

NXTThing Perspectives and Insights on the 2024 Labor Markets



Context

- Past three years have been the most complex and rapidly changing labor markets in our history
- Labor Market Demographics are expected to continue to evolve with several key factors impacting the changes
 - Labor Market Participation Rates
 - Flexible Work Arrangements
 - Skills gap
 - Rapid Technological Advances
- Unemployment Rates are still at record lows
- Open jobs still above 9MM (pre-Covid highs of 6-6.5MM)
- Pressure persists in front-line hiring with far more jobs (demand) than candidates (supply)

Global Talent Shortages Since 2014

Percentage of Organizations Struggling to Find Skilled Talent (2014 – 2024)



Note: The annual Talent Shortage Survey was not conducted in 2017 and 2020.

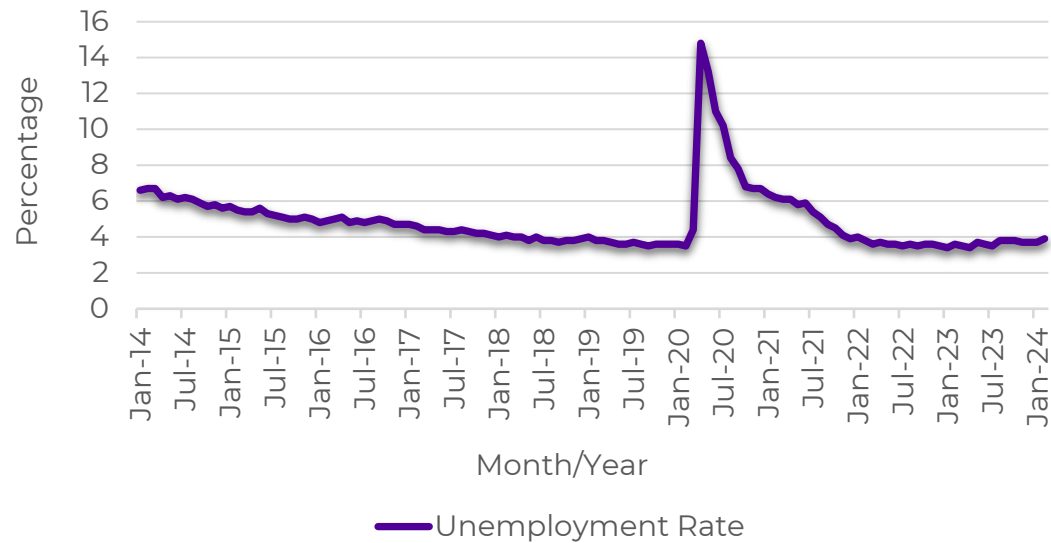
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SOURCE: MANPOWER GROUP



