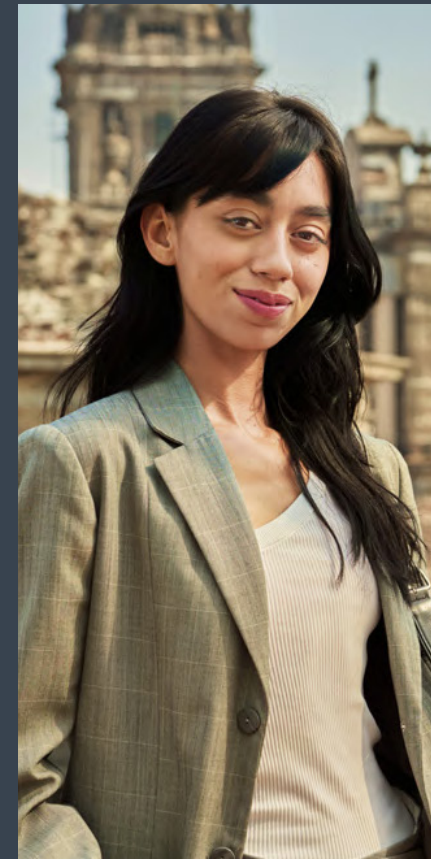
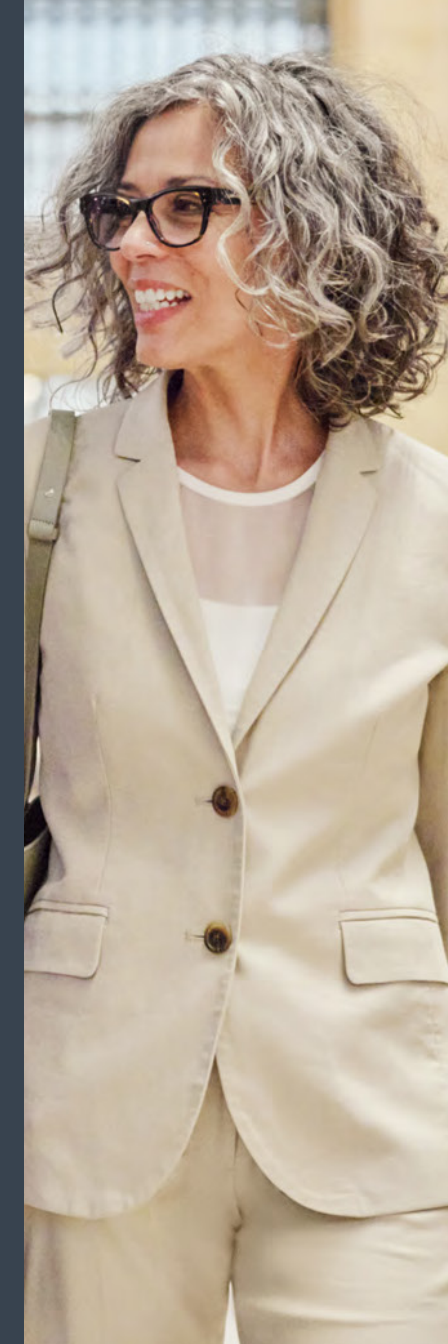
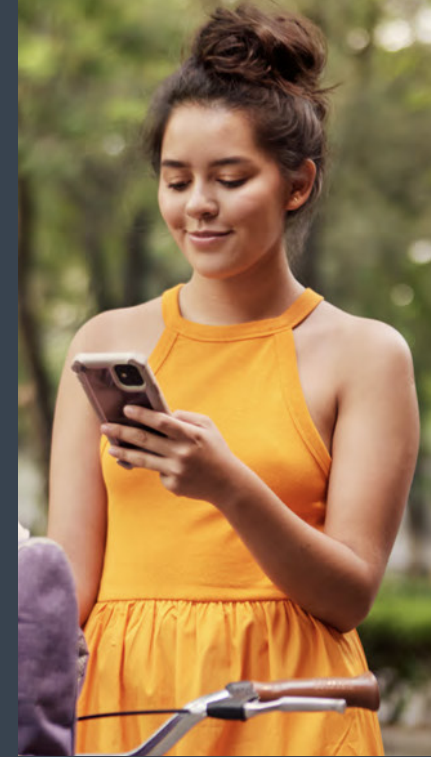


LinkedIn Talent Solutions

The Future of Recruiting 2023

Australia & New Zealand Edition



Introduction

The Future of Recruiting 2023

You can't foresee the future — but you can help create it.

It's a challenging and pivotal time to be a recruiting leader. Between the uncertain economy and new trends reshaping the world of work, you have the opportunity to become a true change-maker at your organisation. You'll have to be strategic, adaptable, and acutely in tune with talent: what candidates want, what skills they possess, and how their careers can grow with your business.

To help you prepare, this report offers 16 predictions based on dozens of interviews with global talent leaders, surveys of thousands of recruiting pros, and analysis of billions of data points generated on LinkedIn.

Explore the report:

1. [Role of recruiting →](#)
2. [Economic uncertainty →](#)
3. [Employer branding →](#)
4. [Skills-first hiring →](#)
5. [Internal mobility & upskilling →](#)

Experience the report online:

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Role of recruiting



Prediction 1 | Role of recruiting


Recruiting will drive business-critical changes.

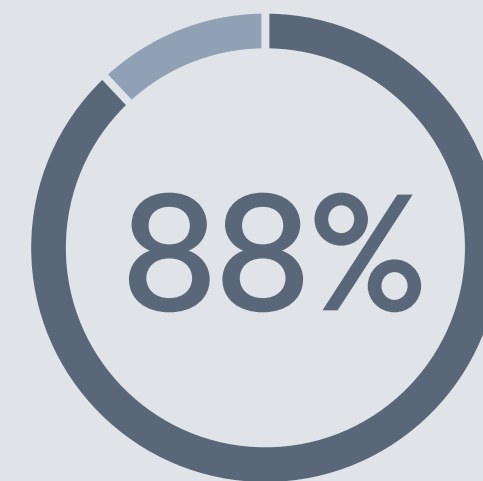
You were rocked by the pandemic and rose to the challenge of the Great Reshuffle. There's no question that recruiting is becoming more strategic, and **73% of TA pros in Australia say the team can claim a seat at the proverbial table.**

But now recruiting leaders “have the opportunity to actually change the seats at the table,” says Microsoft’s Brett Baumol. “You’re going to truly change the table itself.”

