPO clients recently told us that they were working with an employer with just a few dozen employees in a dynamic, rapidly evolving field. This company knew that it couldn't hire the specialized recruiting talent it needed to keep up with growth projections, so it turned to a proven, trusted RPO partner to make that happen.

On the other end of the spectrum, companies with 1,000 employees and above want innovation first and foremost from their RPO partners. They know that those external perspectives from working with dozens or hundreds of other companies on their talent needs can provide immense value and insight if leveraged properly.

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HIGH PERFORMER INSIGHT
High-performing companies are 2x more likely to be using an RPO firm than low performers.

Talent Assessments and Value

When you think about it, assessments are incredible tools:

• During a period with plentiful talent, they help to sift through dozens of candidates to find the absolute best fit.

• During a period with scarce talent, they help to make the right decision the first time, because you won't easily get a second chance.

Our research over the years has touched on various aspects of assessments and the value they bring to employers and to candidates as well. They can help to illuminate strengths, tendencies, and areas to develop further. From a focus perspective, they can examine tangible skills, but they can also peer into a person's cognitive and personality traits, providing insights not available to the naked eye.

In this year's study, we examined some key areas of importance when it comes to assessments. However, the most valuable data may be the responses we received from candidates, as you'll see later in this report. Their expectations and preferences break down some commonly held beliefs when it comes to utilizing assessments for talent decisions.

For starters, we took a look at what employers care most about when it comes to using hiring assessments to select the right candidate.

Figure 8: Assessment Value and Selection Priorities
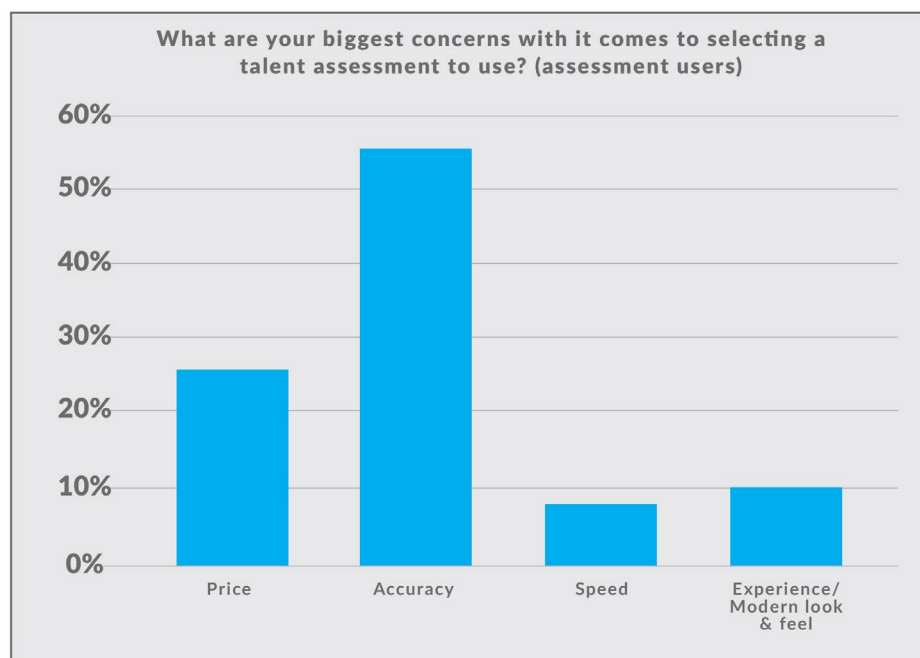
What are your biggest concerns with it comes to selecting a talent assessment to use? (assessment users)

Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

More than anything else, employers want to know that the assessment tools they are using are actually measuring what they proclaim to measure (accuracy). This has legal ramifications, but it also has practical ones as well. If we're trying to decide if you'll make a good accountant, driver, or executive leader, we need to know that the assessment we're using will give us some intelligence that guides us in the right direction.

As we see in the candidate data, they really want a hiring/application process that is fast and respects their time, but it turns out that their decision of fairness/respect is pretty aligned with what employers expect.

Figure 9: Assessment Time Investment from Employer/Candidate Perspectives
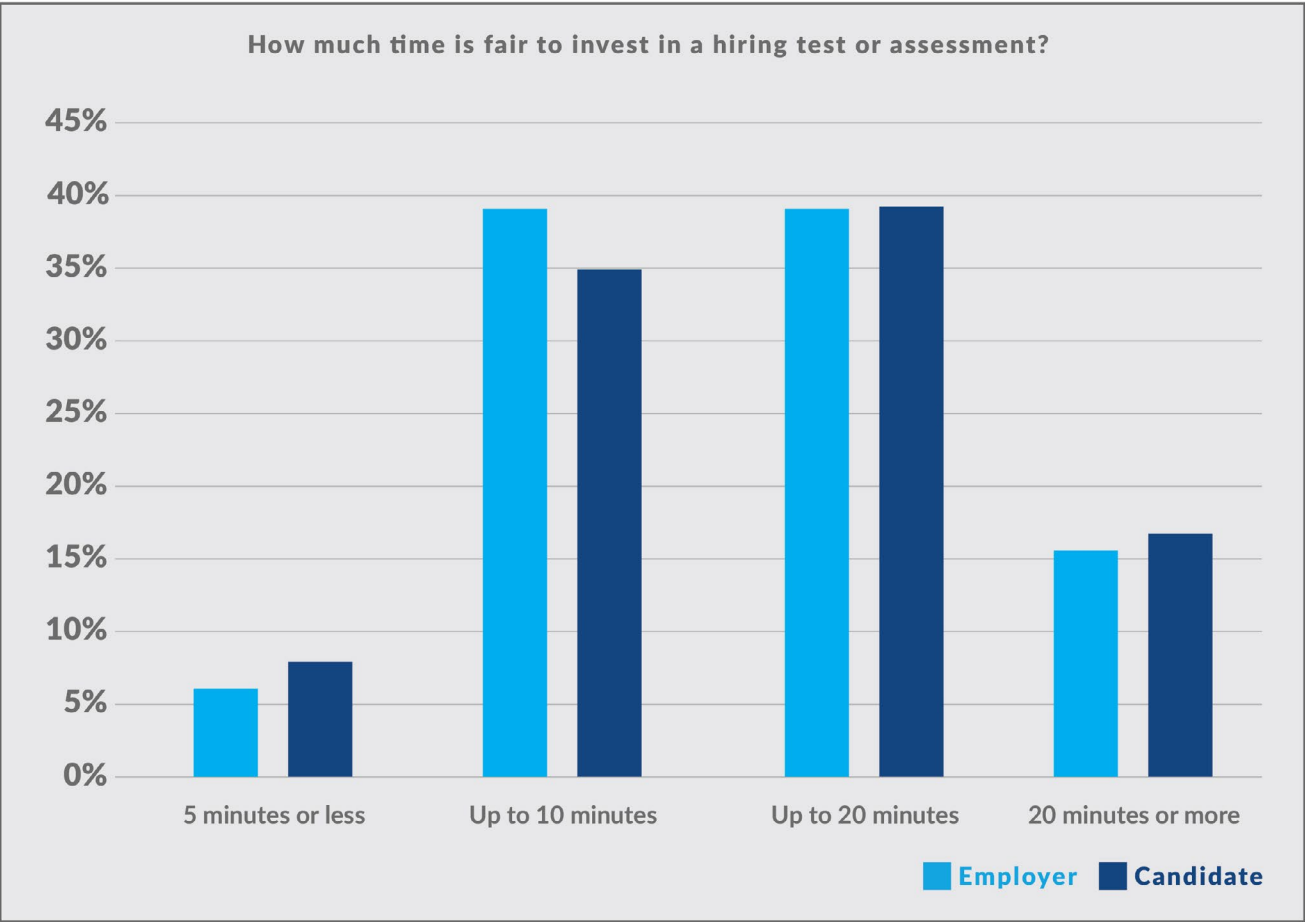
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

This varies a bit based on industry, but overall candidates are pretty forgiving when it comes to how much time they will allow to complete a hiring test.

As an additional data point for your consideration, we found in previous research that candidates prefer assessment and screening activities that closely mimic the type of work they will be doing on the job. The more aligned that experience is with the actual work tasks, the better. If candidates are doing something that seems vague, misaligned, or disconnected from the actual tasks they would be doing in the position, they don't appreciate the experience nearly as much.

Assessments have come a long way from the old days of multiple choice forms, and the ability for

them to predict important job-related capabilities is pretty incredible, with some of the assessment providers leveraging artificial intelligence to shorten the experience or analyze results more quickly.

