



The State of High-volume and Hourly Hiring 2023

Essential Strategies for Essential Workers



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CONTENTS





About the Survey

The State of High Volume and Hourly Hiring survey was open for responses from February 2023 to May 2023. During that time, we collected 232 responses from HR professionals and people leaders across a wide range of verticals.

In addition to representing virtually the full spectrum of HR and recruitment specialties, respondents also represented a wide range of professional specialties, industry verticals and markets. Most of the survey respondents are located in North America, with a large majority of them working in the U.S.

The talent and people leaders whose responses are captured in this survey work for companies of all sizes, ranging from small businesses with fewer than 100 employees to multinationals with 20,000 employees and more; 1 out of 4 survey takers reported working for an enterprise employer.

Executive Summary

The Best of Times, the Worst of Times

For recruiters in early June 2023, it is best of times, it is the worst of times. It was the age of high-tech layoffs, it is the epoch of labor scarcities in hospitality and healthcare. It is the winter of rising unemployment discontent and the summer of robust job growth. It is an era when many traditional recruiters are losing their jobs and the age when high-volume recruitment is still expected to grow.

In short, as this report goes to print, it is time of talent acquisition (TA) paradoxes and contradictions, both fascinating and unnerving.

Even as workers in <u>employment services</u>—including recruiters and HR professionals—suffered 24,000 layoffs in April 2023, the <u>U.S.</u> <u>Bureau of Labor Statistics</u> reported that the U.S. economy added a whopping 339,000 jobs in May.

High-volume and hourly hiring is, in many ways, the Bizarro World version of the kind of TA so many of us are familiar with. It's an alternate reality in which time-to-hire and average tenure alike are measured in hours or days and where competitive advantage can come down to a few bucks an hour or a few of the benefits, like health care or tuition subsidies, that white-collar workers so often take for granted.

The comparative lack of requirements, the need to fish with the widest possible nets instead of surgically hunting for "purple squirrels," and the emphasis on process over personalization has historically led those involved in salaried recruiting or executive search to develop something of a superiority complex. After all, finding people with skills takes, well, skills. Or at least, that's the assumption on which the whole profession tends to be predicated.

And yet... As many sourcers and recruiters of white-collar positions find themselves struggling to find new work in one of tightest job markets for TA professionals in recent memory, business has (so far) seldom been better for their counterparts managing highvolume hiring and hourly recruitment in various industries. While whitecollar recruiting tends to be intertwined in a codependency with larger economic cycles and forces, resulting in a perpetual cycle of hiring and firing, demand for hourly workers has historically been much steadier and much less volatile.

The Future of Recruitment?

Looking at these disparate and disjointed recruiting markets reinforces the notion that this is a tale of (at least!) two professions. The future of recruiting, in fact, *might* look more like how we hire hourly workers today: largely automated, highly standardized, imminently repeatable, easily scalable and essentially self-sustainable.

Our research suggests that there's seldom been a better time to be in high-volume hiring than right now, driven largely by industries such as retail, hospitality and healthcare—sectors where historic employer demand continues to outpace a shrinking hourly workforce. It provides a comprehensive look into the state of the high-volume and hourly hiring industry, based on a global survey of a representative sample of HR practitioners and hiring leaders.

By tapping into the experience and expertise of this global cohort, this report will reveal the real state of high-volume and hourly hiring today, from the biggest challenges practitioners face when hiring hourly talent to capitalizing on the opportunities inherent in tomorrow's world of work. It's a critical but severely underserved market—at least relative to its corporate TA doppelganger.

It's also the part of our profession with the greatest opportunity to reimagine and redefine how hiring works and how TA can thrive.

Major Findings

A deeper dive into the data from this year's survey reveals some key trends and themes on what really matters—and what really works—for highvolume and hourly hiring today. We've prepared dozens of pages of visuals, dissected hundreds of survey responses, built industry benchmarks and collected anecdotal evidence to underscore the empirical evidence.

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This is a B2B white paper, and if you're even tangentially interested in what's new and what's next in the world of high-volume hiring, you're likely currently tasked with filling more reqs in less time and with fewer resources or available talent than ever before. The good news is, you're not alone.

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Spoiler alert: our research suggests the constant need for recruiters to do more with less is one of the most pervasive and persistent challenges facing high-volume and hourly hiring practitioners today. If you're only here for the highlights, well, we've got your back.

Here are the things every TA pro needs to know about the current state, and future outlook, of hourly hiring and high-volume recruiting in 2023 (and beyond):



High Demand for High Volume

Most organizations engage in high-volume hiring, and they plan to budget as much or more on high-volume recruitment over the next two years.

- Two-thirds of responding organizations report that they are engaged in and/or have previously engaged in high-volume recruiting. While 30% have done so historically, at present, 46% of all organizations currently have active high-volume recruitment initiatives, with another 5% reporting that they plan to pursue similar initiatives soon.
- A whopping 89% of organizations with current high volume hiring needs anticipate demand for non-exempt workers continuing for at least the next 24 months.
- Forty-three percent of employers that are engaged in high-volume recruiting plan on increasing their high-volume recruiting budget to support their hiring plans and strategies; in contrast, only 12% anticipate decreasing their budgets over those same two years.







Outsourcing Is In

While many corporate recruiting functions and talent acquisition teams rely on some form of outsourcing or external recruitment resources to augment their internal capabilities, outsourcing is particularly prevalent in highvolume hiring, with nearly half leveraging external partners to support both current and historic high-volume needs.

- Fully 46% of all employers outsource at least some part of their highvolume recruiting process to third-party providers and partners at least some of the time.
- Organizations work with a variety of external partners and thirdparty providers to outsource a broad spectrum of use cases and business requirements, from offshoring to professional employment organizations, from gig marketplaces to independent contractors. However, employers concentrate most of their outsourcing spend into four distinct categories:
 - staffing agencies (62%)
 - job boards and aggregators (53%)
 - recruitment process outsourcing providers (42%)
 - temporary employment services (42%)



Satisfaction Is Strategic

Although 2 out of 3 employers indicate that their recruitment functions are at least somewhat effective at high-volume hiring, fewer than a quarter indicate they are highly effective. This so-so performance may be one reason why the market is also showing growing numbers of unfilled open positions, high market competition for hourly workers, and a decreasing availability of workers in various markets and industries.

