In a Competitive Hiring Market, Recruiters are Facing a Talent Shortage

Key Takeaways:

The market is healthy — meaning more hiring for more companies.

- **69%** of recruiters reported that their company’s hiring has increased in the past year.
- Only **10%** of recruiters say their companies plan to automate jobs in the next 2-3 years.
- **86%** of recruiters don’t anticipate their companies making layoffs in the next 12 months.

To hire the best people, recruiters are changing their ways.

- **60%** of recruiters rate culture fit of highest importance when making a hiring decision.
- Recruiters are more willing than ever to negotiate salary — **68%** of companies have increased the average salary offer for candidates in the last year.
- Both classic and new-fashioned benefits help get candidates in the door. **78%** of recruiters surveyed say medical/dental coverage is most effective at attracting new candidates, and **65%** report that 401(K) helps. But **44%** also report flexible work hours and casual dress code appeal to employees.

Job seekers aren’t off the hook, though — especially when it comes to soft skills and social media.

- **78%** of recruiters cite enthusiasm as most likely to influence a hiring decision after an initial in-person interview, followed by command of requirements (76%) and conversation skills (73%).
- On social media accounts, **72%** of recruiters view typos negatively, and a similarly high number (71%) say the same for marijuana use.
- Body odor turns off **56%** of recruiters, while dressing “too casually” impacts hiring decisions for **62%** of them.

Talent is the lifeblood of every organization. But quality, skilled employees are hard to come by in today’s market — meaning that recruiters are being forced to evolve how they think about recruiting.

This year’s study closely examines large-scale trends, recruiting challenges, and job seeker behaviors that reveal the landscape of the recruiting industry for so many. The findings indicate how the job market is changing, exactly how that is influencing the way recruiters do what they do best, and what these factors mean for job seekers today.

65% of recruiters cite a lack of skilled candidates in the market as the largest obstacle to hiring.
The State of the Job Market
Hiring is Still Strong — For Now

Businesses are on the up-and-up.

69% of recruiters reported that their company’s hiring has increased in the past year, especially in healthcare (76%), retail (75%), and finance (72%).

39% of businesses say hiring has increased significantly.

86% of recruiters don’t anticipate their companies making layoffs in the next 12 months.

35% of recruiters anticipate filling over 100 job openings this year, compared to last year’s 26%.
Anxiety About Automation is Exaggerated

69% of job seekers are at least somewhat concerned about job obsolescence.

But only 10% of recruiters say their companies plan to automate jobs in the next 2-3 years, compared with almost 25% in 2015.

Some industries are more fearful than others, though — recruiters in transportation (19%) and retail (18%) were more inclined to predict job replacement than any other industry.

But only 9% of tech/software recruiters answered in the affirmative.
It’s a Dog-Eat-Dog World When it Comes to Recruiting

95% - Staying consistent, both in 2015 and 2016, 95% of recruiters say hiring will be as or more competitive in the coming year.

Hiring is especially competitive in:

- **Hospitality**: 96%
- **Manufacturing**: 98%
- **Healthcare**: 98%
- **Technology**: 94%

Across the country, recruiters are going against each other for the best of the best. Recruiters in these regions believe competition will remain as or more competitive next year:

- **70%**
- **75%**
- **66%**
- **73%**
Salary Negotiation is Now the Norm

We know money trumps all — 43% of job seekers cited compensation as the primary factor in leaving a company last year, according to Job Seeker Nation 2016 (JSN).

Candidates are feeling more confident — 58% of recruiters report that prospective employees were more likely than last year to negotiate for increased salaries.

Especially in: Technology and healthcare (60%) and those in the West and Midwest (61%).

Ask and you shall receive (most of the time) — 68% of companies have increased the average salary offer for candidates in the last year, particularly in industries like hospitality (83%), telecommunications (80%), and software (73%).
But the Gender Pay Gap Is Alive and Well

*Depending on who you ask, women and men are paid unequally.*

When it comes to equal pay, **77%** of male recruiters report women are paid the same as men for the same work — where just **56%** of female recruiters agree.

Men are nearly **40%** more likely than women to assume that both genders get paid the same for equal work.
Recruiters’ Opinions on Hiring Diversity

According to recruiters, **43%** of them rated diversity as somewhat or very important when making a hiring decision.

But **40%** of them were neutral about diversity and its influence.

**Who cares the most?**

- **51%** of education recruiters rated it somewhat or very important, while **49%** of communication/marketing recruiters did the same.

- **49%** of female recruiters rate diversity as more important to hiring decisions than **38%** of male recruiters.

