

THE 7 CRITICAL HIRING TRENDS IN 2023

AN INCLUSIVE RECRUITMENT GUIDE BY
AAI EMPLOYABILITY



For the last couple of years, employers have consistently struggled with a complex, skill-short hiring market. Unfortunately, while some challenges imposed by the pandemic in 2020-2022 are beginning to be alleviated, recruitment is unlikely to get much easier in 2023.

Following the “Great Resignation” of 2022, candidates have grown increasingly discerning about where they choose to work and which employers they are willing to join. Priorities and preferences have changed, and employees are more than ready to move in search of better opportunities.

According to the Hiring and Workplace Trends report for 2023, rising economic inactivity rates and a widening post-pandemic participation gap suggest available candidates will continue to shrink in the year ahead. Job postings in the UK are currently 42% above their pre-pandemic levels, and 95% of employers say they find it extremely difficult to discover new talent.

To thrive in this complex space, business leaders need to rework their recruitment strategy, with a focus on the key elements that really matter to top talent.

As a leader or hiring manager in your current company, it's crucial to understand how the global shifts in the labour market may influence how you hire this year.

Therefore, AAI has gathered a list of the top critical recruiting trends to be aware of in 2023.

Joy Lewis
CEO
AAI Employability



1. REMOTE AND FLEXIBLE WORK ARE HERE TO STAY

Over the last couple of years, the traditional 9-to-5 workplace has grown increasingly less common. Today, team members demand more flexibility in their employment, and many are actively seeking opportunities for remote and hybrid work.

Jobs offering “flexible” working strategies have increased by 274%, while searches for remote work have risen by 674% since the beginning of the pandemic. Positions offering remote work have substantial potential to attract a wider number of candidates from every generation. Studies also indicate remote working opportunities increase employee engagement, reduce turnover, and drive increases in productivity and diversity.

A recent Korn Ferry survey found 76% of professionals would prefer their work weeks to shift to less traditional hours. Options like the four-day workweek may be an ideal solution to give employees more “recovery time” between weeks in the office or workspace.

Where flexibility isn’t an option, employers may need to be prepared to be more flexible about adjusting schedules according to the specific needs of each employee. For instance, giving staff more opportunities to switch shifts so they can care for children, seek out mental health support, or simply manage their day-to-day lives more effectively could be beneficial.





2. EMPLOYEES DEMAND BETTER COMPENSATION AND BENEFITS

In virtually every industry, companies are being pushed to deliver higher salaries and additional benefits to team members struggling with the cost-of-living crisis. Pay award expectations are rising as team members face unpredictable spikes in housing and living costs.

Unfortunately, significant pay rises are unlikely to be sustainable for long periods. Raising wages isn't always possible, particularly for companies with limited budgets. As a result, companies need to set themselves apart with the right benefits instead. 60% of candidates now say perks are a significant factor in determining which role they accept.

Many employees are looking for holistic benefits which support their work/life balance. Healthcare support, paid time off, and assistance in building retirement funds are all gaining popularity.

Perks which demonstrate empathy and commitment to employee well-being are likely to have a lasting impression on candidates. Around 90% of employees believe how they feel at work matters, but only 49% of respondents say their company is measuring wellbeing.

Wellbeing plans which include access to mental health support, childcare assistance, and other useful benefits will not only attract new talent but help to maintain employee engagement. This is particularly crucial now that the issue of "burnout" is becoming more significant to employees at every level.



3. DEI REMAINS ESSENTIAL

As candidates continue the search for more empathetic employers, the focus on Diversity, Equity and Inclusion (DEI) is rising. According to a [Glassdoor report](#), diversity and inclusion policies are particularly important to younger workers, such as the new Gen Z staff entering the landscape in 2023 and beyond.

Approximately 74% of staff members say corporate investment in DEI is either “somewhat” or “very” important when considering a new job. Companies with a good focus in this area will be able to attract more employees and generate better outcomes too.

A diverse workforce delivers a wider range of perspectives and insights, allowing businesses to thrive and innovate. Companies without a comprehensive DEI strategy lack innovations and fresh perspectives, while those with [ethnically and gender-diverse](#) leadership teams outperform their peers by up to 36%, according to the latest McKinsey report.

Companies need to focus on building DEI in every component of their culture. This includes:

- Making job ads more inclusive: Avoid discriminatory language like “young go-getter”
- Leveraging internship and mentorship programs: Help diverse teams to work together
- Sourcing from various pools of talent: Work with an inclusive recruiter like AAI to source new candidates
- Train managers to avoid unconscious bias: Provide consistent DEI education

It's well known that increased inclusion can have a range of benefits for organisations, such as improved profitability, greater innovation and enhanced productivity. If you're interested in improving your team's diversity with a specialist inclusive recruiter this year, be sure to get in touch with us at team@aai-employability.org.uk.



4. EXTENSIVE CANDIDATE CARE IS A MUST

Delivering exceptional candidate care means creating an end-to-end strategy for supporting, engaging, and delighting potential employees through every stage of the relationship. It starts by delivering a flexible interviewing process, which could take place in person or over video conferencing tools depending on the candidate's availability.

Good candidate care also involves being as transparent as possible about the recruitment and hiring process. Companies need to ensure they're constantly communicating with their top talent if they want to avoid losing candidates to other employers.

The hiring process should be fast, convenient, and simple for the candidate. Around 43% of job seekers highlighted on LinkedIn now say they would consider writing negative reviews about an employer with a lengthy recruitment process.