- Respondents to the HR.com survey report the following levels of relative satisfaction with the effectiveness of their high-volume hiring efforts:
 - 23% strongly agree that they are effective at high-volume hiring and hourly recruiting as an organization
 - > 44% agree that their companies are similarly effective
 - > 21% neither agree nor disagree, and 12% actively disagree

• We found a correlation between relative levels of satisfaction with the efficacy of high-volume hiring and the existence of a defined strategy for acquiring that talent.

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- 22% strongly agree that they have a defined strategy for high-volume recruitment or hourly hiring in place at their organizations.
- > 38% agree that they have a defined high-volume hiring strategy.
- 18% actively disagree that they have defined strategies to meet their current and future high volume hiring targets; this means almost 1 out of every 5 companies recruiting non-exempt or hourly workers does so without a clear strategy in place to align business demand with labor supply—with potentially deleterious implications for workforce planning and bottom-line results.
- A chi-square test of independence shows that organizations with effective high-volume recruitment systems are significantly more likely than their less-effective counterparts to have a well-defined recruitment strategy.



The High-Volume Hedge: Strategically Spreading Spend and Suppliers

The effectiveness of high-volume and hourly recruiting strategies at organizations can in part be attributed to an organization's relative diversification of complementary processes, policies and practices. Practitioners perceive the following practices as the most effective or impactful for strategic high-volume recruiting success:

- advertising on job boards (79%)
- develop a compelling employer brand and value proposition (63%)
- actively solicit referrals from employees (61%)
- advertise jobs on paid social media (46%)
- remove barriers for job applicants (45%)





Candidates as Customers: The Importance of Consumer-Grade Talent Technologies at Scale

Many high-volume and hourly workers lack access to desktop computers, reliable broadband service and time to spend on onerous application processes. Therefore, we think it's imperative for companies to ensure they're using consumer-grade talent technology systems rather than more traditional enterprise or legacy systems, particularly when it comes to mobile accessibility and UI/UX considerations.

- 40% of respondents cite mobile capabilities as being the most effective technology for high-volume and hourly hiring.
- 30% report that the most effective tool in their high-volume talent technology stack consist of succinct, user-friendly and intuitive preemployment assessments, including skills based and psychometric assessments, respectively.
- 27% chose programmatic advertising as the top tool or tech for highvolume hiring success, particularly in regard to applicant flow and overall cost per hire.



The Need for Speed

While organizations rely on a variety of baselines and benchmarks to measure, manage and optimize their high-volume recruiting activities, time to hire is perceived as the most meaningful metric for measuring highvolume hiring, with more quality-focused, outcome-based metrics ranked as secondary in importance.

When asked which metrics matter the most in measuring high volume hiring success, survey says:

- time to hire and/or time to fill (67%)
- retention/attrition rates (62%)
- quality of hire (59%)

This analytical approach helps explain why high-volume recruiters find job board and social media advertising are their most effective and commonly utilized source of hire. This seems contrary to the running narrative and prevailing sentiment in traditional talent acquisition and experienced hire recruitment. It's also an inversion of prioritization when contrasted against traditional, full-time or salaried TA activities, and provides further proof of the direct correlation between process efficiency and organizational satisfaction with high-volume hiring.



Recruiters United on Recruitment Challenges

We've outlined various areas in which high-volume recruiters and other recruiters tend to differ. When it comes to the biggest obstacles and challenges, however, recruiting professionals' perceptions were strikingly consistent across the talent board.

Respondents were asked to identify their biggest challenge over the past year. The majority ranked retention and lack of qualified candidates as the two biggest obstacles for high-volume employers in the last 12 months which should sound familiar to just about everyone in TA today, high volume or otherwise. The top 5 include:

- high employee turnover/churn (55%)
- not enough candidates (54%)
- too many low-quality candidates (46%)
- compensation/budget concerns (43%)
- reducing time to hire (36%)

Of course, everything is relative; for example, the average high-volume employer in sectors like hospitality or retail historically have seen employee turnover at or over 100% annually, and the constant worker churn is an assumption built in to most every employers' defined high-volume hiring strategy.

In the U.S., the annual employee turnover rate is between 18% and 20%, depending on what <u>sources</u> are cited. Industries with more hourly workers who are hired in higher volumes often have higher than average turnover rates. For example, <u>employee turnover</u> is 86.3% in accommodation and food services, 76.3% in arts, entertainment and recreation, 64.6% in retail trade, 56.9% in construction and 39.4% in healthcare and social assistance.

The biggest challenges facing high volume recruiters in 2023, in short, are fairly daunting—particularly when measured against the workforce mean.

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Testing, Testing?

High-volume employers have long relied on psychometric or situational testing as a way to differentiate between applicants for high-volume jobs, given the significant scale and less stringent skills requirements these positions have historically entailed.

These screening solutions range from <u>behavioral assessments</u> designed to measure soft skills like personality or situational judgement to language proficiency and "verbal reasoning" tests to assess candidate's written and verbal communication skills.

Despite decades of historical data and a wide range of potential assessment providers and screening solutions, the ability to accurately forecast quality of hire at scale has remained challenging. Intensifying such challenges are the need for hiring speed, a decline in qualified applicants and a spike in post-pandemic hiring demand.

All these factors have led some companies to reassess assessments. Our study suggests that over the last 12 months, only 46% of employers leveraged pre-hire assessments as part of their hiring process. A further 6% report leveraging pre-hire assessments as part of their third party hiring process.

Of the plurality of organizations still using pre-employment assessments as part of their process, the most common types of assessments used in the past 12 months include:

- job knowledge and/or competency tests
- aptitude tests
- situational analysis
- cognitive ability tests

In short, while candidate quality remains a top concern of hiring professionals, quantity considerations are apparently prioritized in highvolume and hourly recruitment today. Which is to say, beggars can't be choosers—particularly in much of today's hourly job market. That's not to say, however, that there are not some notable exceptions, as we will see below.