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Female Recruiters

Male Recruiters

(45%)

(38%)
How Recruiters Attract Top Talent
Culture is More Than Just a Buzzword

60% of recruiters rate culture fit of high importance when making a hiring decision — topped only by (you guessed it) previous job experience (67%).

What didn’t matter as much?
Cover letters (26%), prestige of college (21%), and GPA (19%).

51% of recruiters plan to increase efforts in branding their employee culture in the coming 12 months.
Welcome to the Era of Employment Branding

*With the deck stacked against them, recruiters are turning to new methods to find, evaluate, and reach talent.*

51% of recruiters say that employee branding is the number one investment that they will increase in the next year.

50% of recruiters cite social media as a close second.
A Good Candidate is Hard to Find

According to 65% of recruiters, a lack of skilled candidates in the market remains the largest obstacle to hiring, especially in hospitality (80%). This is an increase from 56% in 2015 and roughly in line with 69% in 2014.

This year, recruiters are most focused on growing talent pipelines (57%) and the quality of their hires (56%).

According to 65% of recruiters, a lack of skilled candidates in the market remains the largest obstacle to hiring, especially in hospitality (80%). This is an increase from 56% in 2015 and roughly in line with 69% in 2014.
The Best Talent Comes From Within

**Internal Hires** & **Employee Referrals**

Internal hires **(38%)** are ranked highest quality by recruiters — followed closely by employee referrals **(34%).**

Outside agencies were said to provide some of the worst **(7%).**

But you still have to pay for quality referrals — **64%** of recruiters report awarding monetary bonuses to incentivize referrals in their organizations. Plus, **45%** plan on increasing their investment in referrals this year, compared to **41%** last year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2016</td>
<td>45%</td>
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<td>2015</td>
<td>41%</td>
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Recruiters Judge on Social Media

59% of job seekers use social media to research the company culture of organizations they are interested in (JSN) — so recruiters are in the right place.

The overwhelming majority (87%) of recruiters find LinkedIn most effective when vetting candidates during the hiring process — especially those under 45 (90%).

Recruiters use the following networks to evaluate candidates when hiring:

Heads up recruiters — Facebook is where it’s at for social job seekers. 67% of them use Facebook in their job search (JSN).
Job Seekers Are Using Mobile to Job Hunt — but Recruiters are M.I.A.

45% of recruiters have mobile career websites (compared to 37% last year) — but 55% still don’t.

Where are mobile job seekers looking?

- **In Bed**: 52%
- **At Their Current Job**: 37%
- **In the Restroom**: 15%

Mobile job seekers reported searching for jobs in bed (52%), at their current job (37%), or in the restroom (15%) (JSN).
Bread-and-Butter Benefits Attract Employees Most

*But modern perks don’t hurt.*

Some things never change — **78%** say medical/dental coverage is most effective at attracting new candidates, and **65%** report that offering a 401(K) helps.

To stand out, though, try a little something extra — **44%** of recruiters report that flexible work hours and casual dress code also appeal to employees.
What Job Seekers Need to Know
“We’ll Keep Your Resume on File” Actually Means Something

59% of recruiters report keeping in touch with candidates who have expressed interest in their organizations.

Here’s how it breaks down by industry:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Communication</td>
<td>69%</td>
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<tr>
<td>Construction</td>
<td>69%</td>
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<tr>
<td>Technology</td>
<td>67%</td>
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<tr>
<td>Services</td>
<td>62%</td>
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<tr>
<td>Education</td>
<td>61%</td>
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<tr>
<td>Manufacturing</td>
<td>50%</td>
</tr>
<tr>
<td>Government</td>
<td>44%</td>
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</tbody>
</table>
It Takes More Than Just Hard Skills to Land a Job Today

78% of recruiters cite enthusiasm as most likely to influence a hiring decision after an initial in-person interview, followed by command of requirements (76%) and conversation skills (73%).

When deciding whether a candidate is a cultural fit, 83% of recruiters consider communication style most important.
Watch Out — Your Appearance Could Sway Recruiters

Almost half (41%) of recruiters believe that seeing a picture of a candidate before meeting them influences their first impression.

Especially in:

- **Services**: 50%
- **Men Under 45**: 49%
- **Millenials**: 48%
- **Technology**: 43%

In-person looks matter too — 46% of recruiters report that appearance influences hiring decisions during the initial in-person interview.
Recruiters Can Be Biased — Make It Work for You

Dressing “too casually” impacts hiring decisions for 62% of recruiters, especially in real estate (79%) and finance (78%).