Unemployment Rates

Last 10 Years



Last 36 Months



Labor Force Participation Rates

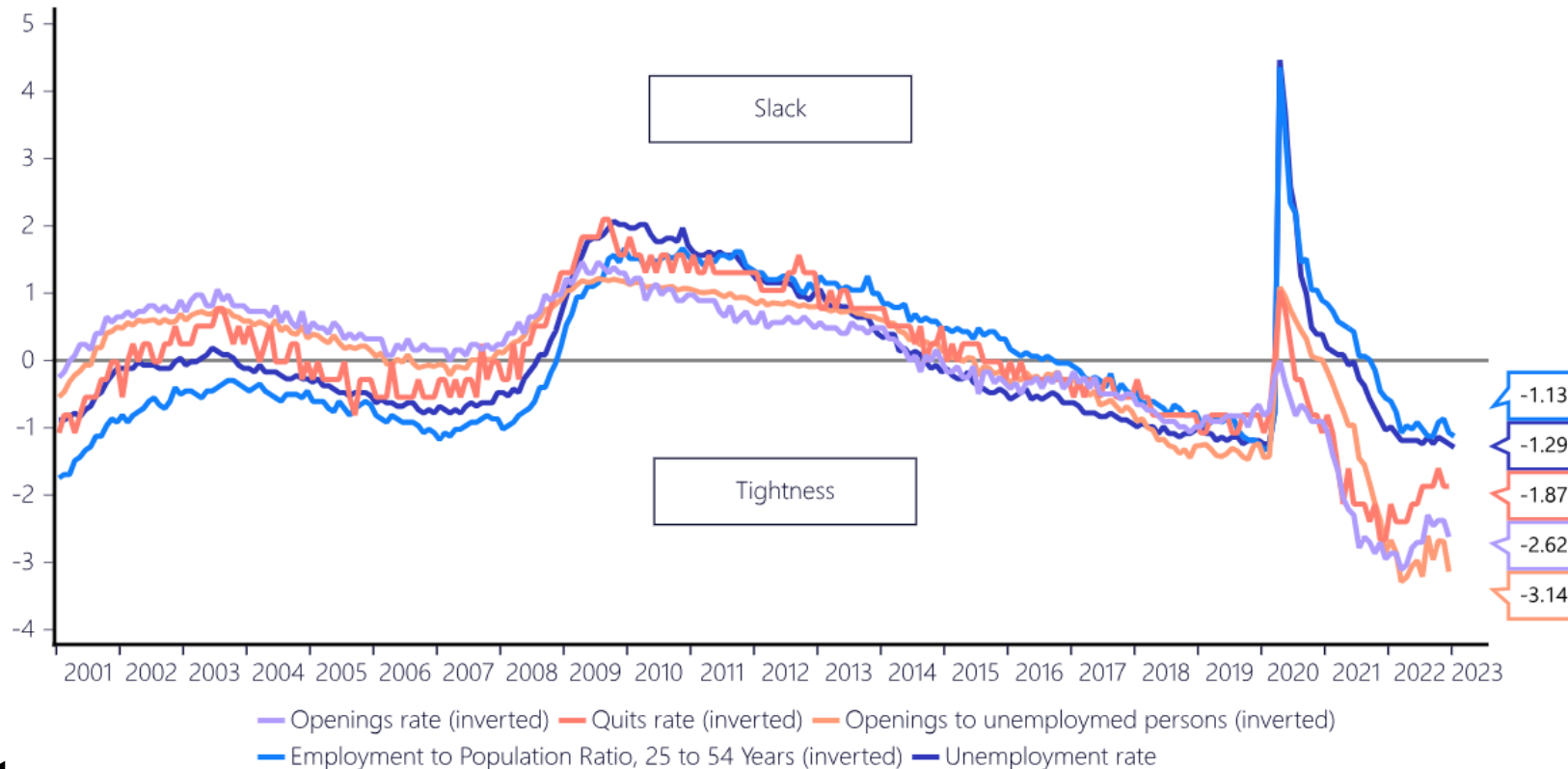


Labor Market Dynamics

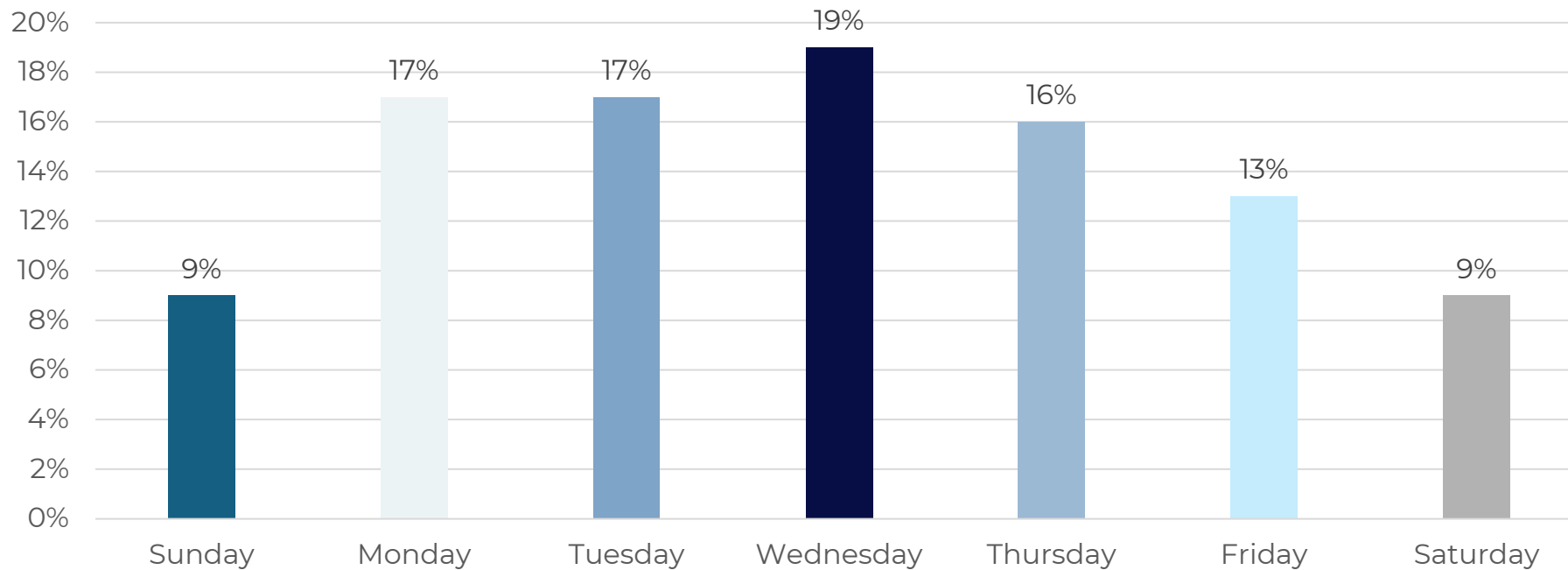
- 60+% of all applies are now on Mobile Devices
- Labor markets are still considered “tight” (not enough candidates) by most standardized measures
- Demand softened for workers slightly in 2023, creating a false sense of security in “candidate market” thinking
- US Labor Demand still outstrips labor by 2.5MM (BLS, Jan 2024)
- Wage Growth has cooled significantly from the highs in 2021/2022

Is the U.S. Labor Market Slack or Tight

All indicators are standardized (Z-scores); unemployment rate is only indicator not inverted