Ex-cons Still Face a Difficult Road into the Workforce

Generally speaking, employers continue to struggle to find enough qualified candidates and available applicants to meet their high-volume hiring needs. This has caused many companies to expand their potential talent pools, often by waiving or significantly relaxing minimum experience or education requirements. No work history, no degree, no problem. If you're ready and able to work, there's plenty of work to be had.

That is, except for anyone with a criminal record that shows up on a background check. According to a University of Georgia sociologist's research, 8% of the total U.S. population is made up of convicted felons. Using 2021 numbers, this adds up to about 27 million people. In some cases, these convictions are based on offenses such as public urination, perjury and disorderly conduct. The formerly incarcerated tend to have a much tougher time finding employment. Although precise data are hard to come by, their unemployment rates tend to be many times higher than average. One report notes, "More than two-thirds (67%) of [formerly incarcerated persons] released from federal prison in 2010 obtained formal employment at any point during the 16 quarters following release. However, the total study population's employment did not exceed 40% in any of the individual 16 quarters after release."

Meanwhile, unemployment in the U.S. has been sitting at or under 4% for 24 consecutive months. With <u>10.1 million jobs in the U.S.</u> currently sitting unfilled, including this significant (and significantly diverse) population in the traditional workforce would go a long way to helping reduce today's labor shortage. Our research lends support to the notion that it is hard for candidates with criminal records to get hired.

- Although 3 in 5 organizations will sometimes consider hiring convicted felons, this is contingent on issues such as job roles, nature of conviction, hiring managers, etc.
- A mere 2% of survey respondents report having any specific hiring initiatives or programs in place for hiring convicted felons or the previously incarcerated.
- One-fifth of employers automatically disqualify any candidate with any type of criminal record, for any reason, period.





What High-volume Hiring Leaders Get Right

Our research suggests the companies reporting their high-volume hiring capabilities as "effective" or "highly effective" are:

- more than 5x more likely to have a defined, dedicated strategy for high-volume recruitment (96% vs. 18%)
- 4x more likely to have transparent metrics that are accessible to all stakeholders in the hiring process (48%. vs. 12%)
- 3x more likely to integrate programmatic advertising into their highvolume recruiting strategies (46% vs. 17%)
- 2x more likely to have defined, standardized success profiles for their ideal candidates (50% vs. 23%)
- 2x less likely to consider ghosting by new hires to be a considerable/ major problem (28% vs. 53%)



Please note that the findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules or regulations associated with any content discussed in this report.

Usage Rates of High-volume Hiring

Defining High-volume Recruiting

In the context of the survey on which this report is based, high-volume recruiting is defined as follows:

High-volume recruiting generally refers to filling a larger-thanaverage number of positions in a relatively short time frame. In some cases, however, these are roles for which employers are continuously and consistently recruiting. High-volume recruitment can be achieved via in-house recruitment or with the help of external providers and partners.



Finding: Most organizations are engaged in high-volume recruitment today and/or have done so in the past

Historically, high-volume hiring has often been considered as inherently cyclical, with hiring needs largely determined by seasonal demand or short-term organizational growth. High volume roles were largely perceived as being easy to fill, given the relative lack of basic requirements or specialized skills, experience or training these jobs required.

Times have changed. Workforce participation has declined both in the U.S. and <u>abroad</u>, a problem expected to continue over the rest of this decade. Due to these and other factors, high-volume hiring has become a more challenging and continuous need, a business critical function requiring both internal expertise and dedicated resources.

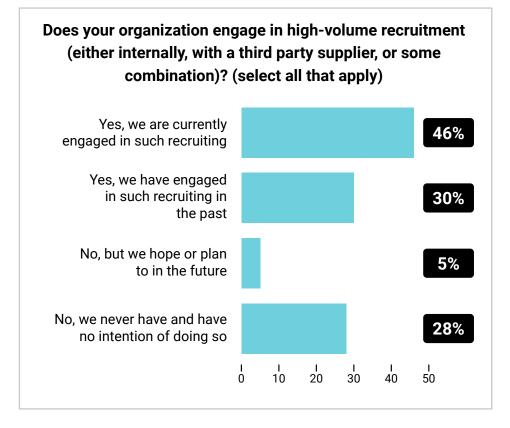




For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees. That helps explain why two-thirds (67%) of responding organizations report that they are and/or have previously engaged in high-volume recruiting (see Editor's Note below). What's more, another 5% say they have not engaged in such hiring yet but "hope or plan to in the future." This leaves only 28% of organizations saying they never have engaged in high-volume recruiting in the past nor have any plans to do so in the future.

Differences based on size of organization

As expected, our research suggests that enterprise organizations which, for the purposes of this report, are defined as having 1,000 employees or more—are much more likely to currently engage in some form of high-volume hiring activity (59%) than their midsize (42%) or small business (14%) counterparts.



Editor's Note: This data does not include Don't Know (5%) and Other (2%) responses. We removed those and recalculated the data. Moreover, although respondents could choose both Yes responses (which is why the percentages add up to more than 100%), the No responses were exclusive. This means that if respondents chose one of those No responses, they could not choose other options. Therefore, we know that 67% of respondents have used and/ or are currently using high-volume recruitment.

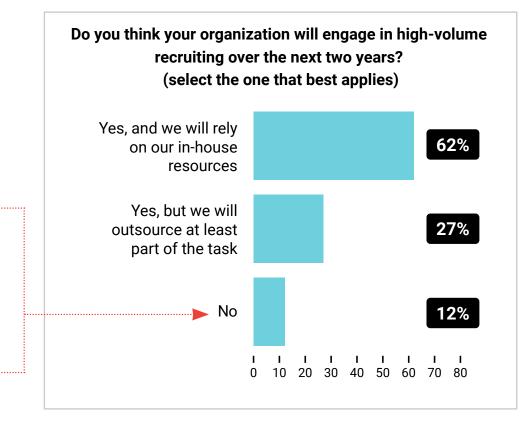




Finding: The need for high-volume hiring isn't going away any time soon

Of the organizations that are engaged in high-volume recruitment at present, in the past or are planning to do so in the future, the vast majority (89%) plan to engage in high-volume recruitment over the next two years. Of these, more than 6 in 10 plan to rely on in-house resources and a quarter plan to outsource at least part of the task.