In our 2021 hiring research, using assessments to evaluate candidates and support unbiased hiring decisions was the number one way employers said they were balancing automation (speed) and fairness (equity) in the hiring process. We expect to see strong usage here as employers work to hire the best fit candidates in a challenging labor market.

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In the last 12 months, eight in 10 employers said that hiring has risen to the level of a business challenge, not just an HR or talent priority.

Talent Acquisition Process Optimization

Last year at our HR Summer School virtual event which drew thousands of participants from across the globe, we had a specialized coach share some insights on mental performance at work. One of his most valuable suggestions? Continuously ask the following question: "WIN: What's important now?"

Process optimization can sound like a chore, but it is essentially a way to reset and prioritize what's most important, just like we can do with our own mental performance at work. By reviewing, resetting, or reprioritizing our processes and actions, we can adjust the results we're able to achieve as talent leaders, as a talent function, and as an organization overall.

Figure 10: Evaluating Hiring Processes
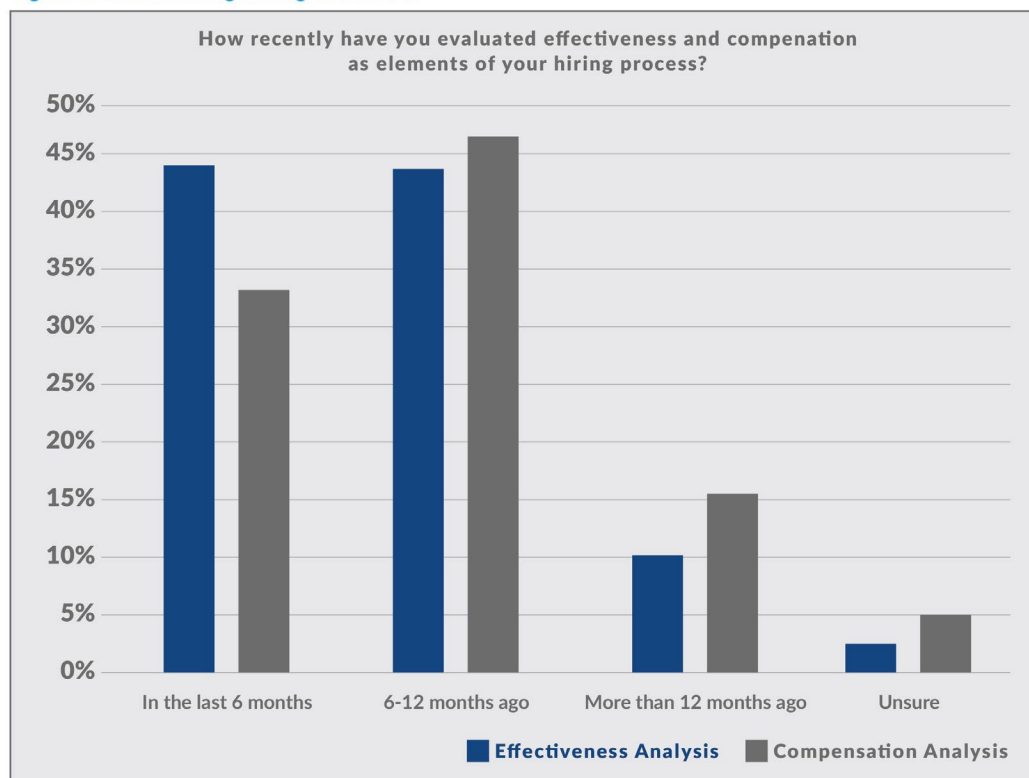
How recently have you evaluated effectiveness and compenation as elements of your hiring process?

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While a significant portion of employers (more than four in 10) have evaluated the effectiveness of their hiring process in the last six months, the majority of employers haven't looked closely at the effectiveness of their hiring approach in more than half a year. In today's fast-moving talent market, that's too long! The same is entirely true for compensation, as a slightly higher percentage of companies (two-thirds) have not evaluated this in the last six months.

The next graphic, therefore, is probably going to feel very accurate for those of you that have struggled with compensation changes as part of the bigger set of hiring decisions to make.

Figure 11: Compensation as a Limiting Factor in Hiring Decisions

Has compensation been a sticking point in your company-wide hiring activities over the last year?

75% YES

- No, its not been a challenge because our pay rates are competitive or better than average
- Yes, it has been a challenge because our pay rates are not competitive enough
- It varies by job/role we are hiring for
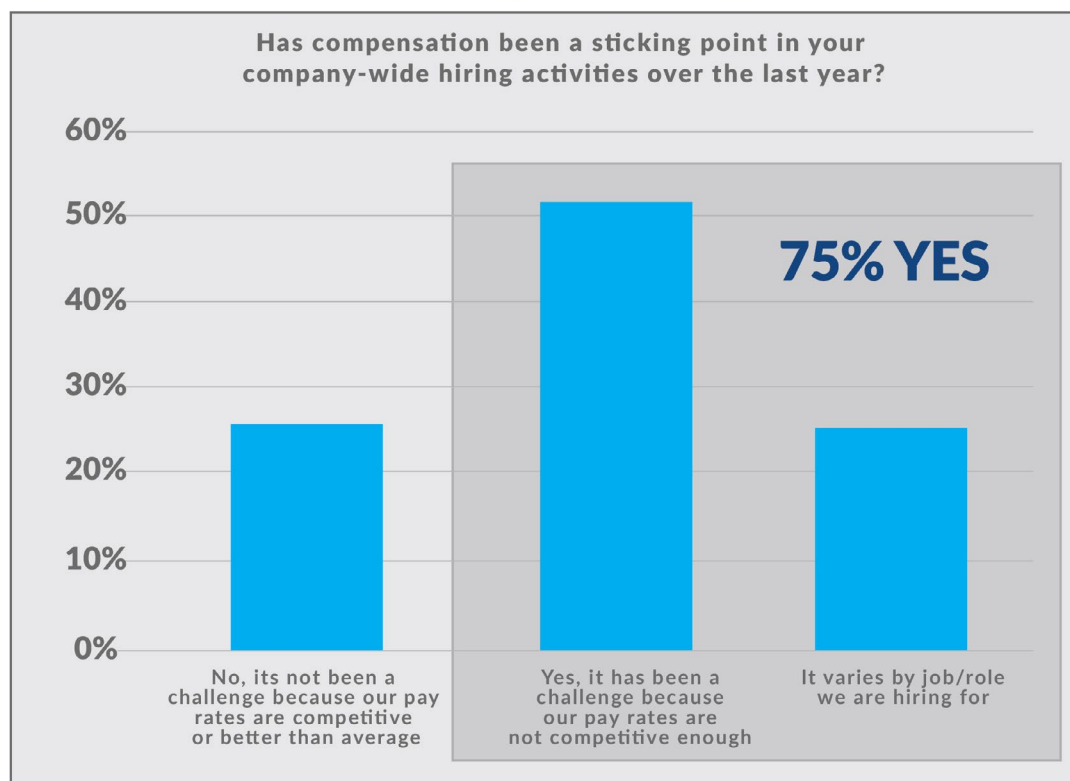
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

Bottom line: compensation is a critical component of hiring. In fact, it's becoming increasingly important, especially for frontline workers. 60% of them want to know the starting salary for a job before they even apply, which is higher than the percentage for other non-frontline respondents.

In several data points that we pulled together from candidate responses, we found that one thing is true: essentially, the earlier a company shares the pay rate for a position, the better.

But this isn't the only factor, obviously. Employers are paying for something. They are essentially renting someone's skills at an agreed upon pay rate. But what if those skills are hard to come by? The graph below shows how employers have had to adjust their expectations with talent scarcity rearing its ugly head.

Figure 12: The Challenging Modern Hiring Process

"Which of these most accurately reflects your hiring process today?"