Share of Applies by Day of Week

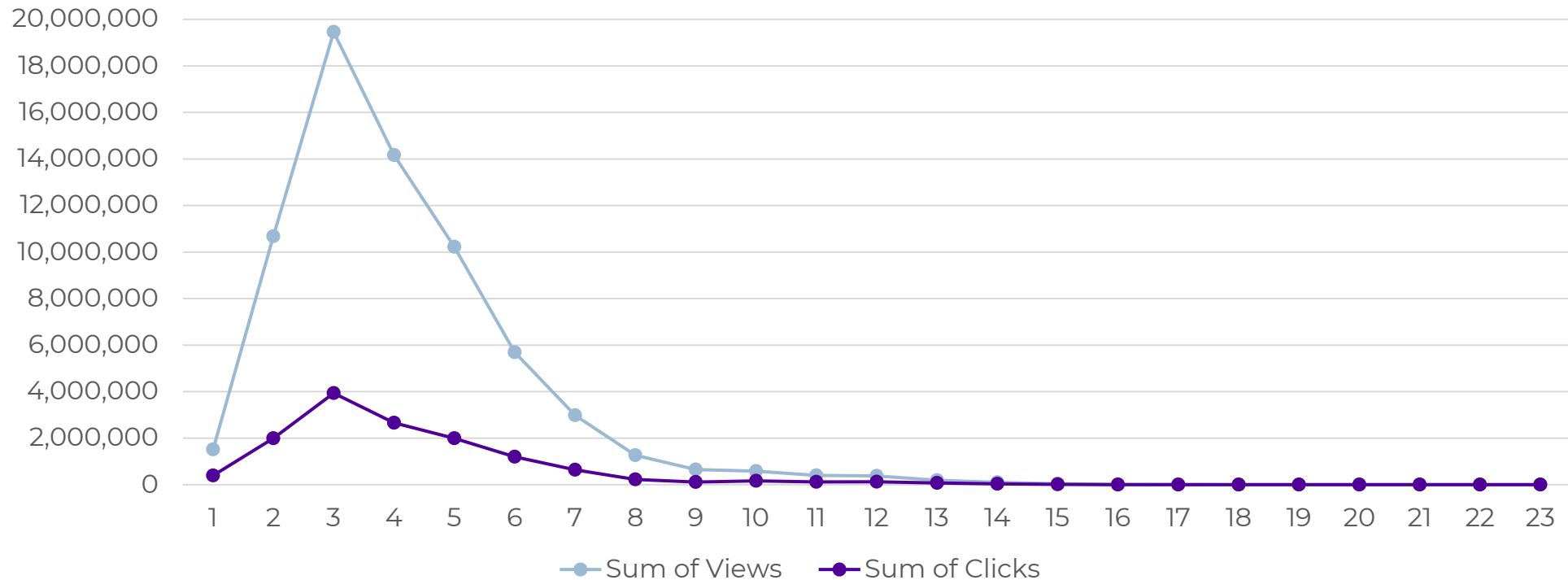


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SOURCE: TALENTEGY



Job Title Word Count Impact Clicks

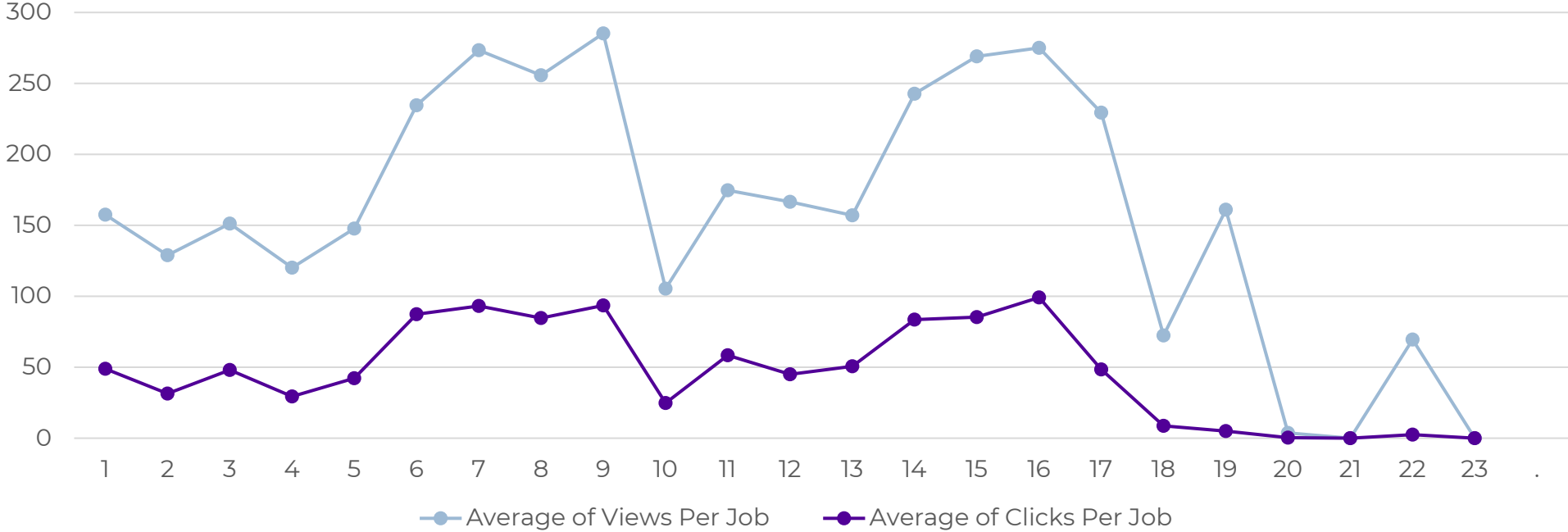


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Job Title Word Count Impact Clicks



NXTThing Perspectives

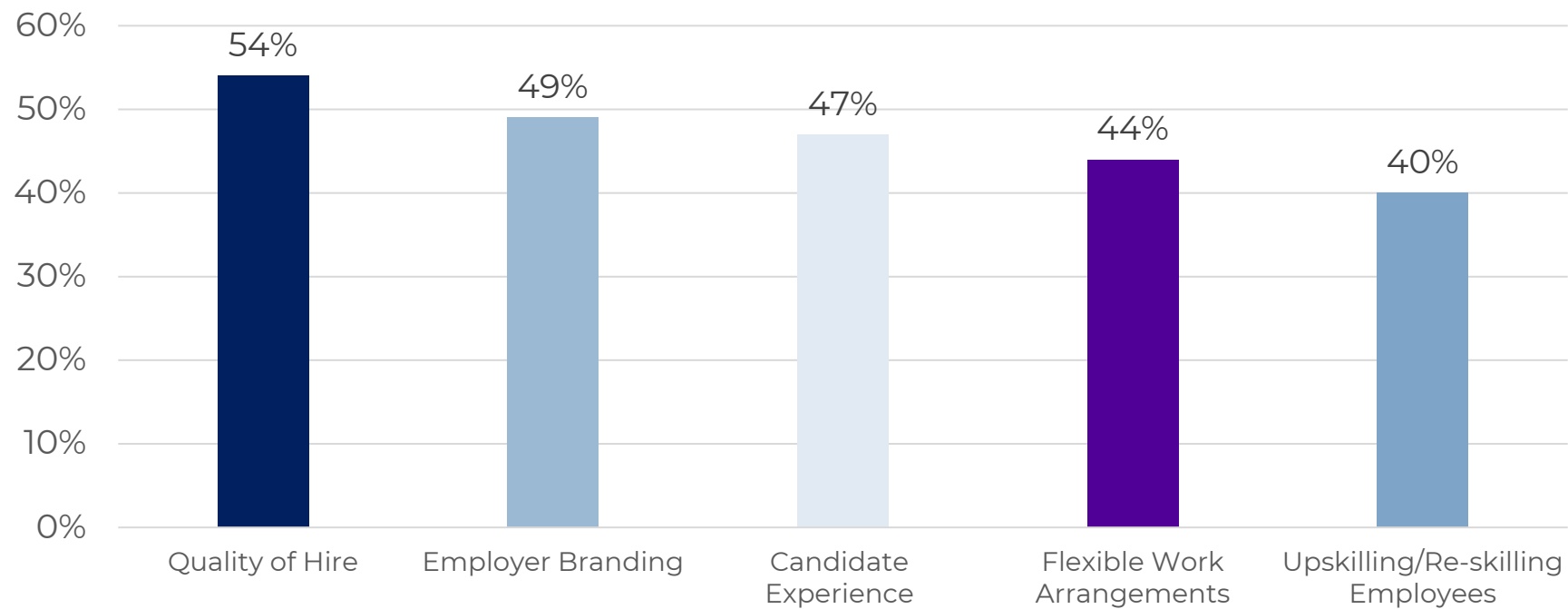
- Anticipate continued to increasing pressure in front-line hiring (Retail, Hospitality, Distribution, Manufacturing)
- Expect quarter over quarter growth of professional/exempt hiring in most industries
- Increased expectations of in-office participation, both hybrid and full
- A compelling offer, an efficient process and flexibility in process will yield greater results
- Attrition has stabilized materially in the past 24 months, but companies should be on high alert for increasing attrition rates. A tighter Labor Market for employers is expected, requiring companies to be aware of the shifting dynamics

AI in Recruiting

- Claims that recruiters will be replaced by AI are not factual. The value that a recruiter brings to the hiring manager and the candidate cannot be automated
- Certain parts of the Recruitment Process will benefit greatly from AI
 - Sourcing
 - Market Assessment
 - Skills Matching
 - Administrative Functions (Scheduling, On-boarding, etc.)
 - Analytics

Future of Recruiting

- According to LinkedIn research, these are the topics that will impact recruiting in the next 5 years:

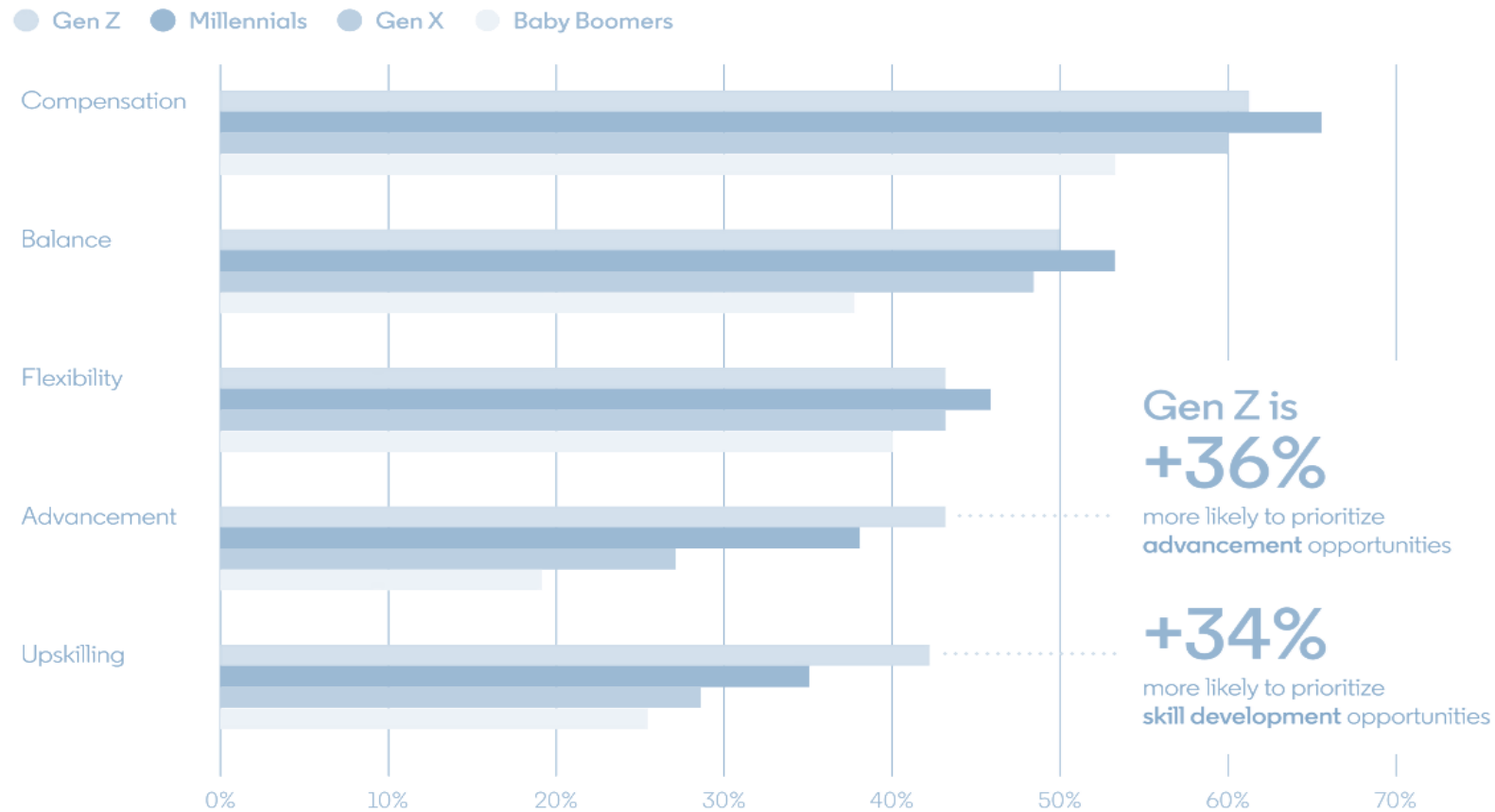


The Elusive Holy Grail of Recruiting: Quality of Hire

Organizations are becoming more committed to measuring quality of hire. Here are some of the areas that some companies are considering:

- First Year Evaluation Scores
- First Year Turnover Rates
- Productivity Measures (sales rank, customer satisfaction scores, etc.)
- Team Value/Culture Fit

EVP by Generation



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SOURCE: LINKEDIN



Key Factors that Influence a Candidate's Decision and Ways to Measure



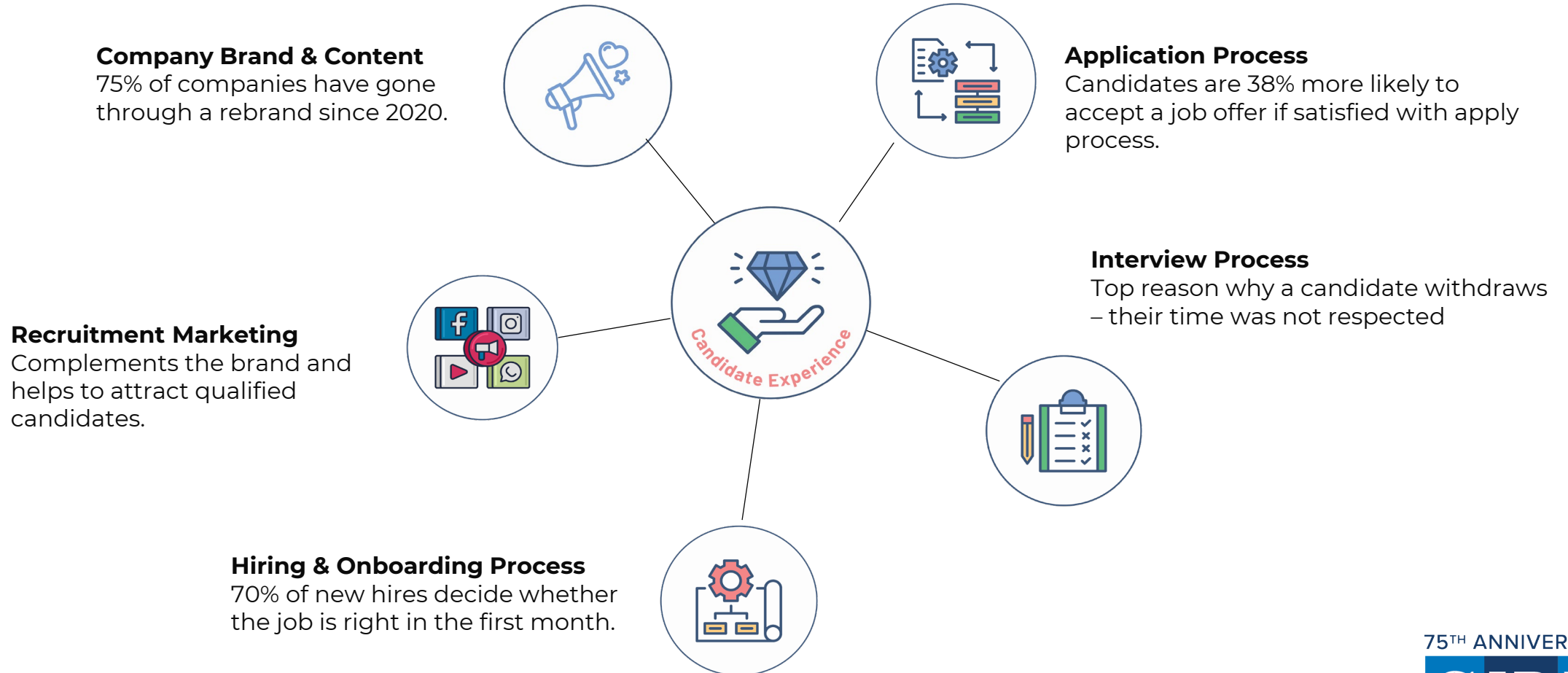
“

The key is to set realistic candidate expectations, and then not to just meet them, but to exceed them—preferably in unexpected and helpful ways.