Organizations looking to manage this process in-house must have efficient and scalable processes to handle the large volume of applicants, resumes and interview schedules. This requires the right tools and strategies to be in place, backed by careful planning to make sure the right candidates are selected and hired efficiently.



Editor's Note: In the original data, 10% of respondents stated that they "Don't know." For the purpose of this graph, we removed those responses and recalculated, so this only shows percentages for those that indicated that they know what the future is likely to bring. Data may not add up to 100% due to rounding.



Just 12% of responding organizations do not plan to engage in high-volume recruiting over the next two years

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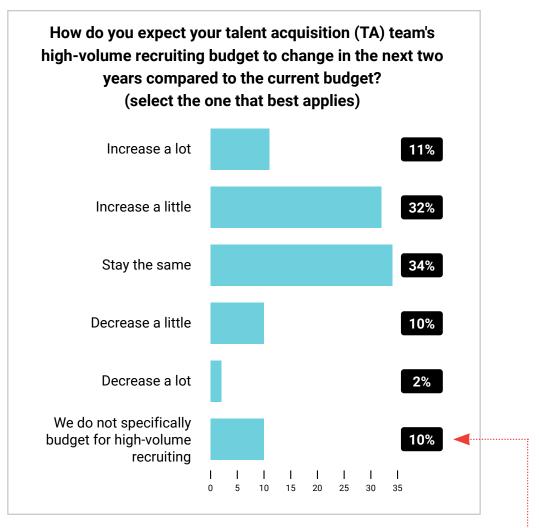


Finding: Over two-fifths of organizations planning to engage in high-volume recruitment over the next two years expect an increase in the TA budget

We asked respondents who expect to engage in high-volume recruitment over the next two years if the process is supported by organizational budget. In two-fifths of organizations, there is an expected increase in the TA budget, with about a tenth expecting a high increase (11%) and a third expecting a small increase (32%). About a third (34%) expect the budget to remain the same.

HR professionals striving to win top leadership buy-in to increase TA budget must focus on making a business case on how important recruiting is to the overall success of the organizations, how successful the recruitment strategy has been in the past few years, the volume of applicants needed, and the associated costs of leaving positions unfilled. This requires a comprehensive understanding of recruitment metrics and analytics to back the claims with numbers.





Editor's Note: In the original data, 8% of respondents stated that they "Don't know." We removed those responses and recalculated, so this only shows percentages for those that indicated that they know how the budget is likely to change over the next two years.



One in ten organizations do not budget specifically for high-volume recruitment

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Outsourcing High-volume Hiring



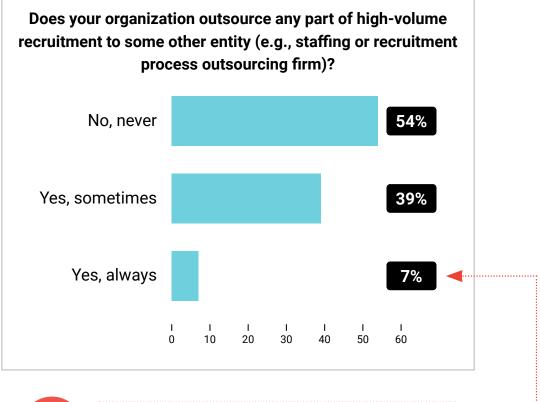
Finding: Almost half of organizations engaged in high-volume recruitment at present or past have outsourced some part of the recruitment to one or more other entities

To what degree do organizations outsource high-volume recruiting? We found that the number of organizations that handle high-volume recruitment internally or outsource it to staffing or recruitment process outsourcing firms are almost split in half. Just over half (54%) of respondents say they never outsource high-volume recruitment and just under half (46%) say they outsource some part of high-volume recruitment sometimes (39%) or always (7%).

How can organizations decide if high-volume recruitment is to be handled internally or outsourced to a high-volume recruitment partner? Handling recruitment internally allows a greater degree of control over the process. However, it potentially puts a strain on internal HR staff, and ineffective recruitment processes could cause dissatisfaction among candidates and affect the company brand. Using agencies or services that specialize in such recruitment can allow organizations to leverage the specific experience and knowledge that such firms offer. This could potentially improve the overall effectiveness of the process, reducing the overall cost per hire. However, the right choice of recruitment partner is imperative.

Differences based on size of organization

Interestingly, both large and small organizations are more likely to handle high-volume recruitment in-house, with 59% and 62% of respondents from large and small organizations respectively saying they never outsource any part of high-volume recruitment. However, just 43% of respondents from mid-size organizations say the same. We assume large organizations are more likely to have the in-house capabilities and technology to undertake high-volume recruitment while smaller organizations may be hiring in lesser numbers that may not necessitate outsourcing.





Less than a tenth (7%) of organizations always outsource their high-volume recruitment



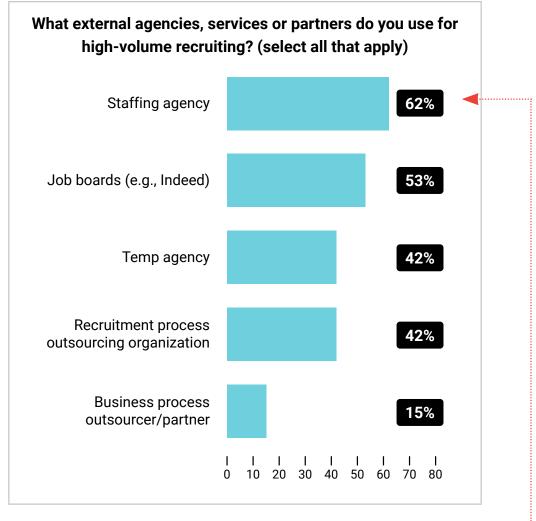
Finding: Organizations that outsource highvolume recruitment have various choices of partners

What kind of external agencies, services or partners do the organizations that outsource high-volume recruitment utilize? More than 6 in 10 use staffing agencies for high-volume recruitment. Half (53%) use job boards (e.g., Indeed), and two-fifths rely on temp agencies and recruitment process outsourcing organizations.