Hire the very best candidates that exists, regardless of cost	Hire the best we can find with the fewest skill gaps	Hire whoever fits our pay scale with plans to train them after hiring
~37%	~52%	~12%
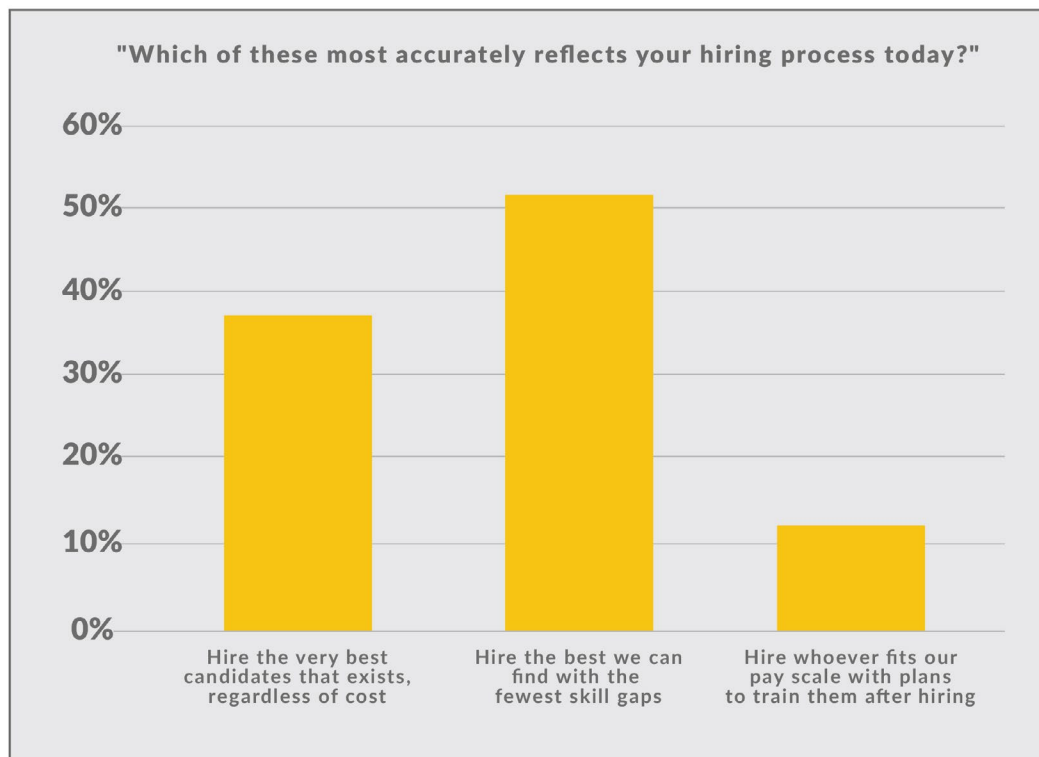
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

While about 35% of companies are able to hire the best candidates regardless of what they cost (and that will likely vary by role, as you could likely pay $200k for a data scientist but couldn't pay $100k for a delivery driver due to profitability), the rest of employers say they are looking for the next best option that's available, and about 12% admit to hiring workers that they need to upskill upon entry into the company.

The last piece of this puzzle comes down to metrics and measurement. Employers have long used metrics like time to fill as a measure of hiring success, even though it's unlikely to indicate any real success. When we think about it, time to fill is nothing more than a calculation of a date range from requisition open to close. It negates and ignores all of the effort, struggle, and difficulty with hiring, and it also ignores the all-important quality of hire, which employers say is the most important hiring metric.

Figure 13: Recruiting Metric Usage and Perceived Value
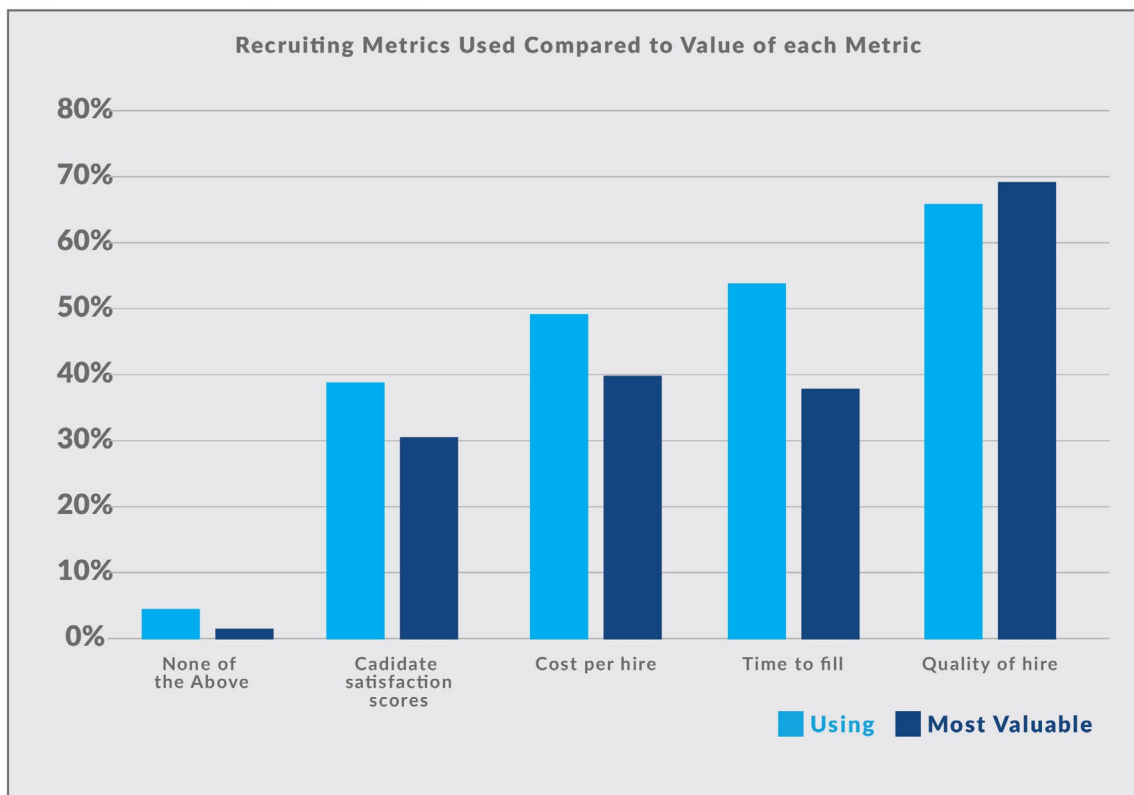
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,054)

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The image above actually comes from two separate questions: first, we asked what metrics people were using to measure their hiring effectiveness. Next, we asked what metric(s) were most valuable for demonstrating the effectiveness and value delivered by the talent acquisition function. Interestingly, companies as a whole are using the recruiting metrics they say are less valuable more often than they should, but they're not using the one metric they say is most valuable as often as they should!

This is a great lesson on priorities, but perhaps the greatest lesson comes from our high-performing employers in the study, as evidenced below.

HIGH PERFORMER INSIGHT

High performers are actually LESS LIKELY to be using time to fill, which low performers use as their primary metric. High performers' number one metric is quality of hire, which they use 25% more often than other organizations. They are also 63% more likely to be using candidate satisfaction as a measure of success.

Frankly, we could spend endless hours pouring through the data on what employers can and should be doing. There are plenty of insights in the research that shed light on the biggest priorities right now, but we have something incredibly valuable for you up next: real insights from the candidates you are serving every day. We pulled in data points on critical questions so that you know what people need, when they want it, and how to provide it.
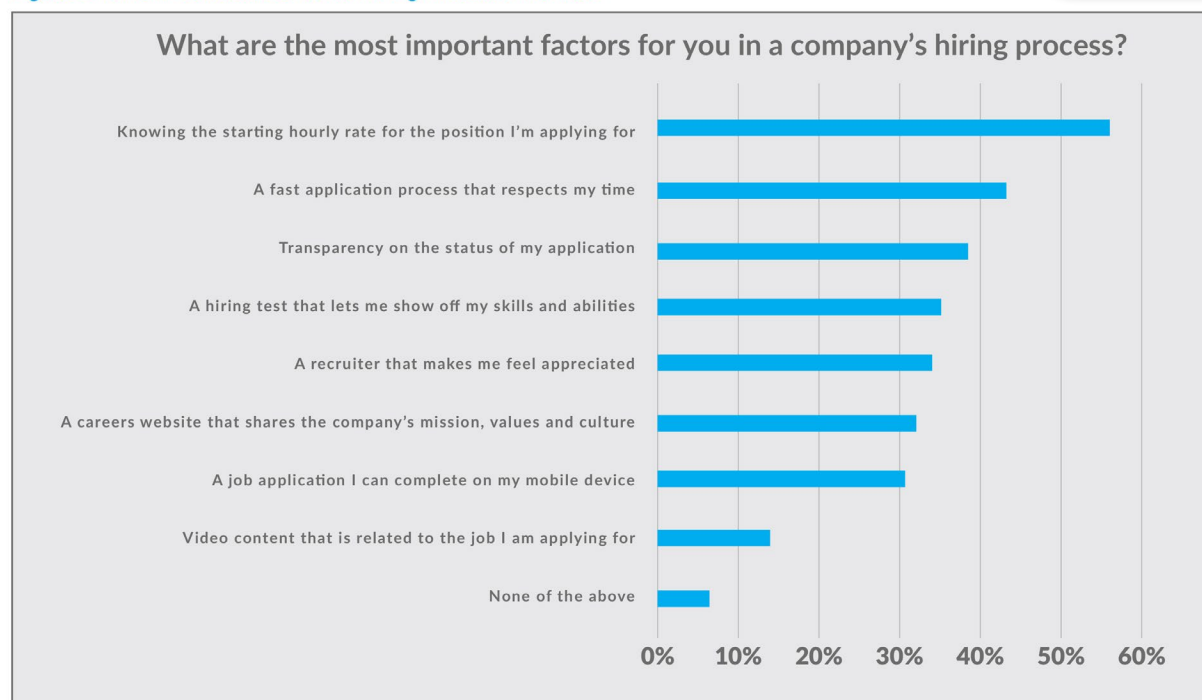
CANDIDATE PREFERENCES, INSIGHTS, AND PRIORITIES