As a change-maker, your influence will be felt across the C-suite — from talking comp with the CFO, to fine-tuning your employer brand with the CMO, to addressing skill gaps with the CLO (Chief Learning Officer).

“**Recruiting professionals have never been able to make a bigger impact than right now.** You used to be able to say, ‘these hires helped our company.’ Now you can say, ‘**I changed the make-up of our company, I changed where we work, I changed what we look for, and I changed how we hire.**’”

 **Brett Baumol**, VP of Global TA, Engineering at Microsoft



of recruiting pros in ANZ say **TA has become a more strategic function over the past year.**

Recruiting will have more say over pay.

Rising inflation. Stagnating real wages. A stubbornly competitive labour market. With these three trends on a collision course — and **compensation ranked as the #2 top priority for candidates in Australia** — something has got to give.

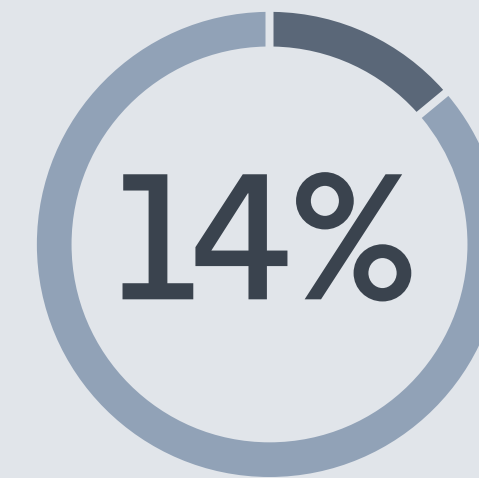
The feedback loop between recruiting, finance, and DEI on discussions of comp needs to be more agile than ever — particularly at a time when **pay transparency is on the rise**. Recruiting leaders can help their companies stay ahead of the curve by raising this conversation today.

As the leader with the clearest view of candidate priorities, labour market dynamics, and real-time recruiting performance at your company, you're in the best position to lead the conversation about pay and its business impact — from championing comp models that favour skills over pedigree, to retaining your top talent by pushing for pay increases that keep pace with inflation.

[Jump to predictions about economic uncertainty](#) → Page 10

“As a corporate recruiter, I used to be proud of closing a candidate for a less-than-market or less-than-approved offer — now I'm embarrassed that I did that. That new hire becomes an immediate flight risk who can be poached with a better offer. We owe it to the business to share that perspective as we collabourate and co-create our company's compensation and offer philosophy.”

 **John Vlastelica**, CEO at Recruiting Toolbox



Only **14%** of recruiting pros in ANZ say their companies **increased salaries enough to keep pace with inflation.**




Recruiting will double down on employer branding.

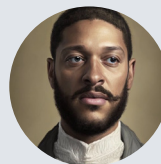
Recruiting leaders know the competition for talent has not let up, even as hiring has slowed down. While less hiring typically means less power for workers, recruiting teams see that dynamic swinging back in the opposite direction over time: **63% predict that the future of recruiting will be more favourable to candidates and employees (as opposed to employers) over the next five years.**

That's why refining and conveying a clear, compelling employer value proposition (EVP) is more important than ever. With most recruiting budgets expected to shrink or stagnate, employer branding stands alone as the only line item where a majority of TA pros expect an increased investment this year. But investing in employer branding won't get you far if you don't work to understand talent's top priorities and authentically walk the walk.

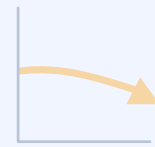
[Jump to predictions about employer branding](#) → Page 12

“When you think about employer branding and how you articulate your culture to attract, engage, and retain talent, **you need to go beyond performative.** Candidates can see through it. They're tapping into their networks to **understand who you really are — beyond what your career site says.**”

 **John Graham Jr.**, VP of Employer Brand, Diversity, & Culture at Shaker Recruitment Marketing



49%



of in-house recruiting pros predict their **recruiting budget will decrease or stay flat** this year.

59%



of in-house recruiting pros predict their **employer branding investments will increase** this year.



Recruiters will need a more strategic set of soft skills.

The skills companies need are changing fast. As [LinkedIn's CEO likes to say](#), “Even if you aren't changing your job, your job is most likely changing on you.” Recruiting teams themselves are no exception.

Adaptability, problem-solving, and business acumen rank among the top five soft skills Australia and New Zealand recruiters will need in the future. As TA pros become more strategic partners, they'll need to adjust on the fly and find solutions that ladder up to overarching business goals.

As companies align around skills-first hiring, recruiting teams will have to consider which skills they value most — in the workforce at large, and within their own recruiting orgs.