There are some key differences between these agencies and services. Staffing agencies often act as a finder—they source, pre-screen and introduce the candidate to the hiring managers. A recruitment process outsourcing organization (RPO), on the other hand, acts a recruitment expert to handle the complete or specific part of recruitment based on the company's requirements. RPOs generally handle identifying, sourcing, screening, shortlisting, interviewing, and onboarding candidates for jobs. Job boards offer organizations the ability to advertise jobs, but the hiring process is often handled by the organization.

What determines the choice of these partners and agencies? Common factors include the roles for which hiring needs to be done, the degree of involvement the organization wants in the recruitment process, and the budget available for high-volume recruitment.





Editor's Note: In the original data, 4% of respondents stated that they "don't know." We removed those responses and recalculated, so this only shows percentages for those who answered the question.



When turning to external partners, organizations are most likely to use staffing agencies for high-volume recruiting

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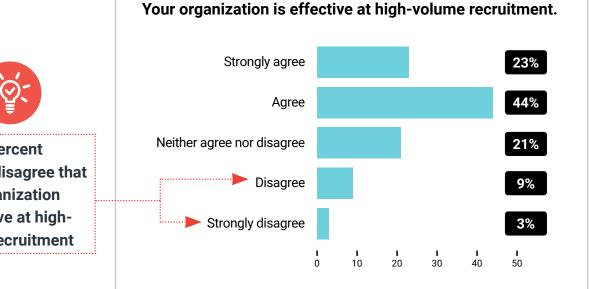
The Effectiveness of High-volume Hiring



Finding: Just 23% strongly agree their organization is effective at high-volume recruitment

How effectively do organizations source and onboard candidates in the high-volume recruitment process? That depends on how we interpret the data. On one hand, two-thirds of respondents either strongly agree or agree that their organization is effective at high-volume recruitment. On the other hand, 23% strongly agree with this assertion, indicating there's considerable room for improvement in most organizations.

Later in the report we will discuss important challenges reducing the effectiveness of high-volume recruitment, and in the Key Takeaways section we will elaborate on strategies organizations should consider to improve the effectiveness of this process.



Editor's Note: Within the questions, we noted that "effective" refers to success in sourcing and onboarding candidates.

Twelve percent actively disagree that their organization is effective at highvolume recruitment





Finding: Three-fifths of organizations have a defined strategy for high-volume recruitment

Do organizations engaging in high-volume recruiting have a defined strategy? Just 6 in 10 respondents agree (38%) or strongly agree (22%) that their organization has a defined strategy for high-volume recruitment. About one-fifth (18%) actively disagree.

An organization without a well-defined strategy can face tedious, misdirected outreach activities, disorganized data, and overall ineffective recruitment processes. A well-defined high-volume recruitment strategy, on the other hand, can help identify required resources, prioritize tasks, and effectively leverage tools and knowledge available.





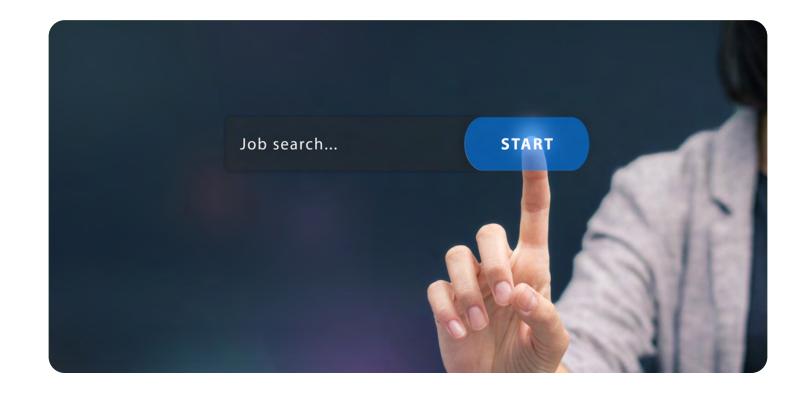


Finding: The most effective high-volume recruitment strategies are varied and complementary

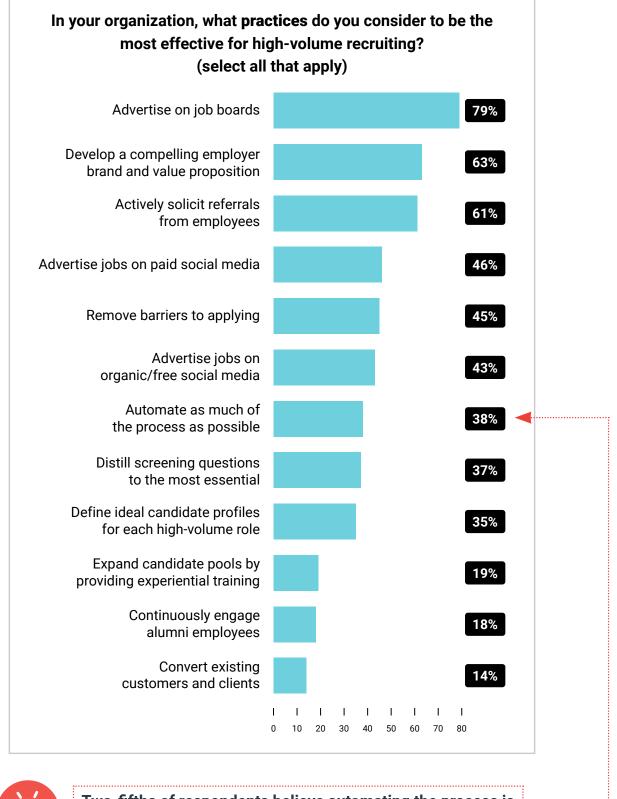
What practices result in most outflow of candidates for high-volume recruitment? Most respondents say advertising on job boards is most effective (79%). More than three-fifths also say developing a compelling employer brand and value proposition (63%) and actively soliciting referrals from employees (61%) are effective.