What Candidates Want in a Hiring Process

During the recent Human Capital Institute Employer Branding and Recruitment Marketing conference, our Chief Research Officer delivered a keynote address on what your candidates want from you now. **We've included a short snippet of that below with a great story on why we need to know our candidate audience if we want to serve them well and convert them into great hires.**

WATCH VIDEO

Figure 14: How Candidates Rank Hiring Process Priorities

What are the most important factors for you in a company's hiring process?

- Knowing the starting hourly rate for the position I'm applying for
- A fast application process that respects my time
- Transparency on the status of my application
- A hiring test that lets me show off my skills and abilities
- A recruiter that makes me feel appreciated
- A careers website that shares the company's mission, values and culture
- A job application I can complete on my mobile device
- Video content that is related to the job I am applying for
- None of the above

Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

When it comes to it, the most important thing for workers is to know the starting pay for the job they are applying for. Within the US, there have been legislative actions to require employers to include pay data on job postings. That has been a "push" factor. However, there are "pull" factors in this as well. For instance, many companies have used job ads, headlines, billboards, banners, and other methods to openly promote their hourly pay rates in an effort to attract talent. This type of signal reinforces to all job seekers that knowing the pay up front isn't just **possible**, it's **preferable**, and it increases the expectation that they

will be able to know the pay as they look for their next role.

Note: while it might be assumed that this is driven by younger workers and a craving for transparency, the truth is that it's actually correlated with age in the other direction! In our conversations with candidates, we find that many of them have gone down the path towards a hiring decision only to find out that their valuable time was wasted on an employer that couldn't match their salary expectations. In other words, while it's important overall, it increases in priority as candidates age (48% of 25-34 year olds, 61% of those 35-44, and 70% of those 45 and older).

Listen to our Chief Culture Officer George Rogers on why pay transparency is critically important not just as a hiring practice but as a specific DEI issue.

LISTEN HERE

Frontline Workers

This critical segment of the workforce places even higher pressure on knowing the starting pay rate than the average worker, and another major difference is a mobile-friendly job application, which lands third on their list of priorities.

Beyond pay, the next couple of items on the list can be summed up as respect and transparency. A fast application matters to candidates, and they like to have it accomplished quickly. However, they have a strong tolerance for the length of time it takes to complete an application, with 84% saying that 20 minutes or less is a "fair" amount of time to invest in a job application. For frontline workers, though, we see a different set of priorities. For example, number three on their list of desires is a job application they can complete on a mobile device. If your company hires frontline workers, that is a critical piece that they care about.

In a bid to dive deeper into some of these aspects, we asked a number of followup questions about interactions, content, and communication during the hiring process.

For instance, we're seeing more employers using video in the hiring process. This isn't video interviewing–it's more about using video as a medium of communication to convey more than just written text.

For candidates, though, they want to hear about the job and their peers, not some polished corporate overview or a message from recruiters/HR.

Figure 15: Video Content Within the Hiring Process

What kinds of video content would be most helpful to you during the job application process?

- Preview of the job and day-to-day responsibilities
- "A day in the life" of some of the company's employees
- Corporate overview or introduction
- Message from the recruiter of HR
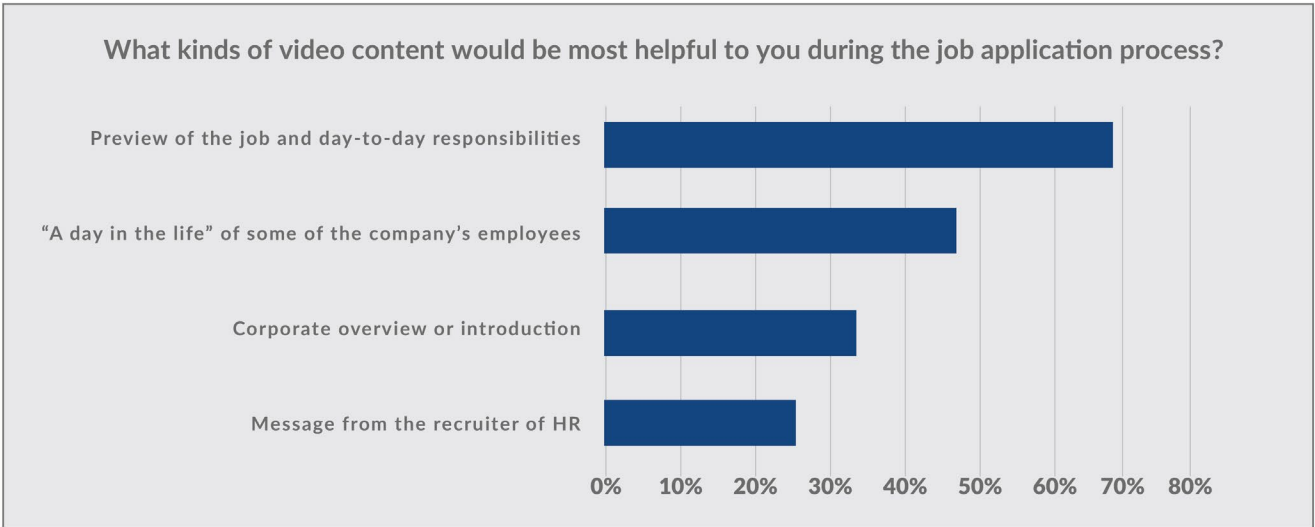
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

Remember the statistic earlier about employers hiring with plans to upskill workers because they couldn't find the right skill sets to match their pay scale? It's important to note that workers aren't taking jobs with the expectation of doing them forever.

Figure 16: Candidates Overwhelmingly Prefer Discussions about Career Growth

Is it important to you that hiring managers talk about career growth opportunities during the hiring process?
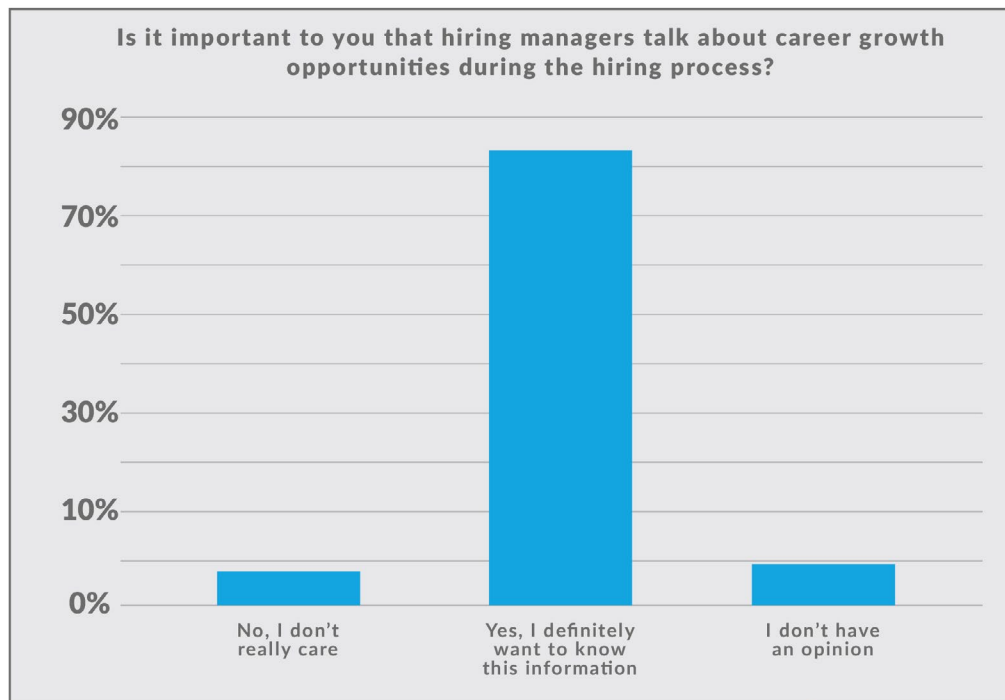
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

The bottom line here: 83% of candidates want to hear hiring leaders talk about career growth during the hiring process. That sounds pretty basic, but we as employers constantly send mixed signals during the hiring process.