[Jump to predictions about skills-first hiring](#) → Page 16

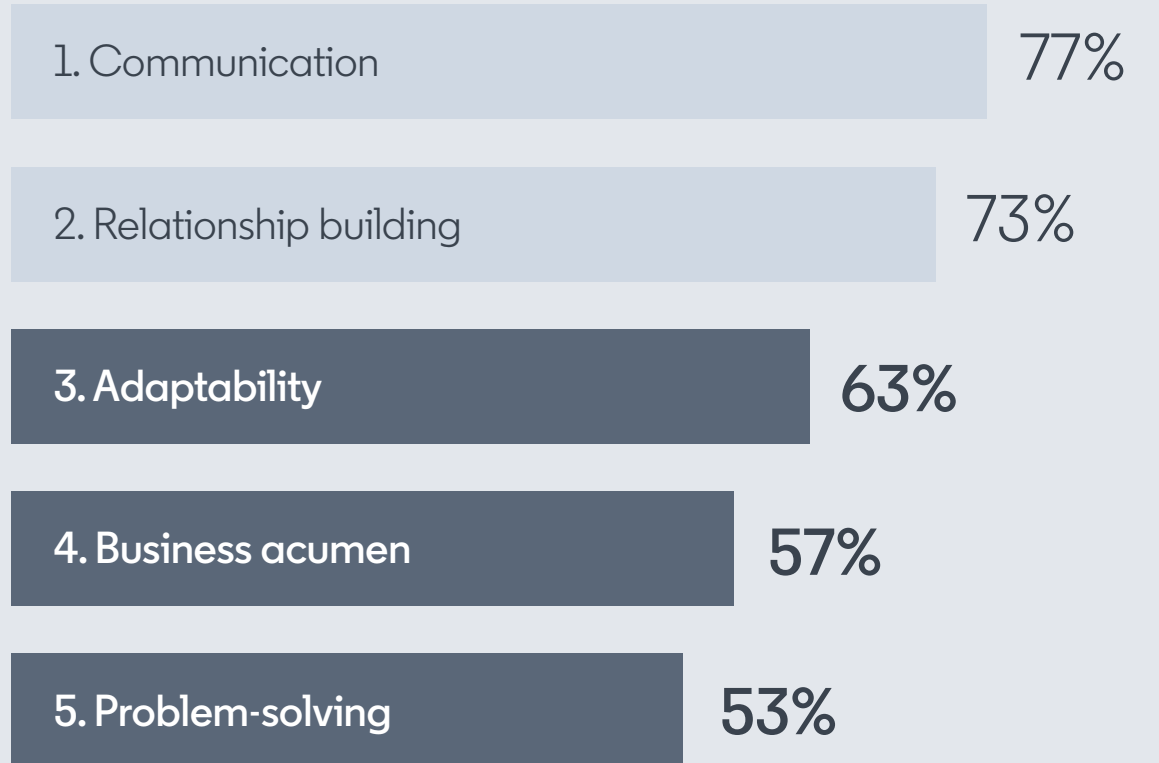
“Recruiters need to be able to **ask questions and really understand** what they're being asked to do, and how that fits into **the overall goals and objectives of the business.**”

 **Lars Schmidt**, Founder of Amplify



Top soft skills recruiters in Australia and New Zealand will need in the future:

Percentage of recruiting pros saying these are among the most important soft skills for recruiters over the next five years.



3x

Globally, recruiters on LinkedIn with 1 or more of the 5 soft skills above see **3x more promotions** than recruiters without those skills.



Source: Global LinkedIn data, as of Jan 2023


Prediction 5 | Role of recruiting

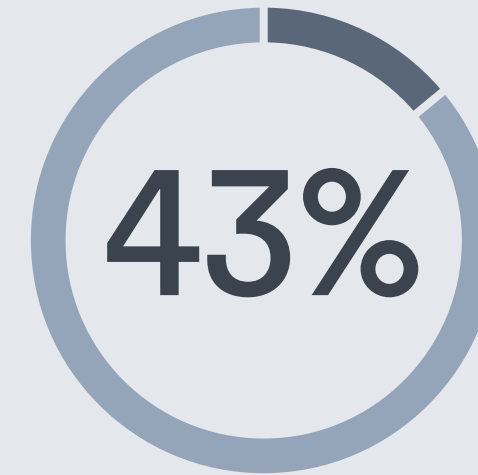
Recruiting will collaborate more with learning and development.

The walls that once divided recruiting and learning and development (L&D) are coming down fast. While **one-in-five (19%) TA pros say they're already working closely with L&D**, an even larger portion say they'll still need to grow closer in the future.

As recruiting leaders' portfolios expand to include things like internal mobility, skills-first hiring, and employee retention, they'll need to cooperate more with L&D to prepare internal talent for new roles, identify skill gaps, and ensure your company is a place people can grow their careers.

“As hiring slows, **now is the time** for companies to review their workforce strategies and see how they can **find and fill these gaps internally.**”

 **Elsa Zambrano**, SVP Talent & Culture at NXP Semiconductors



of in-house recruiting pros in ANZ say they **need to work more closely with L&D in the future.**



Generative AI will let recruiters focus on the human part of hiring.

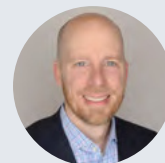
Generative AI (GAI) — i.e., tools like ChatGPT that intelligently generate content — is a fascinating new technology that holds promise for talent professionals, many of whom believe it can help in time-consuming tasks, like drafting job descriptions and personalized messages to candidates, among others.

While **two-thirds (68%) of hirers surveyed in February 2023 said they were “very hopeful” or “cautiously optimistic” about the impact of GAI on recruiting**,* hiring influencer Glen Cathey characterizes himself as “cautiously exuberant.” He believes GAI can save a ton of time and let recruiters focus on the most human aspects of their jobs: listening to candidates, understanding their desires, and helping them find a new job they feel good about.

While GAI may help draft content, it’s crucial to keep a “human in the loop” — someone with the right know-how should always be there to carefully review and fine-tune generated content. “You still need to keep your hands on the wheel,” Glen says.

“**For the foreseeable future of recruiting, humans will still play an essential role.** Humanness still matters, especially for hard-to-fill jobs, and the core of that is empathy. **A good recruiter brings the opportunity and company to life**, beyond what a person can see on a website or job description.”

