The Future of Recruiting
2023
Staffing
You can’t foresee the future — but you can help create it.

It’s a challenging and pivotal time to be in the staffing industry. In this time of uncertainty and rapid realignment, recruitment leaders can meet the moment as change-makers.

You’ll have to be more strategic, more adaptable, and acutely in-tune with talent, both internal and external – what candidates want, what skills they possess, and how your teams can grow their careers.

To set you up for success, this report offers 17 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. Recruiting trends  
2. Economic uncertainty  
3. Employer branding  
4. Skills-first hiring  
5. Internal mobility & upskilling  

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Introduction

The Future of Recruiting 2023
Recruiting trends
Recruiting will drive business-critical changes.

The staffing industry was rocked by the pandemic and rose to the challenge of the Great Reshuffle. There’s no question that recruitment is becoming more strategic, and there is an opportunity to advise the executive table on all aspects of talent strategy, as business leaders look externally for expertise.

Recruitment experts “have the opportunity to actually change the seats at the table,” says Microsoft's Brett Baumoel. “You’re going to truly change the table itself.”

The depth of knowledge and experience that you bring to your clients positions you as a consultative partner across their businesses — from advising on compensation, to fine-tuning employer brand, to identifying and filling skill gaps within an organization.

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 Baumoel, VP of Global TA, Engineering at Microsoft

87% of recruitment pros say their function has become more strategic over the past year.
Recruiting will have more say over pay.

Rising inflation. Stagnating real wages. A stubbornly competitive labor market. With these three trends on a collision course — and compensation ranked as the #1 top priority for candidates globally — something has got to give.

The feedback loop between talent, 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. Staffing organizations can help their clients stay ahead of the curve by raising this conversation today and advising on best practices.

As the leader with the clearest view of candidate priorities, labor market dynamics, and real-time recruitment trends across industries, you’re in the best position to lead the conversation about pay and its business impact — from championing comp models that favor skills over pedigree, to promoting comp packages that keep pace with inflation.

Jump to predictions about economic uncertainty → Page 9

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 collaborate and co-create our company’s compensation and offer philosophy.”

John Vlastelica, CEO at Recruiting Toolbox
Recruitment professionals know the competition for talent has not let up, even as hiring has slowed down. While less hiring typically means less power for workers, experts see that dynamic swinging back in the opposite direction over time: 57% predict that the future of recruiting will be more favorable 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 recruitment 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.

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, and Culture at Shaker Recruitment Marketing
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.” Recruitment teams themselves are no exception.

Adaptability, problem-solving, and business acumen rank among the top five soft skills staffing professionals will need in the future. As recruitment pros become more strategic client 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, staffing leaders will have to consider which skills they value most — in the workforce at large, and within their own teams.

“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 will need in the future:

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

1. Communication 80%
2. Relationship building 78%
3. Adaptability 61%
4. Problem-solving 59%
5. Business acumen 51%

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
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 Cathey, 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
Candidate diversity remains important in an uncertain talent market.

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 recruitment pros say hiring overall has been negatively impacted, three-out-of-four say that diversity, equity, and inclusion (DEI) hiring is not being deprioritized — in fact, nearly 20% 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 organizations are committed to DEI long-term — not only during times of social crisis.”

Dr. Tana Session, DEI strategist
If you’re a recruiting leader in 2023 and you don’t have a decent mix of contingent talent, you’ll be more risk-exposed to whatever the future brings — good and bad. You need some elasticity so you can flex up or down as needed.”

Stephen Lochhead, SVP of Global Talent Acquisition at Expedia

"Prediction 7 | Economic uncertainty

In the face of uncertainty, contractor hiring and staffing partnership bring flexibility.

As uncertainty grows, businesses need to be more nimble and responsive to sudden shifts in the market. To do so, employers may increasingly rely on contingent talent, like contractors or gig workers, whose labor can be scaled up and down on demand.

In the US, for instance, LinkedIn job posts for contract positions are growing much faster than job posts for full-time employees, which are relatively stable. (Note: contract positions mean labor is “contracted” out to a company for a finite amount of time listed by a contract and can be full-time or part-time work.)

This shift towards a greater mix of permanent and temporary workers opens the opportunity for staffing firms to share their expertise and advise their clients on talent strategy, building credibility and strengthening partnerships. Accordingly, 23% of companies expect to invest more in external staffing firms in the next year.

The share of U.S. paid job posts for contractor roles increased +26% YoY, while full-time roles only grew by 6% YoY.

Source: US LinkedIn data, May–Nov 2021 vs. May–Nov 2022."
As companies reduce recruiting capacity, opportunity increases for staffing organizations

The last few years have been a wild ride for recruiters. In the opening months of the pandemic, many recruiters were first to be let go and suffered waves of layoffs. Only a few months later, demand for recruiters skyrocketed and kept rising for almost two years.