Richard Branson

”

Five Factors of Influence and Measurement



Factor One: Recruitment Marketing

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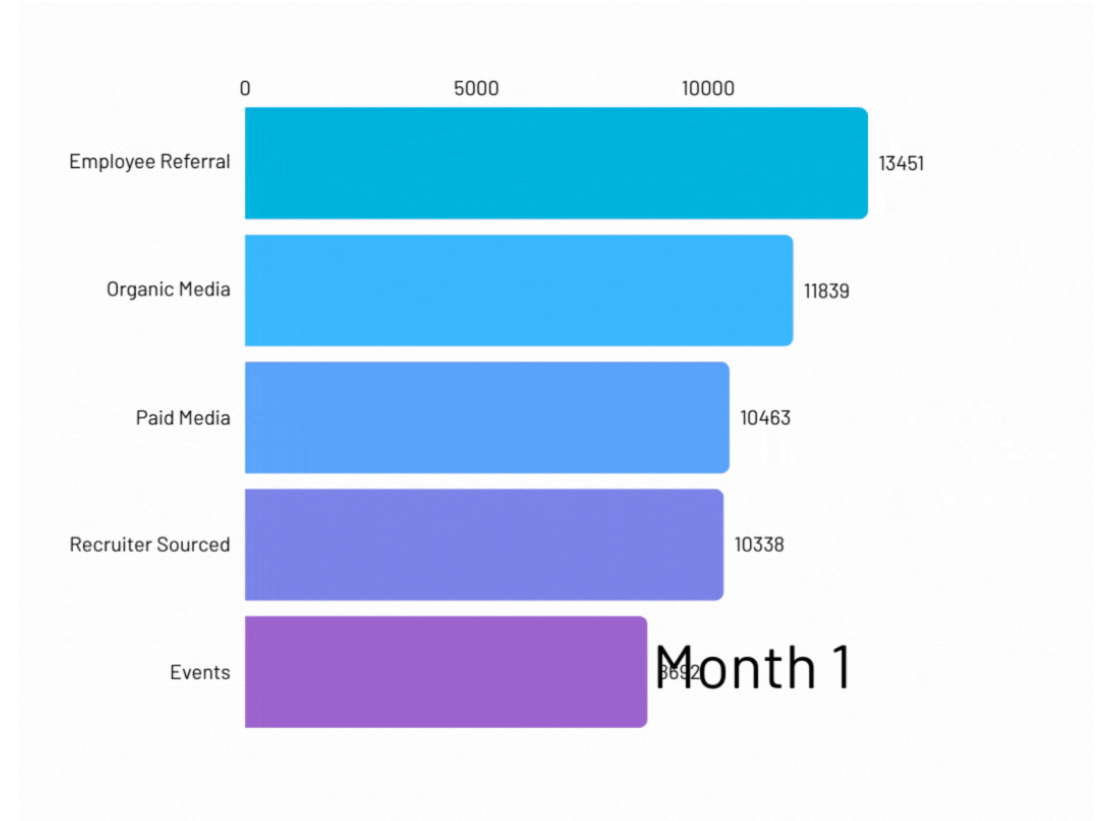
Recruitment Marketing

Metrics: Top Sources by KPIs

- Visits
- Applies
- Quality
- Hire

What is being measured?

Effective sources that drive candidates to your site.



Recruitment Marketing

Metrics: Number of visits and sources to apply.

What is being measured? Insights into the sources and campaigns that attributed to an eventual apply.

Avg of **3** visits
before applying to a job

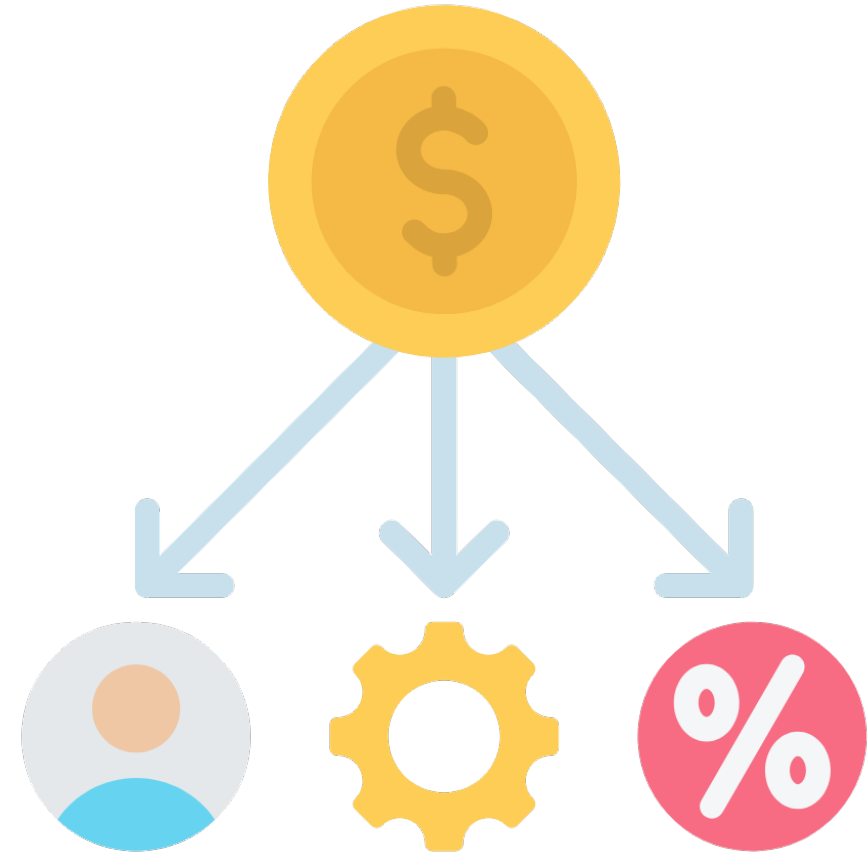
Job Title	Total Visits	Apply Visit	Visit 1	Visit 2	Visit 3	Visit 4
Account Manager	4	2	Text Campaign	Indeed	LinkedIn	Google
Engineer	2	1	Google	Email Campaign		
Sales Manager	3	3	Employee Referral	Email Campaign	LinkedIn	
Intern	1	1	Event			

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Recruitment Marketing

Change Impact:

Healthcare company that spends \$1M+/ year in media **reallocated** over \$360/year on **higher performing** media to yield more **qualified candidates**.