 **Glen Cathe**, SVP, Workforce Advisory & Digital Strategy at Randstad



Top recruiting outcomes hiring pros hope to see from GAI

Percentage of hiring pros saying they'd hope to see these outcomes from integrating generative AI into the recruiting process.*

74% Automate repetitive tasks to prioritize more strategic work

67% Make it faster / easier to source candidates

59% Make it faster / easier to engage candidates

*Note: These results are from a smaller survey, distinct from the other survey results found in this report, comprising over 225 recruiting professionals and hiring managers in the US; due to the smaller sample size, these results should be understood on a more directional basis.



Economic uncertainty



Prediction 7 | Economic uncertainty

Despite hiring headwinds, employers will remain committed to building a diverse workforce.

In an uncertain economy, you might think employers would pull back on efforts to **diversify their workforces**. Fortunately, that's not the case.

Though most recruiting pros say hiring overall has been negatively impacted, 70% say that diversity, equity, and inclusion (DEI) hiring is not being deprioritised — in fact, **of those, 19% say it's a higher priority now**.

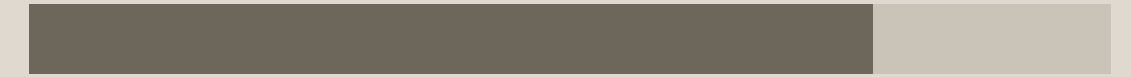
Work on DEI goes back decades, but it became a focal point for many in 2020, when a wave of companies **pledged to make progress on diversity**. Whether they deliver on that largely remains to be seen, and you might look at these survey results with the same skepticism — is it aspirational happy talk, or a real plan of action? Employees, candidates, and consumers alike will **hold businesses to their commitments**.

“ DEI is a priority to the next generation of employees. Their expectation is to see leaders who look like them and to know organisations are **committed to DEI long-term** — not only during times of social crisis.”

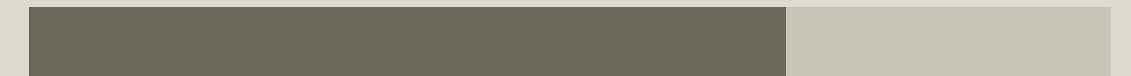
 **Dr. Tana Session**, DEI strategist



78% of recruiting pros say the macroeconomic environment is **negatively impacting hiring**.



Yet 70% say it is **not lowering the priority of DEI hiring**.



Employer branding



Companies will keep a closer eye on what candidates want most.

The labour market remains tight, and talent is expected to retain the upper hand over the next five years. To stay competitive, employers will have to reexamine their employer branding and make sure it aligns with what candidates are looking for today.

Every month, LinkedIn surveys over 20,000 members about the most important factors they weigh when considering a new job. The top priority for candidates today is excellent compensation and benefits, by a fairly wide margin, followed by work-life balance and **flexible working arrangements**. Flexibility and comp are also the two fastest-growing priorities year over year.

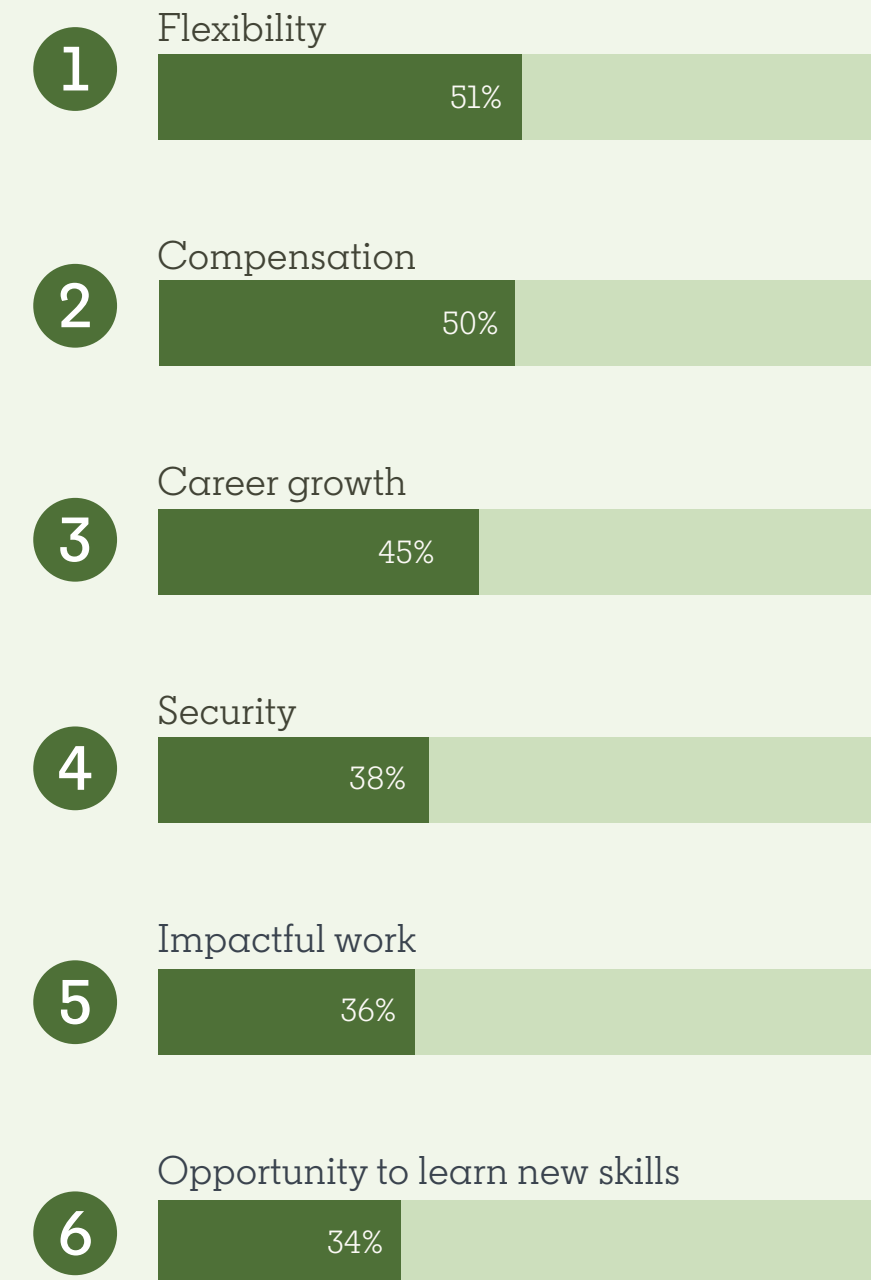
There's much more to your employer brand than good pay and flexibility, and offering them may not make you stand out — but be warned: if you don't provide them, talent will take notice.