Listen to this example from our Chief Research Officer on how we unintentionally set ourselves up for failure when it comes to career opportunity discussions with candidates.

Not only that, but **63% of candidates told us in this study that they prefer a hiring test or assessment that doesn't just evaluate their current performance but their future potential.**

LISTEN HERE

In the last 10 years, we've found through multiple studies (both in-house and externally) that mobility within the business is a key priority for workers. All else being equal, employees will take a job at a company that clearly outlines a future path for growth versus one that does not. But that's not all. Our 2021 Reskilling and Employee Mobility study found that two out of three employees have quit a job at some point in their career due to a lack of internal growth.

However, approximately nine out of 10 of them would have stayed if they had seen a path ahead, and diverse employees were more likely than white workers to agree with that statement. But that's not all.

Once someone has left a job because of that lack of career development, they place a higher burden on HR, recruiting, themselves, and their manager to prioritize career growth, because they don't want to run into the same situation again.

This one issue is incredibly complex, but it's not the only one we need to address. Beyond that, we need to look at the actual hiring process and experience.

For instance, what about the common video interviews and hiring tests (assessments)? How do candidates feel about those experiences? The answer to that question may surprise you.

Figure 17: Candidate Perceptions of Video and Hiring Assessments
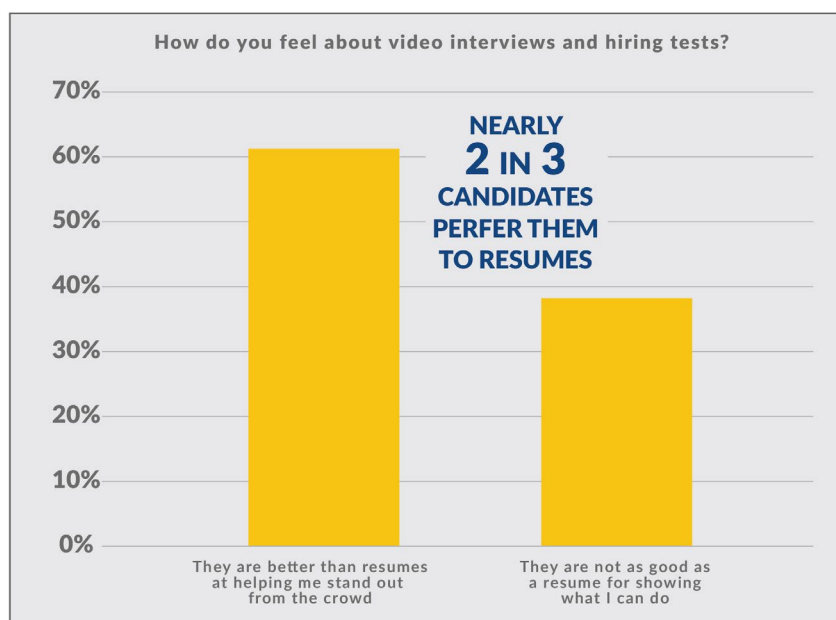
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

As you can see, candidates actually prefer video interviews and assessments to resumes because they give them a chance to show off their skills and abilities in a more dynamic way. This revalidates some findings from a 2017 study that we did on the same topic[1]. A big takeaway from that study that still rings true: the closer a hiring experience mimics the actual job, the more a candidate likes it.

As an example, if you're hiring an accountant and give them a vague test of cognitive ability, they may not enjoy that very much. However, if you ask them to explain how to develop a zero-based budget or how to reconcile a general ledger, suddenly they enjoy the experience, because it is based on their actual ability to do the job. Interestingly, the highest-performing workers would likely enjoy that experience most because it sets them apart from less qualified candidates.

What's more, **diverse candidates are more likely to prefer these alternatives to resumes when compared to white candidates.** In the words of our Chief Culture Officer, George Rogers, "Leaders have to inspect what they **expect**." In this case, diverse candidates are interested in being examined/inspected specifically for the capabilities the employer expects them to have, creating a more even and equitable playing field.

In times of plentiful candidates, employers have the power to do as they wish, but when candidates are limited, the balance of power shifts dramatically. We see the rise of things like ghosting, increasingly high expectations on employers, and more, as we cover in the next section of this report.

9 OUT OF 10

companies are actively shopping for some type of talent acquisition technology.

https://lhra.io/blog/candidate-experience-perspectives-video-interviews-assessments-hiring/

Candidate Expectations, Ghosting, and Other Phenomena

The concept of ghosting is a relatively new one by historical standards. In 2017, it was added to the dictionary with a new meaning: to sever a relationship by breaking all contact with the other party. While it has become common in dating and social circles, it has also become a major challenge for employers when candidates disappear without warning.

The goal of our research, as always, is to lead to practical ideas and impact. We can commiserate all day long about the challenges of ghosting, or we can try to do something about it. As the data points below indicate, some of this is avoidable.

Figure 18: Why Candidates Ghost Employers After Applying
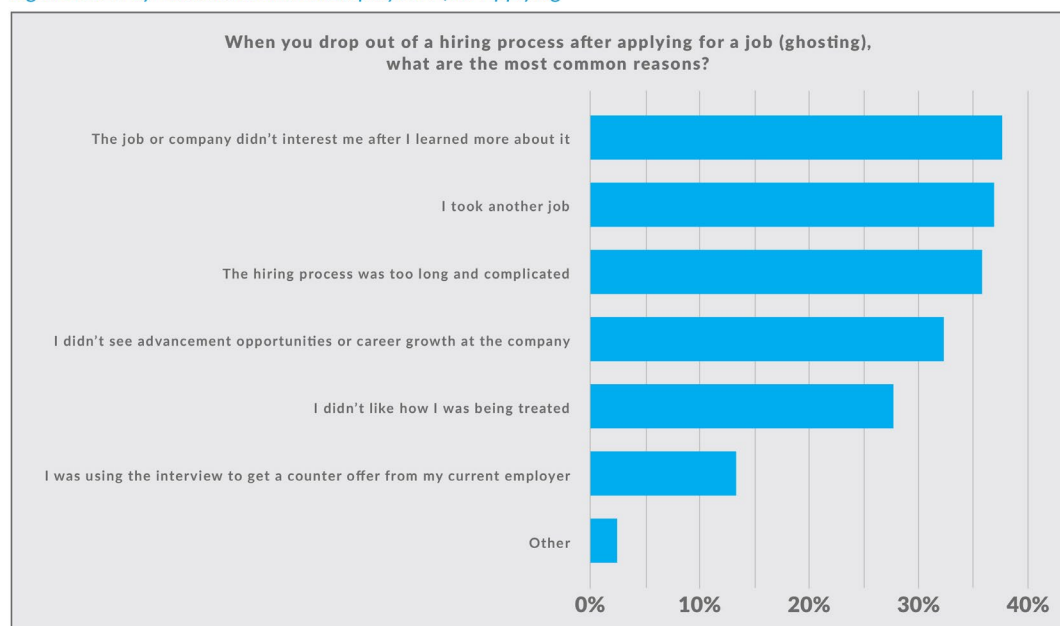
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

While the top three options on this list are all very close together (separated by less than a few percentage points), the second and third options are clearly tied to one thing: **speed**.

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Frontline Workers

The number one reason frontline employees drop out of a hiring process is because they don't see advancement opportunities or career growth.

We've been telling employers and talent leaders to assume that everyone you talk to is juggling at least one other offer, and if it takes you two weeks to set up the interview, don't count on that candidate being available at that time. Employers must speed up the hiring process if they want more consistent results from their hiring activities.

We maintain an advisory board of about a dozen talent, HR, and learning leaders to help us keep a finger on the pulse of what's happening in the industry. As a "thank you" for their support, we provide them with early access to research and the opportunity to get questions answered as part of our advisory work at no charge. Trent Cotton, one of our advisory board members, has championed an approach called Sprint Recruiting. Other than having the same elements of any other company's hiring process as far as recruiters, hiring managers, and job requisitions, it takes a radical departure from the norm. One of the key elements to this? Speed and ruthless prioritization. Once it's up and running, the process has broad support from executive leadership, the talent function, and even hiring leaders, which we all know is incredibly uncommon.