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Factor Two: Brand & Content

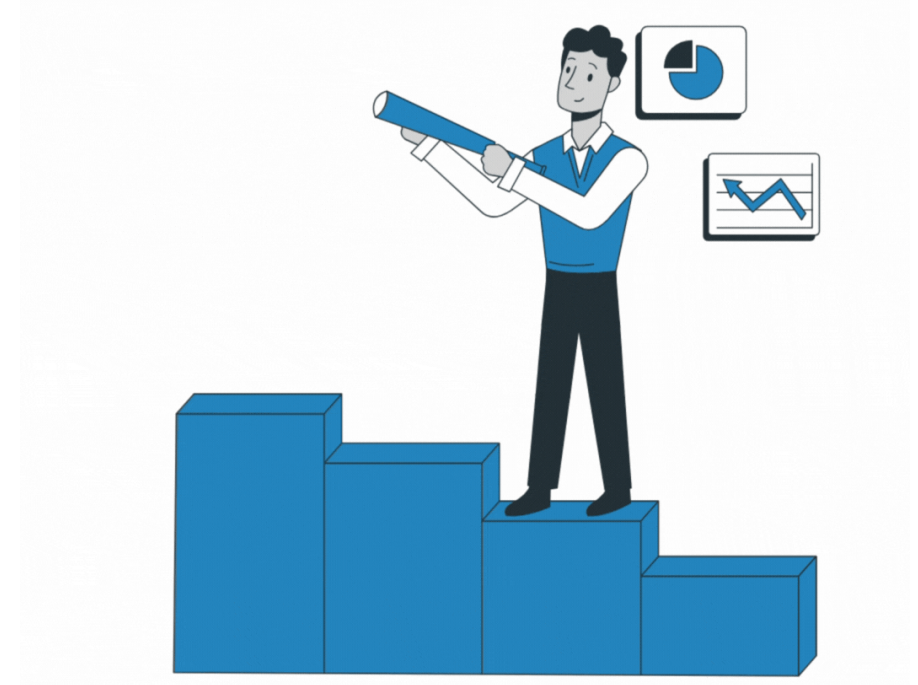
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Brand & Content

Metrics:

- Visitors (Unique vs Returning)
- Average Visits before Apply
- Time on Site
- Bounce Rate
- Calls to Action

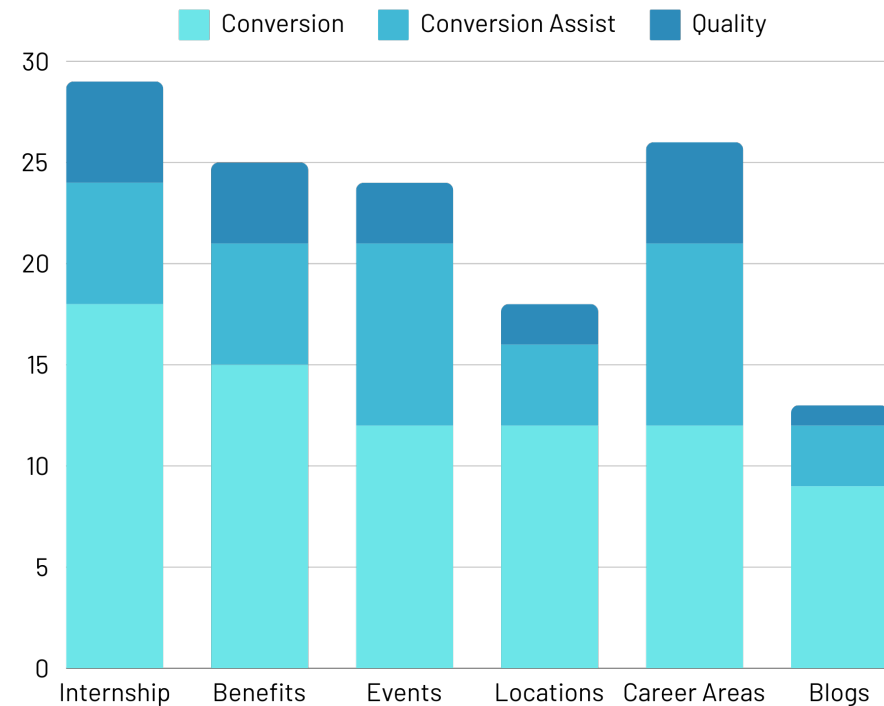
What is being measured? Insights into the candidate's engagement & interest as they navigate throughout your site.



Brand & Content

Metrics: Top Content by Conversions

What is being measured?
Effective content measured by applications & quality.



Brand & Content

Change Impact: Global Aerospace company **reduced** ~50% of their **career site pages and calls to action** during EVP project based on site stats and candidate survey responses.