A compelling employer brand depends on salary, benefits, advancement opportunities, quality of work, management style, job security and overall culture. Existing and past employees are spokespersons of the brand and should be treated as such. Satisfied employees are also more likely to recommend qualified people from their own network which results in better quality candidates.

The fifth most widely cited item is "remove barriers to applying." Streamlining the application process can be essential to improving candidate experience. Candidates often <u>abandon</u> job applications if those applications are too long or complicated.



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Two-fifths of respondents believe automating the process is an effective practise for high-volume recruitment

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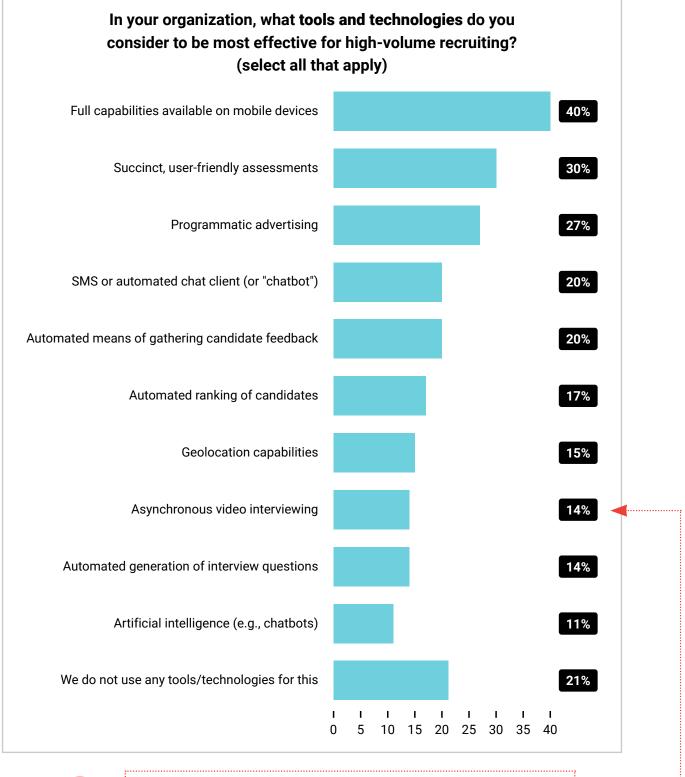
Finding: Two-fifths of respondents believe full capabilities available on mobile devices are most effective tools/technologies effective for high-volume recruiting

Tools and technologies can be invaluable in high-volume recruitment. Two-fifths believe full capabilities available on mobile devices are most effective for high-volume recruitment. Candidates expect the hiring experience to be personal, quick and convenient. With a <u>majority</u> of candidates applying for jobs on their mobile devices, a consumer-like experience can reduce barriers to completing the application process.

The second most widely cited tool/technology is user-friendly assessments (30%). Third on the list is programmatic advertising , cited by 27%.

About one-fifth of respondents say their organization does not use any tools/technologies for high-volume recruitment. This strikes us as concerning, given the challenges of high-volume recruitment. Indeed, as we will see later in the report, there is a strong positive correlation between tool/technology usage and effectiveness of high-volume hiring.





Over one-tenth (14%) of respondents believe asynchronous video interviewing is an effective technology/tool for high-volume recruitment

27





Finding: Time to hire and/or time to fill is the most popular high-volume recruitment metric

Metrics are important for high-volume recruitment since they allow recruiters to understand how quickly they can get candidates for a position, how much they're spending per qualified applicant, and where their candidates are coming from, to name a few key issues. Solid metrics allow them to benchmark their efforts and make tangible improvements in terms of time and money.

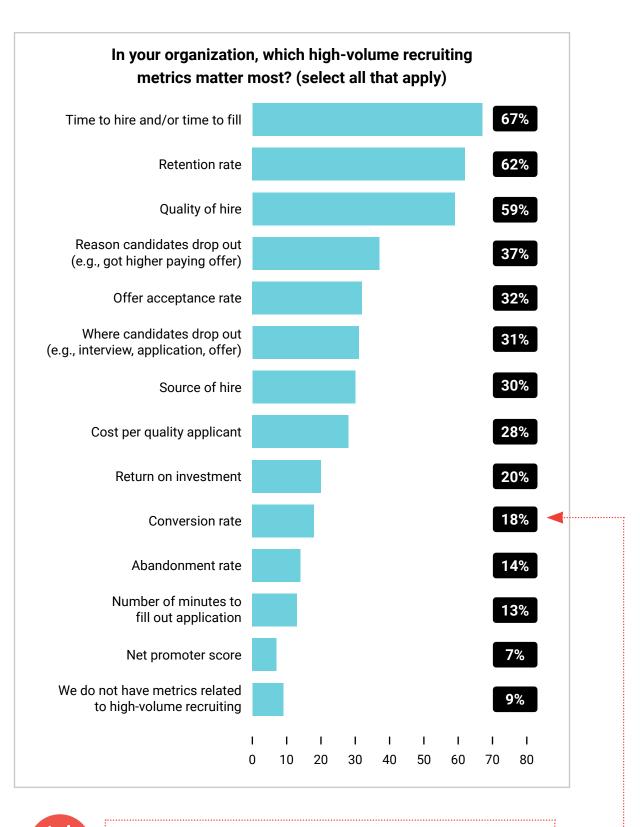
The top three metrics for high-volume recruitment are time to hire and/or time to fill (67%), retention rate (62%) and quality of hire (59%).

This prioritization of speed is understandable since high-volume recruitment is often about how fast positions are filled. However, we contend that quality of hire should not typically be compromised in favor of speed.

> We often see organizations defining quality of hire as how long they stay on the job. In terms of retention, there could be key milestones such as first day, first 90 days, depending on type of role, location of job, employer brand, etc."