Recruiters have sensitive noses, so pop a mint — or take a shower. These smells turn them off:

- **Body Odor**: 56%
- **Too Much Perfume/Cologne**: 35%
- **Bad Breath**: 34%
Recruiters Are Social Stalkers, Too

So make sure you’re on your best behavior.

Almost half of recruiters (47%) view photos of alcohol consumption negatively on social media — particularly recruiters over 65 (63%) compared to millennials (37%). What’s even more appalling? Oversharing (60%).

Recruiters are big sticklers for spelling on social — 72% of recruiters view typos negatively. Almost as many (71%) view marijuana use on social networks negatively — but less so in the west.

Posting selfies is less controversial than previous years — now, only 18% of recruiters view them negatively compared to 25% in 2015.
Don’t Try Pulling a Fast One on a Recruiter — They’ll Find Out

When asked what job seekers lie about, three quarters (75%) of recruiters state that candidates are most likely to inflate their job experience during the hiring process.

What else do they lie about?

- Inflated Salary: 51%
- Competitive Offers: 36%
- Time at Previous Job: 32%
- Citizenship: 10%
- Inflated GPA: 6%
In an Election Year, Recruiters Aren’t Completely Indifferent

9% of recruiters say they would have a reaction toward candidates’ political affiliation on social media — but recruiters are 64% more likely to bias a Donald Trump supporter vs. a Hillary Clinton supporter this year.

11% of recruiters say that finding out a candidate was voting for Donald Trump would bias their decision to move forward with them in the hiring process — especially those in education (19%) and technology (14%) and among millennials (16%).

7% of recruiters would feel biased if a candidate was voting for Hillary Clinton. But age is a factor: 15% of recruiters over 65 would feel bias.
The Job of the Modern Recruiter
Recruiters Care More About What Happens After the Hire

While classic metrics like time-to-hire and cost-per-hire are still on their radar, recruiters know they’re successful when talent performs — and stays.

The following are the most valuable success metrics for recruiters today:

- **Performance of Hire**: 37%
- **Retention Rate of Hire**: 24%
- **Time to Hire**: 13%
- **Hiring Manager Satisfaction**: 11%
- **Cost to Hire**: 4%
- **Number of Referral Hires**: 3%
Where Recruiters Are Investing

Company career websites were considered the most essential item in recruiters' budgets this year — and outside agencies were the least. Here's how recruiters ranked their top priorities for investment:

- Company Career Website: 60%
- Applicant Tracking System (ATS): 41%
- Social Recruiting: 29%
- Job Boards: 19%
- Mobile Career Website: 19%
- Mobile Apply: 10%
- Outside Agency/Recruiter: 9%
Recruiting Now Equals Onboarding, Too

72% of recruiters surveyed are involved in integrating new hires into the company.

But 41% of them are stuck in the days of spreadsheets and email to do so, and only 27% have a dedicated onboarding solution.

That involvement, though, is limited. 42% spend 8 or less hours training the new employee.
Hiring Managers Sometimes Get in the Way of Recruiting Progress

Biggest obstacle to recruiters?

48% of recruiters report that hiring managers moving candidates through the hiring process gets in the way the most.

And 40% of them say that hiring managers reviewing resumes is the next biggest roadblock.

At large companies, 24% remarked that offer approval also got in the way.
But Despite the Odds, Today’s Recruiters Feel Valued

Clearly, recruiters have a big job. Between building an employee brand, working with hiring managers, onboarding new talent, and searching far and wide for the next best candidate, they work hard to build quality teams for their companies.

But despite all the odds, almost all (93%) of recruiters feel their position has value in their organizations — as they should.
About This Study

Now in its ninth year, Jobvite’s annual recruiting survey is the most comprehensive survey of its kind. The online survey was conducted in July 2016. The survey was completed by 1,600 recruiting and human resources professionals spanning several industries. Survey participants were comprised of both Jobvite customers and non-customers. This was just done domestically.

About Jobvite

Jobvite’s comprehensive and analytics-driven recruiting platform helps emerging and enterprise companies to hire top talent efficiently and cost effectively. We automate and accelerate the entire recruiting process—from sourcing to onboarding new employees. The Jobvite Platform includes an easy-to-use Applicant Tracking System (ATS), social recruiting capabilities, mobile-optimized branded career sites, a mobile app for hiring teams, sourcing solutions, on-demand video screening, advanced analytics, onboarding, and it seamlessly integrates with HR systems. Today, thousands of companies are recruiting with Jobvite including LinkedIn, Spotify, Schneider Electric, and Zappos. Jobvite was named a leader in the “Forrester Wave for Talent Acquisition, Q3 2015”.

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