“**Good pay, balance, and flexibility** — they're essential and we absolutely provide that. But honestly, it's not what makes us stand out. **In today's job market, offering those benefits is expected.** In our employer branding, we prefer to **emphasise what makes us unique.**”

 **Michaela Schütt**, Head of Global Talent Acquisition at Siemens



Most important priorities for candidates in ANZ:



Recruiting pros will recalibrate their pitches to candidates.

You learned what candidates want in an employer — but how does that compare to what employers *think* candidates want?

To find out, we gave around 2,000 recruiting pros the same survey question already answered by 20,000 candidates, and asked them to guess candidates' top priorities. Comparing the two sets of answers reveals some interesting misalignments.

Recruiting pros tend to get tunnel vision on the most important priorities, to the detriment of other still-important factors. In reality, candidates' preferences are more diffuse and less top-heavy than a simple list might suggest.

So instead of fixating on the particulars of your flexible work policy, home in on the end result — happy and inspired employees — and don't neglect other aspects of your company culture that foster that happiness. And rather than only focusing on how people can advance within your org, show candidates how they can **develop new skills** to elevate their career, whether or not they choose to stay at your company.

“When the economy recovers, **the competition for talent is going to spike back up very quickly**. So it's really important for companies to make progress in how they **position their employer brand and, more importantly, how they bring it to life.**”

 **Marc-Etienne Julien**, Chief Talent Officer at Randstad Global



When estimating what candidates care about, recruiting pros tend to...

Over-value:

Flexible working arrangements



Compensation




Gen Z will reward employers who value development and diversity.

Gen Z — professionals born later than 1996 — are already a major part of the workforce. Many are just getting their careers off the ground, and their priorities reflect that.

Gen Z's priorities are significantly different from their parents' generation, Gen X. Career advancement and gaining new skills are super important to younger workers: they're over 50% more likely to value moving up the ranks, compared to Gen X.

The younger generation is also much more focused on the importance of having an inclusive work environment.

“ Gen Z is almost 50% of our global workforce, and we've learned to respect their ways of working. Gen Z doesn't live to work, they think corporate jargon is silly, and they expect to be paid fairly.”

 **Ruben Santos** HR Strategy & Program Lead for HR Europe & Indonesia at Ahold Delhaize



What's different about Gen Z's priorities globally?

+47% more likely than Gen X to prioritise opportunities to **advance within company**



+45% more likely than Gen X to prioritise opportunities to **develop new skills**



+17% more likely than Gen X to prioritise **inclusive workplace for diverse backgrounds**



Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.



Skills-first hiring




Skills-first hiring will become the gold standard.

Slowly but steadily, employers have begun to embrace skills-first hiring — the practice of valuing a candidate’s skills over more superficial signals like an impressive alma mater or previous employer.

Since 2019, the share of recruiter searches on LinkedIn that include a skills filter has grown by 25% — and today, recruiters are 50% more likely to search by skills than they are to search by years of experience.

Now, skills-first hiring is poised to be the way of the future. Three-fourths of recruiting pros say it’ll be a priority at their company. But for some, their reach still exceeds their grasp: **only 73% feel they can accurately assess candidates’ skills today**. Clearly, they’ll have some **catching up to do** over the next few years.

“**How do we get better at filtering in, not filtering out?** Recruiters have been trained to copy and paste a job description so they can hire really, really fast. They're not really looking at what the work requires and what skills are needed. **That's starting to change.**”

 **Jennifer Paylor**, VP, Head of Global Talent Innovation & Skills Transformation at Capgemini



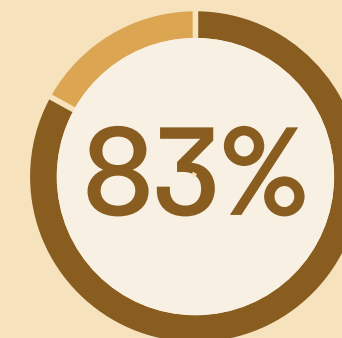
When looking for candidates on LinkedIn, globally recruiters are...

+25% more likely to search by skills than they were 3 years ago, and

+50% more likely to search by skills than by years of experience.



Source: Global LinkedIn data, as of Jan 2023.



of recruiting pros in ANZ predict **skills-first hiring** will be a **priority** for their company in the next 18 months.

Prediction 12 | Skills-first hiring

Skills-first strategies will shine a light on overlooked talent.

When hiring for jobs that have seen steady growth, we see a global talent pool increase of 24% for workers without a bachelor degree compared to those who have a university education. In Australia, that's only slightly lower with a 17% difference.

Globally, a skills-first approach for jobs with the fewest women grows the talent pool for women 24% more than it does for men. For example, in Australia, a Sales Director role has 26% female representation, but if companies hire for skills the overall talent pool of women increases by 45%, compared to men which increases by 25%.

If you're not convinced yet that skills-based hiring is the future, consider this: By being open to hiring candidates who don't have college degrees, you'll be taking a big step forward in diversifying your workforce.

There's a growing consensus that removing four-year requirements is one of the most important things you can do to promote diversity. Members of underrepresented groups are far **less likely to have attended college** — but that doesn't mean they don't have **the skills and potential to succeed**. Research shows that workers who didn't go to college but have experience perform almost as well as college grads on critical measures like **productivity**.