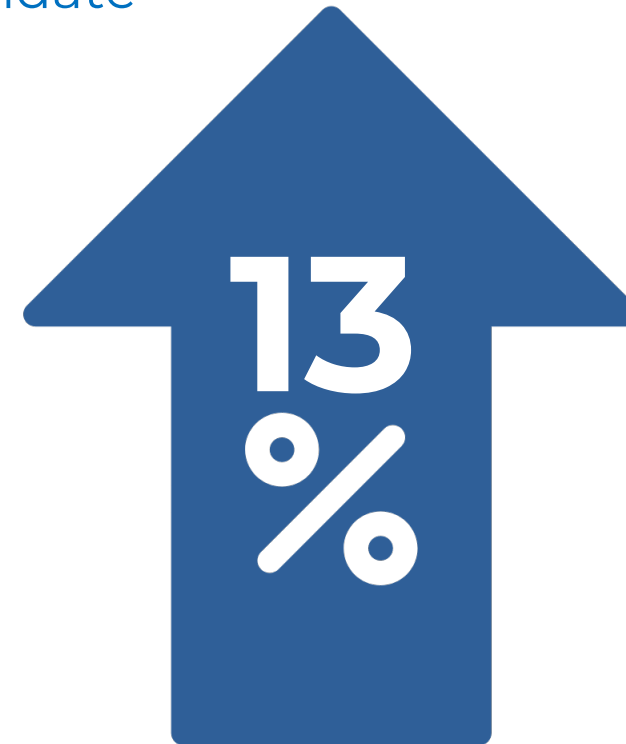
Visitors



Time on site



Bounce Rate



Conversion Rate

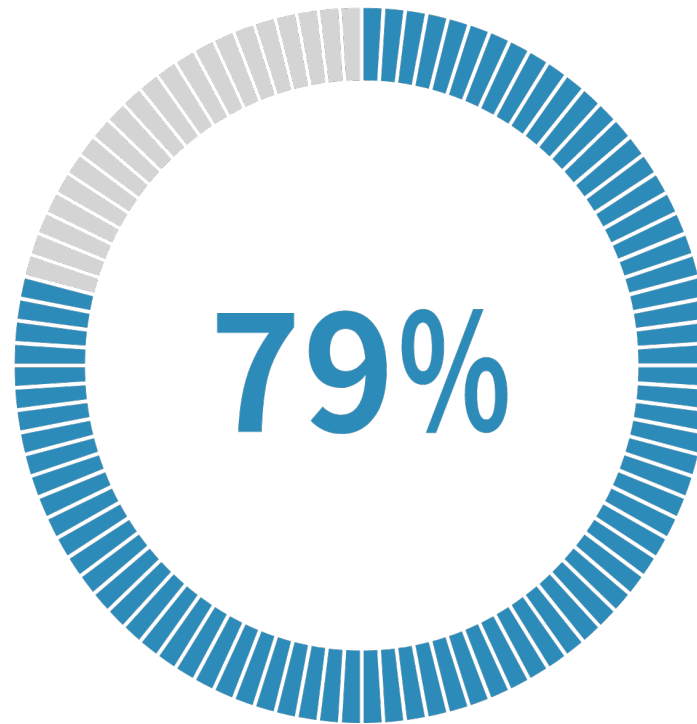
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Factor Three: Apply Process

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Apply Process

Average Candidate Abandonment Rate



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SOURCE: TALENTEGY



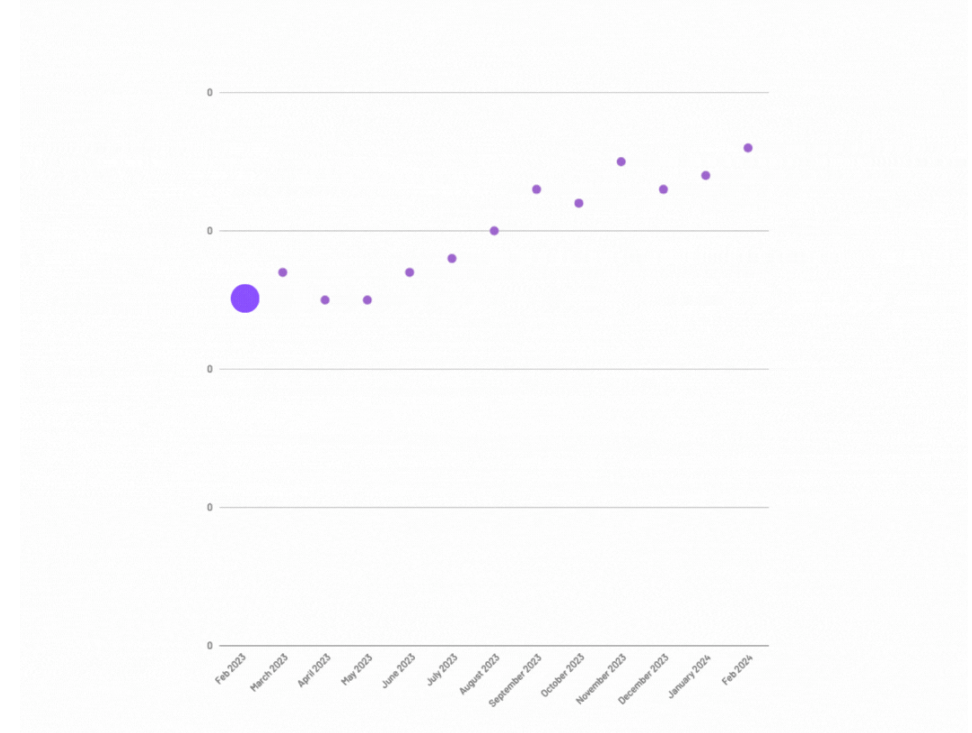
Apply Process

Metrics:

- Abandonment Rate
- Device Type
- Job View/Apply Conversion
- Net Promoter Score (NPS)

What is being measured?

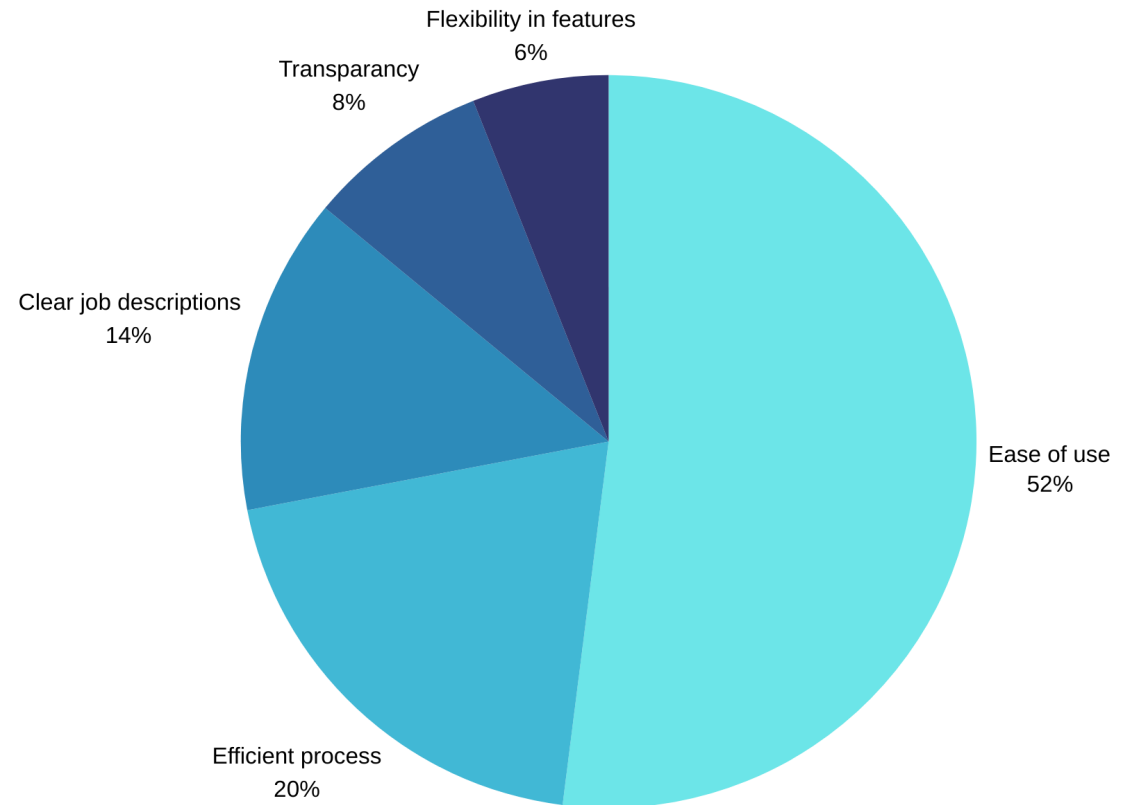
Candidate perception of process efficiency & informative content.



