The Future of Recruiting 2023
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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 organization. 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 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. Role of recruiting
2. Economic uncertainty
3. Employer branding
4. Skills-first hiring
5. Internal mobility & upskilling

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Role of recruiting
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

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 70% of TA pros 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 Baumoel. “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 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 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, labor 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 favor skills over pedigree, to retaining your top talent by pushing for pay increases that keep pace with inflation.

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

Only 45% of recruiting pros say their companies increased salaries enough to keep pace with inflation
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: 64% 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 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.

Recruiting will double down on employer branding as talent regains leverage.

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.” Recruiting teams themselves are no exception.

Adaptability, problem-solving, and business acumen rank among the top five soft skills 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.

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

1. Communication 78%
2. Relationship building 73%
3. Adaptability 58%
4. Problem-solving 53%
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
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 three-out-of-five (62%) 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.

You’ll hear the same from L&D professionals: 47% say they’re working more closely with TA this year, according to LinkedIn’s Workplace Learning Report for 2023. Those respondents also say the #1 top focus area for L&D will be aligning learning programs to business goals — where recruiting can play a complementary role in understanding what skills the company needs.

Jump to predictions about internal mobility and upskilling → Page 21

“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
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
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, 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
Prediction 8 | Economic uncertainty

Employers will hire more contract workers as a hedge against uncertainty.

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 is 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.)

You can see this dynamic at play within recruiting teams themselves, though the data suggests a more stable split: 22% of companies expect to spend more on in-house recruiters this year (vs. last year), while 23% expect to invest more in external staffing firms.

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

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

Employer branding
Companies 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, 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 emphasize what makes us unique.”

Michaela Schütz, Head of Global Talent Acquisition at Siemens

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Most important priorities for candidates:

1. Compensation
2. Work-life balance
3. Flexible working arrangements
4. Advancement
5. Skill development

Fastest growing priorities for candidates:

1. Flexible working arrangements +5%
2. Compensation +4%
3. Supportive managers +4%
4. Clear goals from leadership +3%
5. Job security +2%

Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.
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 estimating what candidates care about recruiting pros tend to...

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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 — 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, Ahold Delhaize

What’s different about Gen Z’s priorities?

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

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

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

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Source: Global LinkedIn Talent Drivers survey, as of Jan 2023.
Skills-first hiring
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

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 64% feel they can accurately assess candidates’ skills today. Clearly, they’ll have some catching up to do over the next few years.

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.

75% of recruiting pros predict skills-first hiring will be a priority for their company in the next 18 months.
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 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.

Today one in five jobs on the LinkedIn platform don’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 organization.

“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

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.
Prediction 14 | 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.

A whopping 94% of recruiting pros told us that understanding employee skills is required to make informed talent decisions — though slightly less (84%) 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 organization 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
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

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

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

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Source: Global LinkedIn data, as of Jan 2023.
Prediction 16 | Internal mobility & upskilling

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

With companies facing serious skills gaps, it’s no wonder 81% of recruiting pros 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 organizations 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. Organizations 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. Organizations 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. Increasing development and advancement opportunities
2. Providing an equal pay scale regardless of background
3. Providing a wide range of benefits and accommodations

Source: LinkedIn Talent Drivers survey results for India, as of Jan 2023.
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 #4 and #5 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.**

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**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*
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.
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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LinkedIn’s Talent Solutions help talent professionals hire efficiently with a single platform. Providing access to the world’s most dynamic professional community, real-time market data, and the ability to intelligently match open roles to qualified candidates so you can attract, source, and connect with people based on a deeper understanding of the individual.

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