Scrappy, self-taught types won't have shiny brand names on their resume. **Local community colleges are a great source of nascent tech talent** that big employers never ever recruit from."



Clyde Seepersad,
SVP & GM, Training & Certification
at The Linux Foundation



Prediction 13 | Skills-first hiring

Companies will focus on mapping the skills employees have (and need).


Skills have become a critical currency, and companies will need greater visibility into what they do and don't have. Forward-thinking employers will map the skills of their workers as well as the skills needed for specific positions.

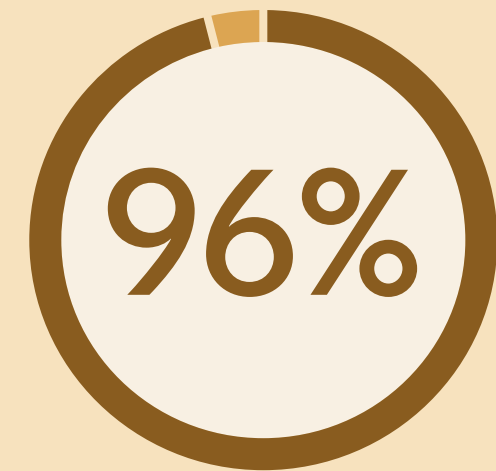
In ANZ, a whopping 96% of recruiting pros told us that understanding employee skills is required to make informed talent decisions — though slightly less (91%) say it's currently a priority at their company.

Mapping employees' skills will help you do a better job spotting skills gaps. It will also make it easier for you to match qualified workers within your organisation with open roles. Employees, in turn, will have an easier time finding job opportunities that fit their capabilities.

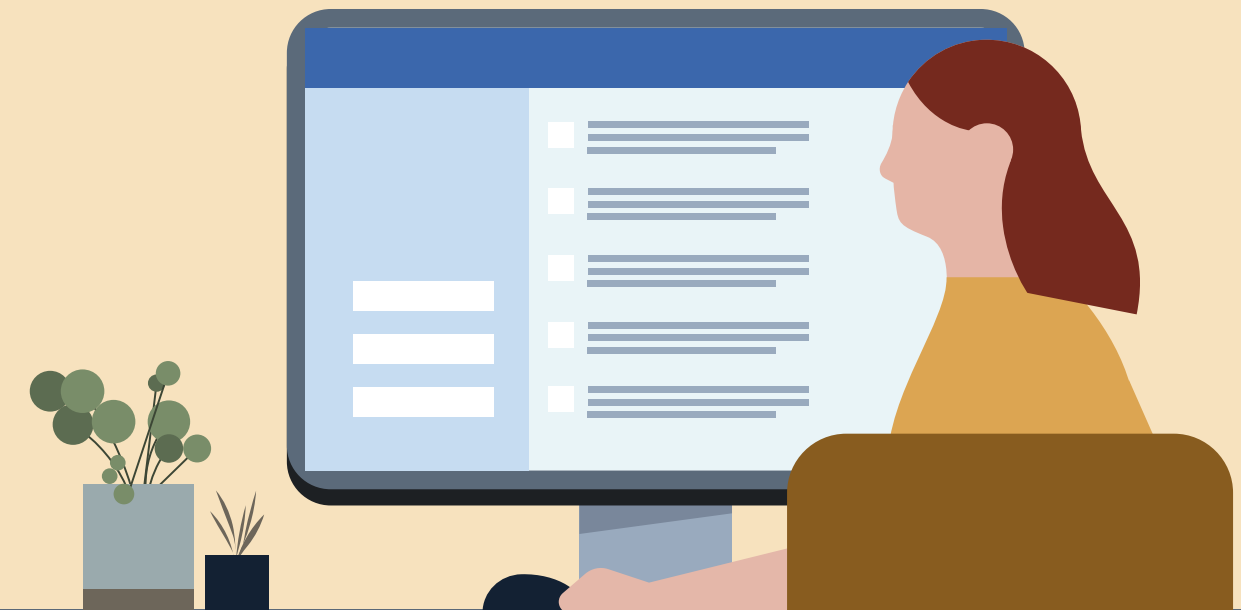
For this to work, however, TA teams must distinguish between which skills are truly "must-haves" for a role — and which are merely "nice to have."

“ Part of having a **skills first strategy** is going beyond just hiring to ensure you're looking at the larger picture. First, **you need to understand the skills that your business needs**. Then understand what skills your employees have, or that they can develop, and what skills you need to hire for so that you **build your talent strategies accordingly**.”

 **Jennifer Shappley**, VP, Global Talent Acquisition at LinkedIn



of recruiting pros in ANZ agree that **understanding skills employees do and don't have is necessary** to make informed talent decisions.



Internal mobility & upskilling



Prediction 14 | Internal mobility & upskilling


Business leaders will recognise the value of filling open roles with homegrown talent.

Your company's next great hire might already be on the payroll. The shaky economy is forcing companies to look within more frequently when filling open positions: **83% of recruiting pros in Australia say internal recruiting will be an important factor shaping the future of recruiting over the next five years.**

Internal mobility provides big payoffs, starting with higher employee retention. LinkedIn data shows that employees stay at companies almost 2x longer if the employer is highly committed to internal hiring.

There's also a growing probability that you will be adding internal mobility to your responsibilities. As someone who understands your company's talent needs and is skilled at sourcing, assessing, and engaging with candidates, you're uniquely positioned to take on internal mobility.