- Jeanette Leeds, AMS - Managing Director, Hourly Hiring Solutions

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One-fifth (18%) of respondents believe conversion rate is an important metric with regards to high-volume recruitment



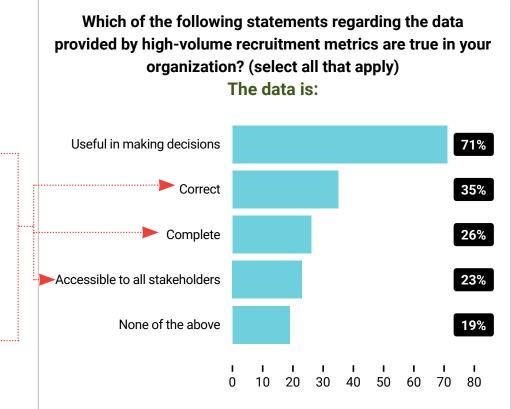
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Finding: About 7 in 10 of respondents believe the data provided by high-volume recruitment metrics is useful in making decisions

The utility of high-volume recruitment metrics depends on the quality of these metrics. We asked respondents who use recruitment metrics to choose the characteristics of the data they obtain and use. While a majority (71%) believe these metrics are helpful in making decisions, only 35% believe these metrics are "correct" and just 26% say they are "complete." This is interesting because it implies that certain metrics can help with decision-making even if they are not exactly correct or complete.

Perhaps the idea is that organizations want data that is directionally sound even if it's not as precise as it could be. Of course, another interpretation is that these metrics are too often questionable and therefore may not be as useful for decisions-making as respondents believe.





Only a minority of respondents believe their highvolume recruitment metrics are correct, complete, and accessible to all stakeholders

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High-volume Hiring Challenges



Finding: The top challenges with highvolume recruitment over the past year are related to high employee turnover/churn and dearth of candidates

What have been the top challenges associated with high-volume recruitment over the last year? Essentially, organizations have had a hard time finding candidates and then keeping the ones they recruit. More than half cite high employee turnover/churn (55%) and not enough candidates (54%) as top problems of high-volume recruitment over the last year.

Although a lack of candidates may be related to external factors such as demographics and unemployment rates, it could also point to internal factors such as problems with advertising, sourcing, assessing and more.

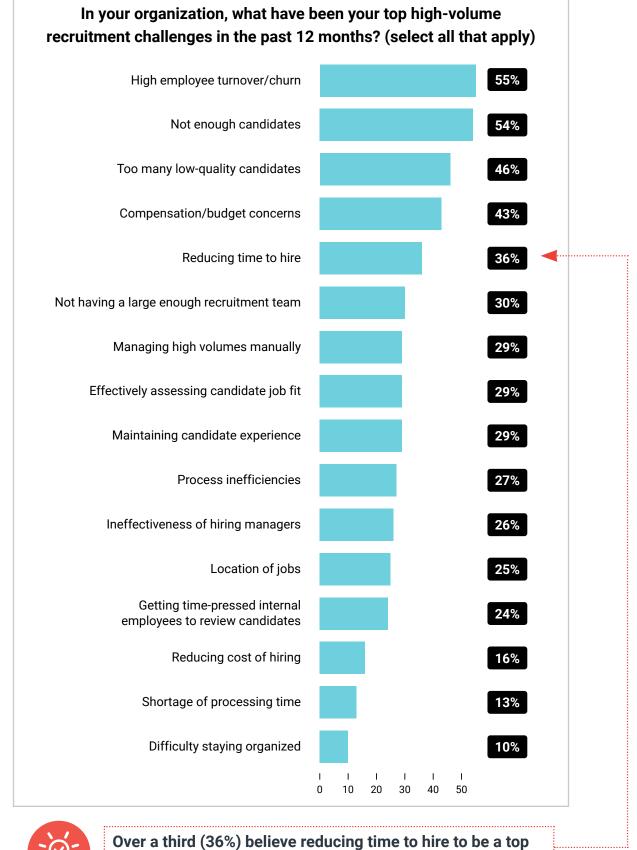
As for employee turnover, this may largely depend on the quality of hiring process as well as other organizations factors such as compensation, culture, and the nature of the work.

Differences based on size of organization

High employee turnover/churn is the number one challenge for highvolume recruitment in large (61%) and mid-size organizations (56%). Whereas small organizations are mostly likely to cite not having enough candidates and compensation/budget concerns (54%).

> The need for speed in high-volume recruitment can sometimes blind a team to other important metrics, such as quality of hire. One way to measure quality of hire is to survey the hiring manager(s) on the new hire(s) after their first 90 days."

- Amy Cropper, Global Talent Acquisition Leader at Amazon



challenge with high-volume recruitment over the last year



HR.com The State of High-volume and Hourly Hiring 2023

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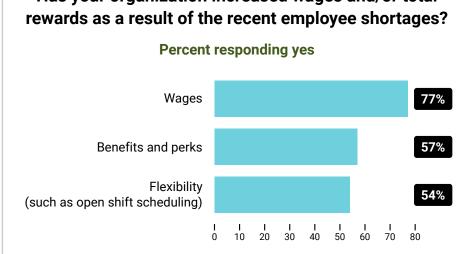
Finding: Over three-fourths of organizations have increased wages in response to recent employee shortages

How do organizations adjust their offerings in response to talent shortages? Most commonly organizations increase their wages (77%). Three-fifths (57%) increase benefits and perks, and more than half (54%) increase flexibility offered (such as open shift schedule).

However, organizations looking to increase salary for new hires when the job market is competitive must consider issues related to pay compression. This is when new hires have starting salaries higher than or close to what existing employees are making in similar roles. This means salaries don't necessarily reflect employees' skills, professional experience, or their role's responsibilities. This can negatively impact the workforce by lowering staff morale, decreasing engagement, and driving turnover. With transparency laws expanding and more companies including salary ranges in job postings, there is a greater chance that current employees will find out what their peers are making.

Differences based on size of organization

Small organizations (62%) are more likely than mid-size (56%) and large (44%) organizations to offer flexibility as a response to employee shortages.



Has your organization increased wages and/or total

Pre-hire Assessments for High-volume Hiring



Finding: Slightly over half of organizations utilize pre-hire assessments themselves or through their recruitment partner

Pre-hire assessments are tests and tools that can be used to compare the critical competencies of the candidates to find the best match for the job and organization. Although under half (46%) of organizations undertake such assessments for high-volume hiring, another 6% use such assessments through recruitment partners (for a total of 52%).