Apply Process

78%

Candidates Surveyed
had a Positive
Application Experience



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Based on survey of 400 applicants

SOURCE: TALENTGY

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Apply Process

The Voice of the Candidate

“The layout of the application was extremely simple.”

“The application was self-explanatory.”

“Easy application with clear questions.”

“The resume upload feature did not auto populate my information.”

“The website has a great UI!”

Factor Four: Interview Process

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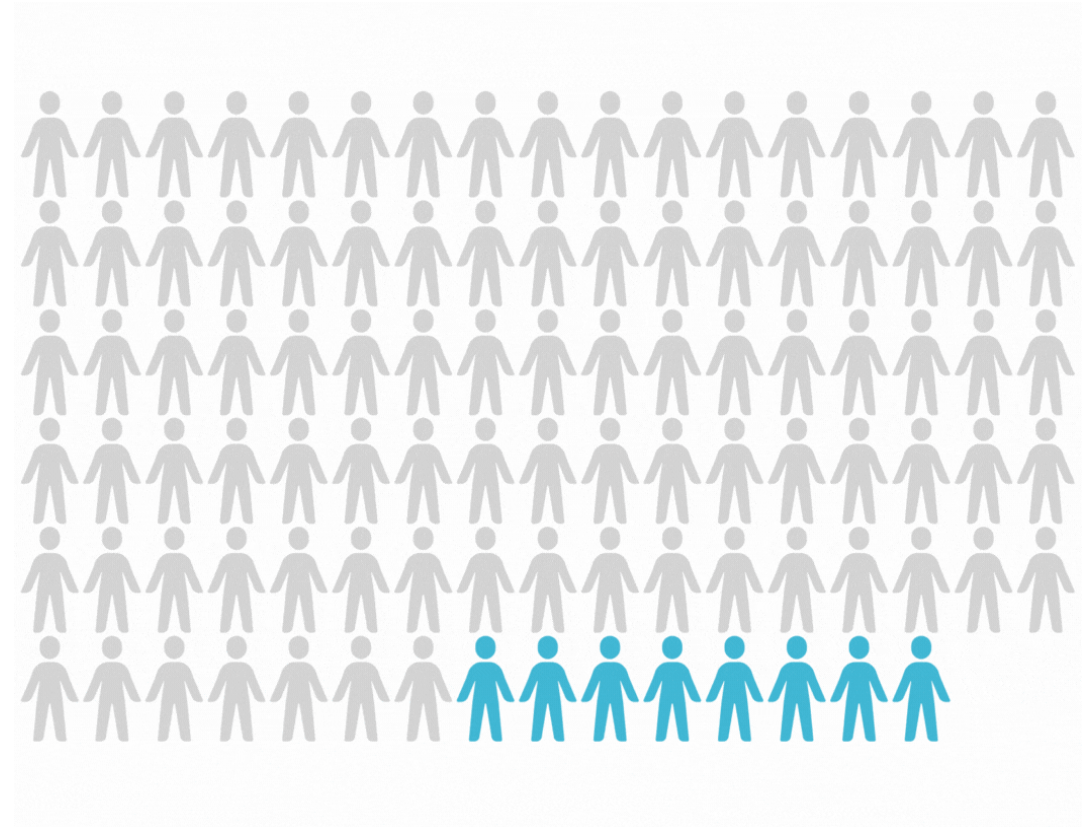
Interview Process

Metrics:

- Interview No Show Rate
- Self-Select Out Rate
- Time to Interview
- Survey Feedback

What is being measured?

Candidate perception and potential fit.



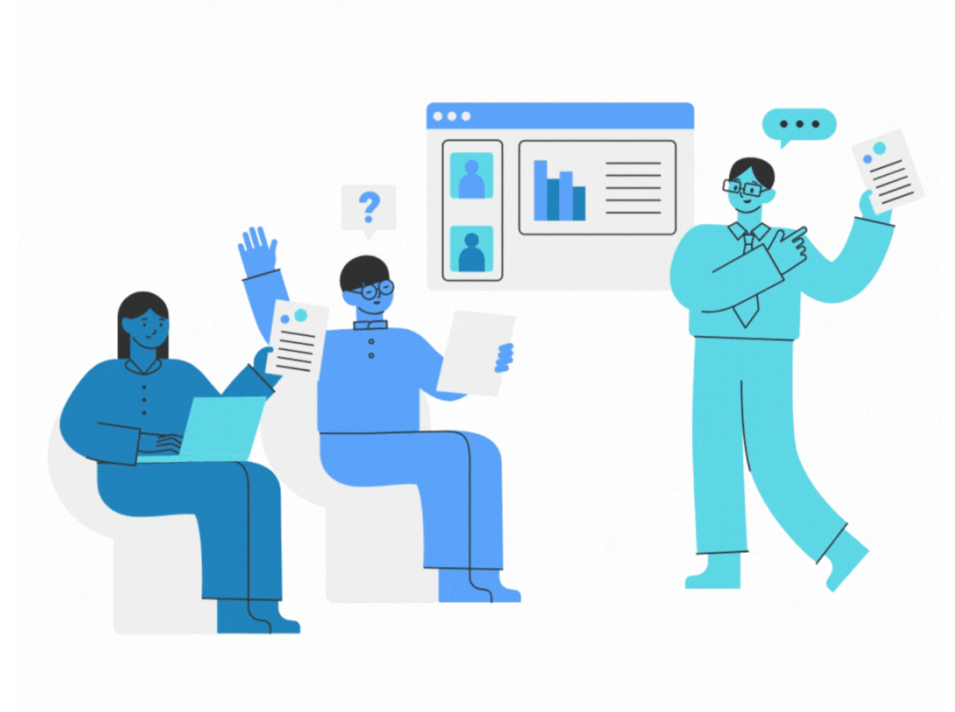
Interview Process

Change Impact:

Global hospitality company that needed to hire **hundreds of hourly workers** during peak season.

Rebuilt their interview process based on the data from interview no shows, offer declines and candidate feedback.

Increased automated tools which **reduced** interview time **80%** & no-show rate **12%**. This resulted in an excess of offers that were used for nearby sister properties.



Factor Five: Hiring & Onboarding Process

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Hiring & Onboarding

Metrics:

- New Hire No Show Rate
- New Hire Turnover
- Survey Feedback

What is being measured?

Insights into company culture, job fit and management.



Hiring & Onboarding

Change Impact:

Nationwide manufacturing company experienced high no show rates on day one and with new hire turnover.

Removed tech barriers and **changed communication method** during onboarding which reduced no show rate by 6%.

Increased wages & referral bonus, **modified shift hours** and **focused on training** for employees, which resulted in a decrease of turnover by 2% and better employee culture.



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Things to Think About

- Experience your candidate's journey
- Contract secret shoppers
- Survey your candidate's(NPS) and new hires
- Commit to change
- Measure the before and after results



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