With demand now falling as rapidly as it once rose, some companies are again cutting internal TA teams. Organizations who make too many cuts, though, may be challenged if the market recovers faster than expected. As this uncertainty continues, companies may look to staffing firms for guidance on talent strategy and marketplace trends.

In a downward cycle, there’s a natural tendency for companies to stop or slow their talent efforts. In this next cycle, that’s probably the biggest mistake a company can make. Access to talent is the number one priority of most CEOs around the world.”

Marc-Etienne Julien, Chief Talent Officer at Randstad Global

Prediction 8 | Economic uncertainty

Demand for recruiters can rapidly reverse course

Source: Global LinkedIn data, as of Jan 2023.
Employer branding
Staffing organizations will keep a closer eye on what candidates want most.

The labor market remains tight, and talent is expected to retain the upper hand over the next five years. To stay competitive, staffing organizations will have to reexamine their employer branding and ensure that 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.

All three top priorities are also the three fastest-growing priorities for candidates — though in this case, flexible work is rising much faster (+8% YoY) than compensation (+2%) or work-life balance (+2%).

Ignore these three at your peril — while there’s much more to your employer brand than pay, balance, and flexibility, they may soon be non-negotiables in the eyes of candidates.

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 emphasize what makes us unique.”

Michaela Schütt, Head of Global Talent Acquisition at Siemens

Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.
Staffing pros will recalibrate what they pitch 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 recruitment 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.

Staffing 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 a client’s flexible work policy, home in on the end result — happy and inspired employees — and don’t neglect other aspects of company culture that foster that happiness. And rather than only focusing on how they can grow their careers within an organization, show candidates how they can develop new skills to elevate their careers, whether or not they choose to stay.

When estimating what candidates care about, recruitment pros tend to …

**Over-value:**

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**Under-value:**

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<td><strong>Recruitment estimates</strong></td>
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“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
Gen Z values 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 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?

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

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

+17% more likely than Gen X to prioritize 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, staffing organizations 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 includes 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 recruitment pros say it’ll be a priority at their firm. But not all staffing organizations are there yet: only 76% 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, recruiters are...

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

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

Source: Global LinkedIn data, as of Jan 2023.
Skills-first strategies will shine a light on overlooked talent.

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 candidate pipelines.

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.

Today one in five jobs on the LinkedIn platform doesn’t require a four-year degree. That number is expected to grow as more employers look to hire people from a multitude of backgrounds who can bring different perspectives to their organizations.

“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.”

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

No degree? Increasingly, that’s no problem.

20% of U.S. job posts on LinkedIn don’t require a four-year degree.

The share of these job posts has grown by +30% over the past 6 months.

Source: US LinkedIn data, June 2022 vs. Dec 2022.
Staffing organizations will focus on mapping the skills candidates have (and need).

Skills have become a critical currency, and staffing organizations will need greater visibility into the skills that candidates do and don’t have. Forward-thinking firms will organize databases that both list the skills of pipelined candidates and the skills needed for specific requisitions.

A whopping 91% of recruitment pros told us that understanding their talent’s skills is required to make informed talent decisions — though slightly less (88%) say it’s currently a priority at their organization.

Mapping your talent’s skills will help you do a better job spotting skills gaps. It will also make it easier for you to match qualified workers with open roles.

For this to work, however, staffing organizations must distinguish between which skills are truly “must-haves” for a role — and which are merely “nice to have.”

“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.”

Alex Fleming, Regional President, Northern Europe at Adecco
Internal mobility & upskilling
Internal mobility will be a multiyear 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 organizations can do now.”

Jennifer Shappley, VP, Global Talent Acquisition at LinkedIn

Staffing organizations will recognize the business value of upskilling and internal mobility.

Your organization’s next great hire might already be on the payroll. The shaky economy is forcing firms to look within more frequently when filling open positions: 56% of staffing professionals say internal recruiting will be an important factor shaping the future recruiting over the next 5 years.

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

Improving internal mobility also saves your organization turnover cost, which can accrue quickly if attrition is high. Recruitment pros who stay help maintain institutional knowledge and consistent client partnerships, while also contributing positively to firm culture.

Employees at organizations with high internal mobility stay 60% longer.

Median employee tenure for organizations in the top and bottom quartile of internal mobility.

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<td>4.9 years</td>
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Source: Global LinkedIn data, as of Jan 2023.
You can keep hiring diverse talent, but if you’re losing them just as fast, you’re not actually changing things. You also have to enable people to move and grow once they enter your organization.”

Andrew White, Sr. Global TA Program Manager, Internal Hiring at Microsoft
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

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

If I join this organization, 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 this organization 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 #4 and #5 top priorities for all candidates.

The bottom line: candidates care deeply about learning and development, so match them with opportunities that meet their needs. It will be critical to the success of your organization. For more on the state of learning, explore LinkedIn Learning’s recent 2023 Workplace Learning Report.

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 recruitment industry, but that doesn’t mean you’ll be a passive observer. As an industry 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.
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.
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