83% OF EMPLOYERS SAY EMPLOYER BRANDING MAKES A SIGNIFICANT DIFFERENCE TO THEIR ABILITY TO HIRE TALENT.



5. EXCELLENT EMPLOYER BRANDING WILL BE CRUCIAL

The way companies recruit and retain employees has changed in an age of technological advancement, career review sites, and social media. Without a strong employer brand, companies consistently miss out on top candidates. In fact, 83% of employers say employer branding makes a significant difference to their ability to hire talent.

Successful employer branding requires companies to think carefully about what really matters to their current team members, future candidates, and stakeholders. Organisations can leverage an employer brand to help differentiate themselves from other employers during a major talent shortage and even increase commitment and engagement among existing team members.

Your employer brand should showcase how you support effective and powerful employee relationships for your team members. It needs to highlight your commitment to flexibility, empathy, and consistent team development.

Business leaders also need to ensure they're consistently promoting their caring and empathetic nature as often as possible. Evidence of strong branding should appear in everything from job descriptions to websites, and even interviews. Existing employees can be transformed into brand advocates, sharing their insights into the experiences of working with your business.



6. CONTINUED PROFESSIONAL DEVELOPMENT WILL HELP COMPANIES THRIVE

Today's businesses in every sector are facing serious skill gaps.

However, the talent shortage isn't just a result of changing employee expectations and preferences. As the world continues to digitally transform, many staff members feel they no longer have the knowledge they need to thrive in their industry.

Around 61% of today's employees believe they don't have the skills they need to thrive in the next 5 years. Companies that commit to keeping their team members up to date with the latest education and training opportunities will easily outshine their competition.

Not only will a focus on training and development help employers in skills-short marketplaces to attract more talent, but it can also improve the results companies get from their existing employees. Training and reskilling existing staff members should ensure business leaders don't need to constantly replace their staff members with newer, younger workers.

Additionally, a good training plan will help to preserve employee engagement and keep team members committed to the company when new role opportunities emerge.





7. SPECIALIST RECRUITMENT TEAMS WILL BE VALUABLE PARTNERS

Though many aspects of the hiring landscape for employers have changed in recent years, one factor remains the same. To get ahead in a skills-short and complex recruitment environment, business leaders desperately need to access the right help to develop a consistent, high quality talent pipeline.

Increasingly, recruiters are becoming more than just a way for teams to save time and money on hiring. Through AAI, you can gain powerful access to diverse talent pipelines and inclusive recruitment strategies that you can't access elsewhere.

A specialist recruitment company like AAI not only understands your marketplace, but also gets to know you, their client, on a deeper level. They take the time to get to know your company culture, role challenges, team dynamics, and onboarding strategies. They also understand how to present your employer brand in a way that generates positive results.

Today's employers won't be able to simply "go it alone" in the recruitment world. They'll rely on professional recruitment teams to give them access to a wider talent pipeline and ensure they can stand out in a competitive landscape.



SUMMARY:

The recruitment market continues to be a complex and ever-changing area for business leaders. Although some issues from the previous two years have begun to diminish, there are still countless challenges to overcome in the years ahead.

2023 will see a continuation of an unpredictable recruitment landscape where skill shortages reign and employers need to work harder to find the talent they need.

This year, employers will need to rethink their hiring strategies with a focus on DEI, empathy, and delivering the right benefits to employees.

It's an interesting time for all of us. Make sure you're prepared.

Good Luck!

Joy Lewis

CEO

AAI EmployAbility

YOUR NEXT ACTIONS:

**TO FIND OUT MORE ABOUT OUR SERVICES, CONTACT US
TODAY AT
[AAI-EMPLOYABILITY.ORG.UK](https://www.aai-employability.org.uk)**

GET IN TOUCH WITH THE TEAM: TEAM@AAI-EMPLOYABILITY.ORG.UK

GET IN TOUCH WITH THE CEO: JOY@AAI-EMPLOYABILITY.ORG.UK

ABOUT AAI EMPLOYABILITY



AAI is an award-winning social enterprise that supports the private, public and third sectors to access talent of all ages, skillsets and backgrounds. It also helps businesses to better attract and retain diversity.

AAI has been a highly respected name for 12 years now, offering tried, tested and flexible inclusive recruitment services from ad hoc, short-term projects, including internships and maternity leave, to permanent positions. It has worked with over 1100+ growing businesses of all sizes, including Scottish Government, the NHS, Phoenix, SMEs and an array of startups and charities.



AAI will support both employers and candidates before, during and after the post, as the need arises. It uses its surplus to support disadvantaged people and marginalised groups struggling to enter the workforce.



AAI also works with private-sector businesses offering tailored social-impact projects around the themes of gender and racial diversity, disability and supporting the third/voluntary sector. These projects are aimed at improving attraction and retention of staff as well as providing tangible and reportable social and financial impact.

ABOUT JOY LEWIS



Joy joined the Centre for Scottish Public Policy in January 2009 and spun out AAI EmployAbility (then, Adopt an Intern) a year later. The company has since gone from strength to strength, placing over 1800 graduates and returners into valuable paid work across the UK.

She served for 20 years in the Foreign and Commonwealth Office and has lived and worked in Brazil, Argentina and Germany. Joy also worked for many years in fashion retail where she recruited, trained and mentored women for Sales Manager posts, culminating in a successful business in Germany.

After addressing their first employment injustice of unpaid graduate internships, Joy and the AAI team have widened their scope of inclusive employment to include diversity and inclusion services to help more businesses to grow and more talented people to access opportunity.