Beyond speed, though, the first item in the list is "it didn't interest me once I learned more about the company/job." Some may just accept that as a cost of doing business, but I firmly believe that we can do a better job of communicating, sharing, and exploring the company and work in a way that causes more people to self-select out of the process instead of ghosting employers after we have become invested in them to some degree.

Note that this changes for frontline workers. The number one item on their list is that they don't see advancement opportunities or career growth at the company, so they bail out of the process without warning. We must have those messages embedded not just on the careers page on the website but in job postings, recruiter and hiring manager conversations, and in other communication channels we use for candidates during the process (text messages, web portals, mobile apps, emails, etc.)

To take the research a step further, we went from those that dropped out of the process to those that specifically accepted a job offer and then didn't show up on the first day of work. This is the most egregious form of ghosting, because in many cases the onboarding processes and other wheels have been put into motion based on the person starting that day, only to find out that they didn't show at all.

Figure 19: Why Candidates Back Out After Accepting Offers

If you accept an offer for a job, what would make you back out before your first day?

58% OF CANDIDATES HAVE BACKED OUT AFTER ACCEPTING AN OFFER

Accepting an offer for a different job	A lack of communication from the company/recruiter	Accepting a counter offer at my current job	I've never backed out on a job after accepting it
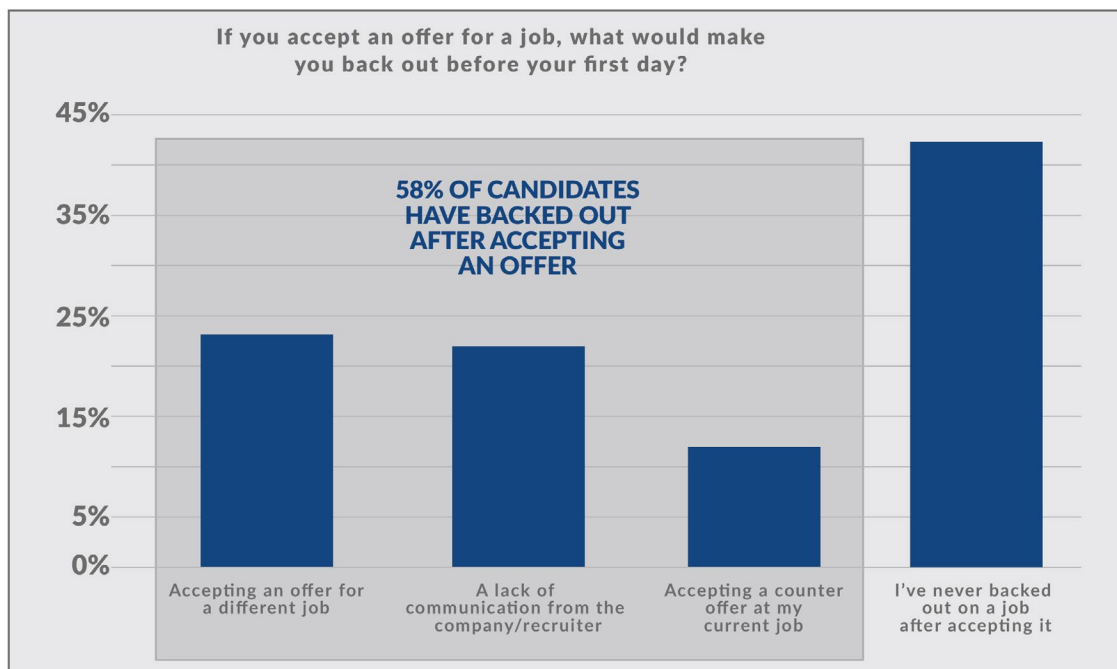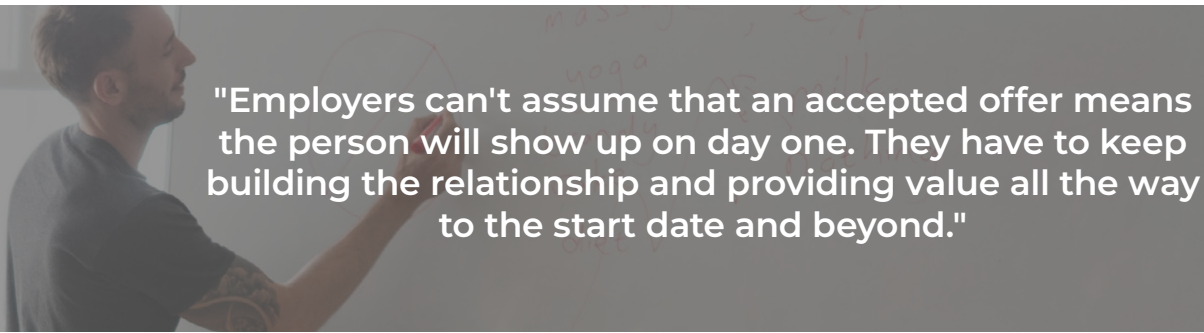
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

As we can see, a surprising number of people have backed out after accepting a job offer, and (to the earlier point) the number one reason for that is accepting a different job offer. Candidates are juggling multiple offers, and even if you get them one that they agree to, there's an emerging social acceptance that it's simply okay not to show up for that position you accepted if you get a better offer in the interim.

From an employer perspective, we have to be communicating regularly during that critical phase post-acceptance. Do not make any assumptions that the person is showing up for their first day of work, especially if you have had no contact with them since they accepted the position.

Additionally, this is age correlated. Someone who is 25 is more likely to have done this than someone who is 35, and the likelihood of this happening continues to drop as the age of the candidate increases. What's most concerning is that this phenomenon will become more commonplace as younger workers continue to pour into the workplace, and it sets a dangerous precedent that a commitment to someone else is purely based on expedience or comfort, not on a basis of trust and mutual respect.

> "Employers can't assume that an accepted offer means the person will show up on day one. They have to keep building the relationship and providing value all the way to the start date and beyond."

By the way, this finding coincides with a data point (full graphic in the Appendix) from our Q4 2021 study titled The Great Reprioritization, which looked at employee retention. That study highlighted the retention levers for talent leaders that want to keep their people, but we have also indicated that they may be used for recruiters and talent leaders as methods for levering someone away from a current role if those needs aren't being met.

A key point in that study? **Just one out of every three workers say that when they accept a job, they are committed to that employer.** The other two-thirds? They'll remain open to offers anywhere from a few weeks to forever.

A key theme that runs through this research is the importance of timely communication with candidates, whether that's to keep them from ghosting or just to make them feel desired and valued during the process. One statistic that was stunning in the study: **70% of candidates want updates on their application status weekly or instantly.**

Some recruiting technologies today can support this type of flexible immediacy for candidates via a mobile app or a web portal, but when given the option, they prefer instant updates on demand over any other frequency.

Figure 20: Candidate Preferences on Application Status Updates

How often should employers update candidates of their status during the hiring process?

Category	
I think most companies already do a good job of updating job candidates on their status	
At least once a month	
At least every other week	
At least weekly	
Any time, instantly, through a website or mobile app	