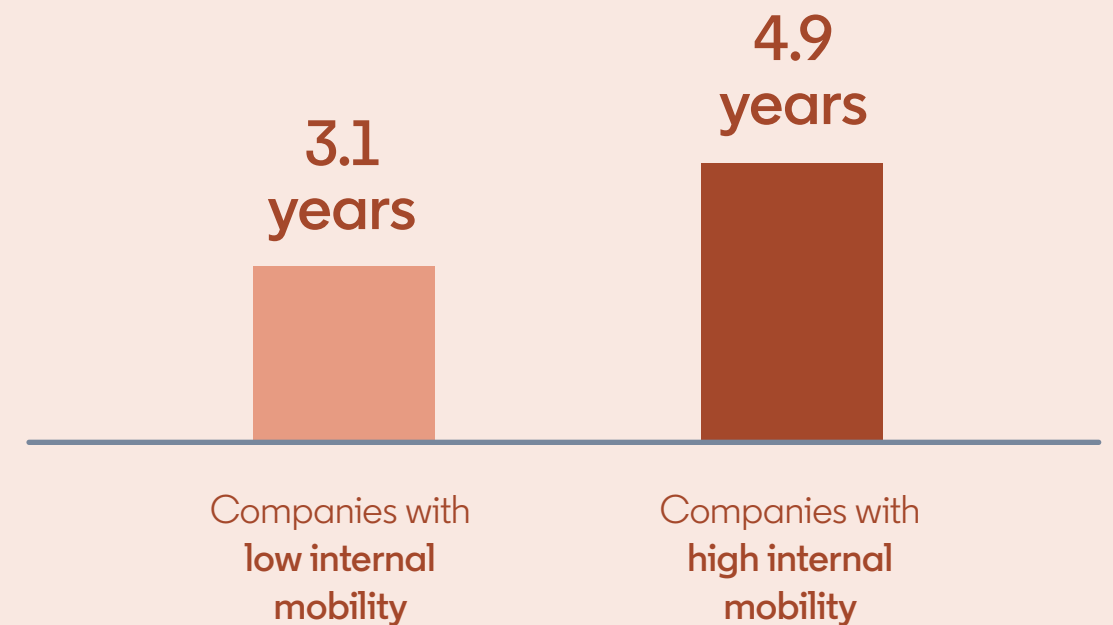
“**Internal mobility will be a multi-year journey** for many companies, but you can also build shorter-term wins along the way. Looking at your internal policies to make sure they align with your vision for talent mobility — **that's something organisations can do now.**”

 **Jennifer Shappley**, VP, Global Talent Acquisition at LinkedIn



Globally, employees at companies with high internal mobility stay **60% longer.**

Median employee tenure for companies in the top and bottom quartiles of internal mobility



Source: Global LinkedIn data, as of Jan 2023.



Prediction 15 | Internal mobility & upskilling

Upskilling will be a key tool for retaining a diverse workforce.

With companies facing serious skills gaps, it's no wonder **84% of recruiting pros in Australia and New Zealand say upskilling and reskilling employees will be an important factor shaping the future of recruiting** over the next five years.

But there's another reason why L&D is gaining more attention: employers understand that offering learning opportunities will be critical to advancing diversity and inclusion.

In fact, when LinkedIn asked members how they'd like to see organisations be more inclusive of underrepresented groups, "increasing professional development and advancement opportunities" was the #1 answer in several countries, including India, Brazil, Italy, Mexico, and Japan.

“ There used to be a lot of emphasis on qualifications. **Now, it's much more about skills and experience**, the mindset is shifting. It's really refreshing, and it's the first step to creating much more effective, diverse teams. **Organisations need to have diverse, inclusive environments that reflect their customer base — that's what people want.** That's what attracts talent and what retains people. Organisations haven't got a choice: they need to shift their mindset.”

 **Alex Fleming**, Regional President of Northern Europe at Adecco



Top ways LinkedIn members want employers to be more inclusive of under-represented groups

- 1** **+52%**
Increasing development and advancement opportunities
- 2** **+49%**
Providing an equal pay scale regardless of background
- 3** **+42%**
Providing a wide range of benefits and accommodation

Source: LinkedIn Talent Drivers survey results for India, as of Jan 2023.



Prediction 16 | Internal mobility & upskilling

Learning will be a compelling driver for candidates, not just employees.

If I join your company, will you help me develop new skills? Will you offer me a clear path to advancement? Will you help me grow, even if I only stay at your company for a couple years?

These are the kinds of questions candidates are asking and they will only get louder in the future. In the years ahead, candidates won't just be thinking about a given job but whether that employer is the right career destination. This will be especially true for Gen Z, but holds true across the global workforce: **advancement and skill development were the #3 and #6 top priorities for all candidates.**

The bottom line: creating a culture of learning and focusing on internal mobility isn't just a must-have to engage and retain current employees — it will be critical to the success of your recruiting efforts. For more on the state of learning, [explore LinkedIn Learning's recent 2023 Workplace Learning Report.](#)

“Companies need to do more than provide a good workplace environment — they also need to help employees develop new skills.”

 **Jade Shi**, Employer Branding Manager at Alibaba



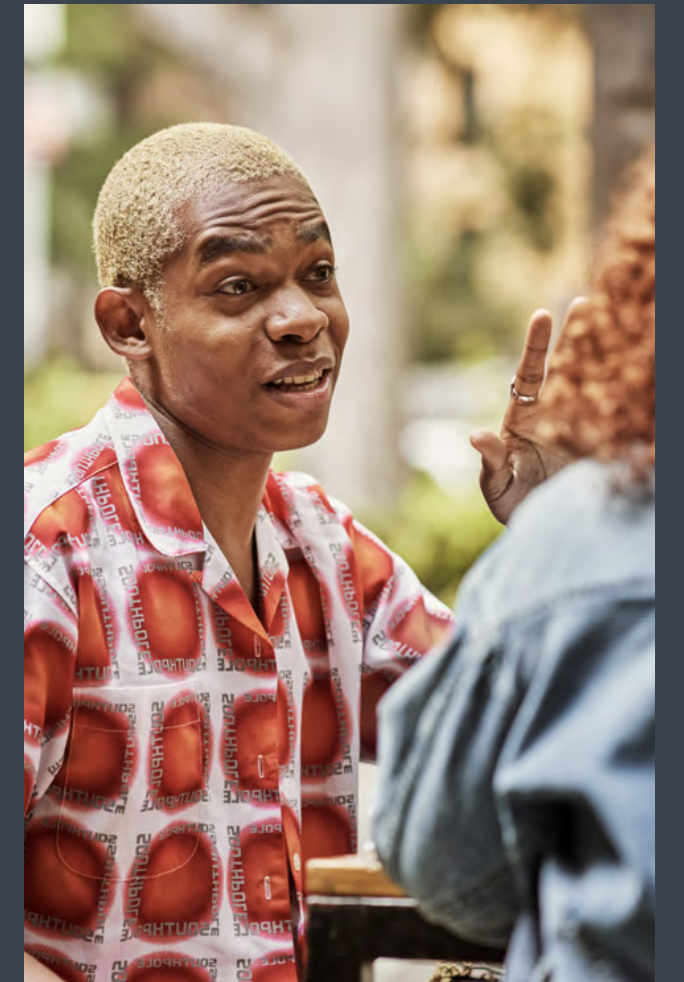
Most important priorities for candidates in ANZ overall:



Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.



Conclusion



Conclusion

While every prediction in this report may not bear out precisely as described, preparing today will leave you better equipped for whatever tomorrow holds.

Change is coming to the world of recruiting, but that doesn't mean you'll be a passive observer. As a talent leader, you're in a position to reshape the way the world works — and ensure it works for everyone.

Ultimately, the future of recruiting belongs to those willing to build it. And as a change-maker at your organization, the future of recruiting belongs to you.

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Methodology

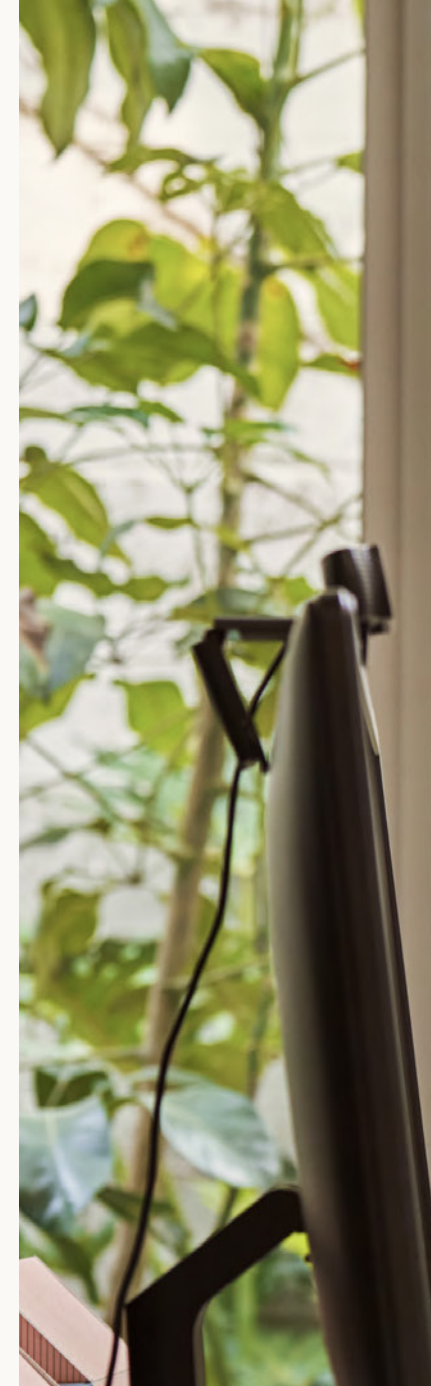
Survey data

LinkedIn Research surveyed 1,611 recruiting professionals in management seniority roles or higher (1,216 corporate recruiting pros, 395 search and staffing pros), in addition to 403 hiring managers. Survey respondents are LinkedIn members who were selected to participate based on information in their LinkedIn profile and qualified based on survey responses. This survey was conducted in six languages across 20 countries between October and November 2022.

Candidate priorities and inclusion preferences are based on LinkedIn's Talent Drivers monthly survey of global members, including 20,396 members surveyed in December 2022. To measure candidate priorities, respondents are asked to "select the most important factors when considering a job opportunity," and can select up to five of 15 employer value propositions. The fastest-growing candidate priorities are those with the greatest percentage increase between December 2021 and December 2022.

Insights data

Behavioral insights for this report were derived from the billions of data points generated by the 900 million members in over 200 countries on LinkedIn today. Unless otherwise noted, all data reflects aggregated LinkedIn member activity as of January 1, 2023. Demand for recruiters is measured by the number of paid job posts for recruiter positions on LinkedIn globally.



Acknowledgments

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- [Pragashini Fox](#) at Thomson Reuters
- [John Graham Jr.](#) at Shaker Recruitment Marketing
- [Marc-Etienne Julien](#) at Randstad
- [Stephen Lochhead](#) at Expedia
- [Chris Louie](#) at Thomson Reuters
- [Bjorn Luijters](#) at Ahold Delhaize
- [Jennifer Paylor](#) at Capgemini
- [Gemma Leigh Roberts](#) at The Resilience Edge
- [Ruben Santos](#) at Ahold Delhaize
- [Dan Schawbel](#) at Workplace Intelligence
- [Lars Schmidt](#) at Amplify
- [Michaela Schütt](#) at Siemens
- [Clyde Seepersad](#) at The Linux Foundation
- [Tana M. Session](#) at TanaMSession.com
- [Jennifer Shappley](#) at LinkedIn
- [Jaishree Sharma](#) at Jubilant Pharmova Limited
- [Jade Shi](#) at Alibaba
- [John Vlastelica](#) at Recruiting Toolbox
- [Sophie Wade](#) at Flexcel Network
- [Andrew White](#) at Microsoft
- [Elsa Zambrano](#) at NXP Semiconductors

Survey data

- [Stephanie Scalise](#)
- [Meng Zhao](#)
- [Megan Leonard](#)

LinkedIn platform data

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