70% WANT UPDATES WEEKLY OR INSTANTLY
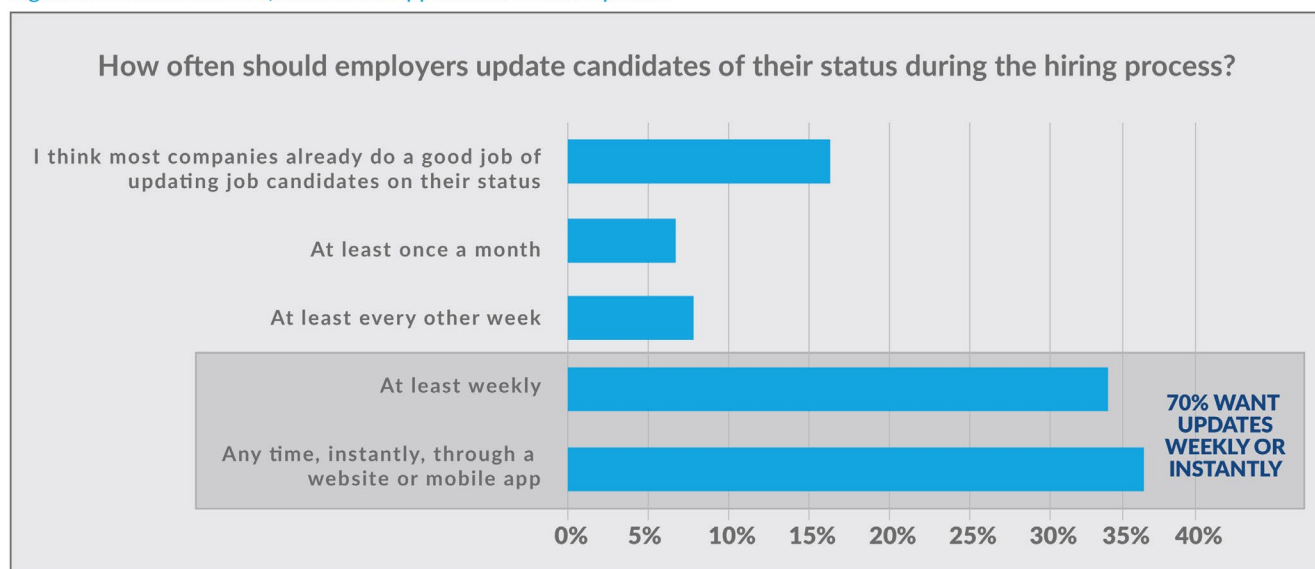
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

For most employers, the frequency and transparency represented by this request is a radical difference from their standard operating procedures.In a world where you can watch your pizza make its way from the restaurant all the way to your front door, that makes sense, but many employers are going to be caught off guard by that type of expectation.

Finishing the Journey and Starting the Job: Key Considerations

At the tail end of the process, there's work for us to do as well. We know that in any selection process, 99% of the candidates up for consideration are not selected for the job. In that case, we need to have a clear path for what happens next.

Obviously we know that notifying candidates immediately is important, as the graph below indicates, but that's not all that candidates say matters to them.

Figure 21: Followup Preferences for Non-Selected Candidates

If you are not selected for a job, which of the following is true?
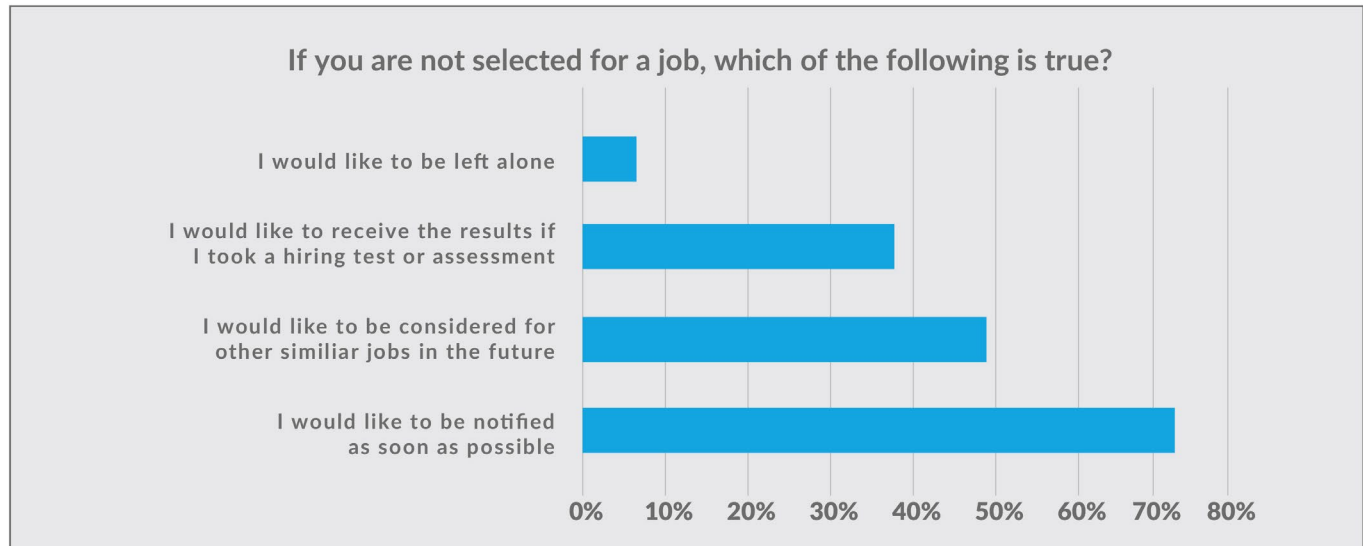
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

Beyond just notification, candidates **want** to be considered for other similar jobs in the future. Employers often promote that, but in our candidate research we hear that it sounds like an empty, hollow promise because it is rare that anyone actually follows through on it. With the limited candidate pools today, it's important to have a specific strategy for the silver medalists that were not selected.

Unlike in times past, you can't keep them on the hook for very long, because the chances are if you think they are a top candidate then other companies are thinking the very same thing. However, you can put in a bit of extra time and effort to ensure they perceive a measure of respect and appreciation for considering the position, because you may want to pursue them again in the future.

Interestingly, applicants also would like to see the results of any hiring tests as well. This is becoming a more common practice as employers look for ways to demonstrate their commitment to a strong, positive candidate experience.

Even offering a stripped down version of the assessment that mentions a few key candidate strengths can be incredibly important. In an previous We're Only Human podcast interview with a hiring executive at Delta Airlines, the talent leader explained how they provide a limited version of candidate assessment results back as a "thank you" for the time and commitment to applying at Delta[2]. Additionally, our team recently met with a talent intelligence provider that is recommending that every employer provide a shortened version of the assessment completed on their platform back to the candidate that took it as a show of good faith.

For our last focal point in this report, let's look at what candidates are thinking when they start the job.

And while some hiring leaders limit their focus to the point of hire or rejection, we see that it's important to think about day one and beyond as part of a more strategic approach to hiring and retention, which are two sides of the same coin. **The easiest job to fill is the one where you didn't lose the person in the first place because you retained them.**

With that in mind, the final chart below lays out what's important to a new hire as they step into a new role.

https://onlyhumanshow.com/e/were-only-human-56-how-delta-airlines-designs-its-candidate-experience/

Figure 22: Candidate Priorities Post-Hire

**When you are getting started at a new job,
which of the following are most important to you?**

Getting up to speed quickly on my job and responsibilities
Feeling welcomed and appreciated by my manager
Getting connected to my new co-workers and peers at work
Getting an understanding of the company's values and culture
Getting the new hire paperwork done
None of the above

0%   10%   20%   30%   40%   50%   60%   70%   80%
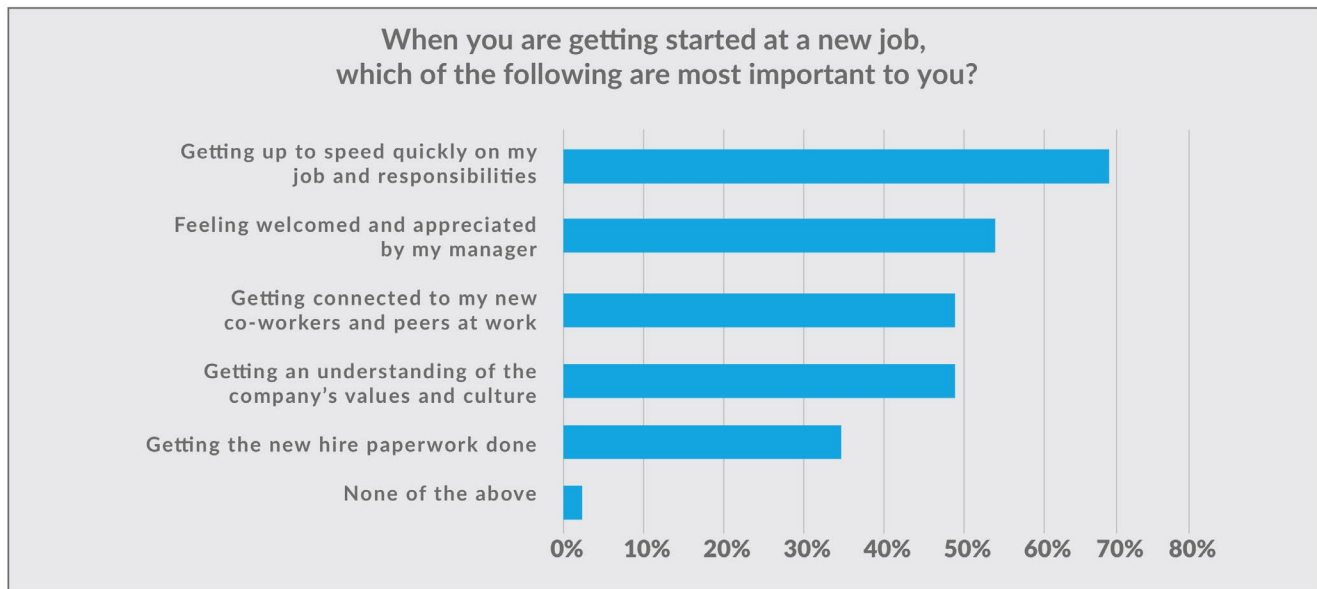
Lighthouse Research & Advisory 2022 Talent Acquisition Trends Study (n=1,000)

No surprise here, but last on the list is taking care of all that new hire paperwork. If we can speed that up or minimize the impact there, that's definitely a net positive on the experience. At the top of the list is getting up to speed on the role, which makes complete sense. If you're hired as a head of TA, you want to start getting your feet wet by learning about past performance, current goals, and future priorities. However, it's critical to note that the next three items on the list are about feeling connected.

- *Candidates want to feel connected to their manager*

- *Candidates want to feel connected to their peers*

- *Candidates want to feel connected to the company's values, mission, and culture*

Unfortunately, many times onboarding is seen as a one-way information overload or a time to put loads of formal training and content in front of people. We could go deep here on learning principles, but let's stay high level: the primary way we learn as humans is not through that formal content. 90% of how we learn is through social and experiential activities, which is exactly what we're seeing here that candidates crave.

Data indicate that new hires know very quickly if they are going to stick around with a company long-term. If that experience isn't meeting their needs in the early days, it's going to dramatically increase the chances that your team will be backfilling that position all over again in short order.

To circle back briefly to the ghosting conversation, these options in this final graphic give us ideas on where to put our focus and effort after someone accepts the role. If we can spend time connecting them with the essentials for the role via a short hiring manager message or video, helping them get a running start on building team relationships, or understanding how they align with the values of the organization and can contribute in a meaningful way, those will all benefit the company by reducing ghosting rates.

Remember, each data point here is valuable in its own right, but putting them together in combinations like this can create more valuable, repeatable experiences, ultimately driving more consistent hiring outcomes.

90%

of how we learn is through social and experiential activities, which is exactly what we're seeing here that candidates crave.

Key Takeaways

1

Employers that want to hire successfully and consistently will pay attention to the needs and desires of the broader candidate population. Note that this shouldn't feel like a hostage negotiation with a never-ending list of demands–it should feel more like the give and take of a long-term relationship. By bending here or being more open to negotiation there, we can demonstrate our commitment to creating an organization that attracts, hires, and retains the very best people.

2

Technology has always been a helpful gap-filler, but with the shortage of recruiting talent, employers have to be more diligent about identifying bottlenecks, considering technology, and implementing a balanced approach to automation and human touch. Automating everything for its own sake isn't the answer, because it can create negative sentiment among candidates. But the path to successful hiring can't be a 100% human one either in today's environment.

3

High Performers and Talent Centered Organizations have different areas of focus, investment, and effort. Within this report, multiple callouts indicate where you can follow their lead. While further study is needed to prove that following those practices leads to being an outstanding performer, it's helpful to note that following the principles of high-performing or talent-centric organizations is a good approach, especially when it may be unclear what path is best for your specific company.

APPENDIX

Additional graphics from the study not covered in the body of this report are
included below. If you are interested in learning more about our research and how
we use it to help employers, technology solution providers, and recruiting service
providers, or if you'd like to see additional cuts of the data by company size, industry,
etc. please contact us at research@LHRA.io

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Employer Responses

What is your relationship with non-employee, external talent? (freelancers, consultants, contractors, etc.)

Proactive TA functions
2x more likely to say
holistic view

HiPo companies
more like to prioritize
holistic view

- Talent aquistition is not responsible for external talent at my company
- Talent aqusition has some insight into external talent, but it's minimal
- We take a holistic view of internal and external talent when making decisonsz

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What are the barriers to using assessments in your hiring process? (non-users)

- Cost — ~42%
- Concerns about validity — ~30%
- Not familiar with the best providers in this area — ~28%
- We don't want to slow down the hiring process — ~44%
- Candidates don't like assessments, so we're not using them — ~15%
- We don't need one because we don't have enough candidates in the pipeline — ~14%

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If you had a technology that would automatically search the web in order to source candidates for your jobs, what would be most valuable to you? (select all that apply)

- Saving time so our team can focus on building better relationships — ~66%
- Finding more diverse candidates from other non-traditional sources — ~61%
- Indentifying and prioritizing contact with candidates more likely to change jobs — ~40%

76% say this would improve their company's hiring outcomes

LIGHTHOUSE
research & advisory

If you had a technology that helped to record, analyze, and report analytics on each live interview you hold, what would be most valuable to you?

79% say this would improve their company's hiring outcomes

Category	Value
Using the best interviews as training tools for other interviewers	~57%
Identifying best practices for interviewing diverse candidates	~59%
Reviewing and revisiting key questions and answers to make better hiring decisions	~48%

If you had a technology that would automatically search the web in order to source candidates for your jobs, what would be most valuable to you? (select all that apply)

76% say this would improve their company's hiring outcomes

Category	Value
Saving time so our team can focus on building better relationships	~66%
Finding more diverse candidates from other non-traditional sources	~61%
Indentifying and prioritizing contact with candidates more likely to change jobs	~40%

Candidate Responses

What career growth information do you most want to know?

- Opportunities to grow into other job positions over time
- Types of training available to employees
- Opportunities to be coach or mentored
- Examples of others that have experienced growth at the company

0% 10% 20% 30% 40% 50% 60% 70% 80%

When it comes to interviews, which of the following is true?

60%
50%
40%
30%
20%
10%
0%

- Video interviews are MORE stressful than in-person interviews
- In-person interviews are MORE stressful than video interviews
- They're both equally stressful

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What's the earliest that you want to know about a job's pay rate?

- When I receive the job offer
- After the first interview
- The first conversation with a recruiter
- On the job posting

0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50%

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Who do you think is most responsible when the hiring process drags on for long periods of time?

- The company's hiring/interview policy is usually responsible
- The hiring manager is usually responsible
- The recruiter is usually responsible
- The job applicant is usually responsible

Hiring managers are perceived to be a bottleneck 2x more than recruiters

0% 5% 10% 15% 20% 25% 30% 35% 40%

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Which of these hiring tests woud be most valuable to you?

- **A hiring test that evaluates my current skills and abilities**
- **A hiring test that evaluates my abilities and potential for growth and future success**

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How long would you consider other jobs *after you accept* an offer?

I would not continue interviewing or look at other offers for a while	I would continue for a few weeks	I would never stop considering other jobs	Undecided. It would depend on things like pay, working conditions, benefits, etc.

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Would you be likely to tell a friend or family member about a hiring experience if it was positive or negative?

It's less about reducing the negative and more about emphasizing the positive

	Definitely will	Probably will	Might or might not	Probably will not	Definitely will not
Positive	54%	34%	11%	2%	1%
Negative	40%	26%	20%	8%	5%

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About Us

Lighthouse Research & Advisory is a modern analyst firm dedicated to setting the standard for excellence in talent, learning, and HR. By providing compelling research and actionable insights for business leaders, our team's mission is to navigate the rapidly changing field of human capital management to support today's talent and learning functions.

Our advisory, research, content, events, HR Awards Program, and other offerings serve tens of thousands of employers across the globe every year.

Put simply: our goal is to chart a new course for talent. We do this with compelling research, innovative ideas, and a strong grasp of the current state of talent and technology at work. We have supported hundreds of organizations with our research, advisory, and insights since our beginning in 2016. In addition, our data also inform key product and strategy decisions at the industry's leading technology and service providers.

Ben Eubanks is the Chief Research Officer at Lighthouse, providing trusted advice for today's modern talent leaders. Prior to joining Lighthouse, Ben worked as a research analyst and an executive practitioner. His analyst work focused on learning, talent acquisition, and talent management. During his career, he has published more than 100 pieces of research and provided advisory services to executives from some of the largest and most respected organizations in the world.

Unlike most analysts, he also has hands-on experience working as an HR executive, leading both strategic and tactical talent practices. Ben is the host of We're Only Human, a podcast focused on the intersection of people, technology, and the workplace. In addition, he runs upstartHR.com, a website serving HR leaders that has reached more than 1,000,000 readers since its inception.