The key to using pre-hire assessments is determining what the job needs upfront and using appropriate assessments that are not only compliant with privacy legislations but also help maximize candidate experience. The <u>cost</u> of hiring the wrong employee can go as high as \$240,000.



Editor's Note: This data does not include "Don't know" or "Other" responses.

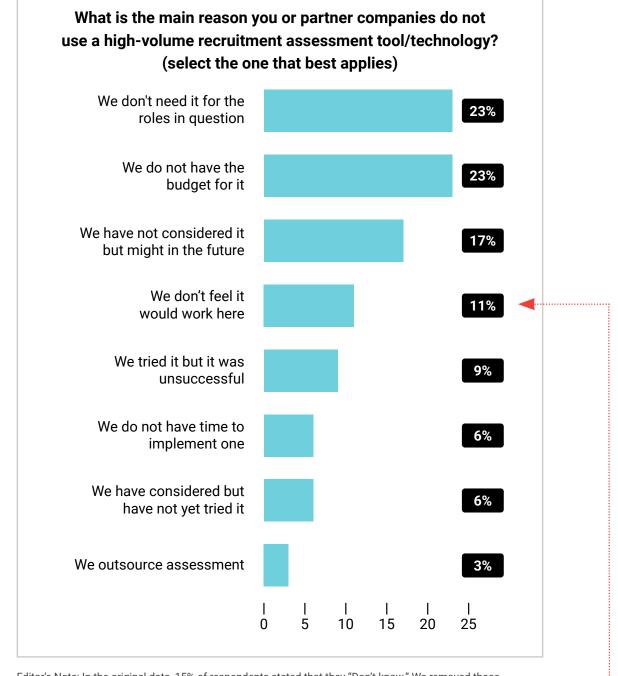


Finding: Over one-fifth of organizations not utilizing pre-hire assessments for highvolume recruitments either believe they do not need it for the roles in question or lack the budget for it

Why do some organizations not use pre-hire assessments? The top reasons given by respondents who do not use pre-hire assessments in their organizations for high-volume recruitment are that they do not need it for the roles in question (23%) and that they do not have the budget for it (13%). Some (17%) have not considered it but may do so in future.

Of course, using such assessments is a judgment call. Some organizations that are already suffering from a shortage of applicants may worry that assessments will further constrain their applicant pool. However, besides being useful for the hiring organization, pre-hire assessments can also improve candidate experience by allowing a realistic job preview and opportunity to be more engaged with the hiring process. Candidates who are hired after assessments may have better retention and performance due to better fit with the job and organization.





Editor's Note: In the original data, 15% of respondents stated that they "Don't know." We removed those responses and recalculated, so this only shows percentages for those who answered the question.



One-tenth of respondents believe prehire assessments would not work in their organizations

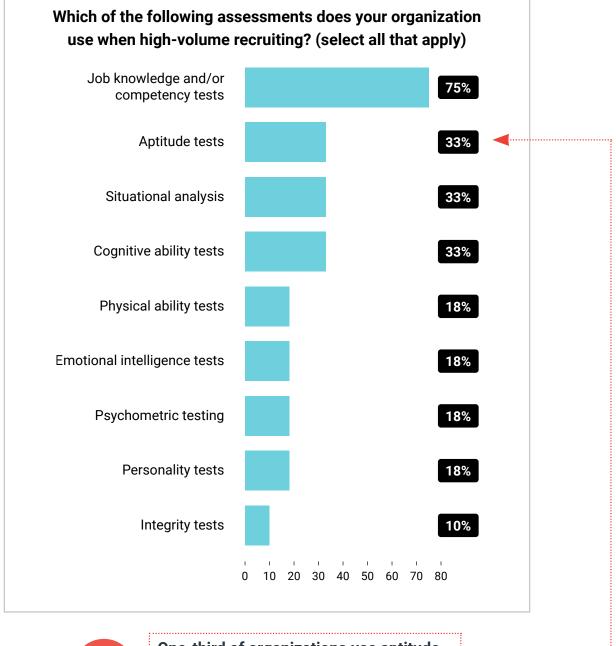


Finding: Three-fourths of organizations that use assessments for high-volume hiring utilize job knowledge and/or competency tests

How do organizations that utilize pre-hire assessments go about it? Most (75%) use job knowledge and/or competency tests. One-third use aptitude tests, situational analysis and cognitive ability tests.

Each of the tests has its own pros and cons. While job knowledge tests are a good measure of current knowledge of the subject, they may not provide insight into the learning ability of the candidate. Personality and integrity tests may suffer from the issue of candidates providing responses they believe that the potential organization "wants to hear." They may also, however, give good insight into cultural fit of the candidate. The choice of test depends on nature of job, the authority of the assessment, and the fact that recruiters must be mindful to choose the optimal mix of tests to assess candidates.







One-third of organizations use aptitude tests for pre-hire assessment during high-volume recruitment

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Recent High-volume Hiring Trends

Paying Workers Hired in Volume

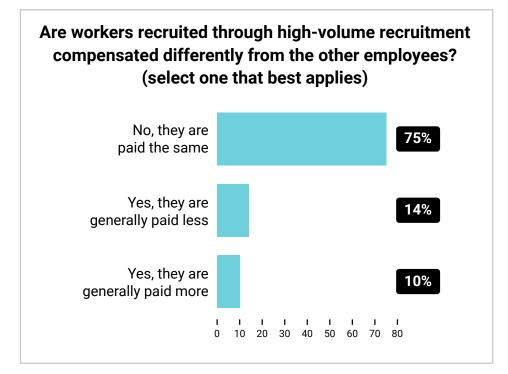


Finding: Three-fourths of organizations pay employees recruited through high-volume recruitment the same as other employees

Does high-volume recruitment necessitate paying employees differently? In most cases the answer is no. Three-fourths of organizations do not pay employees recruited through high-volume recruitment any differently than other employees. One-tenth pay such employees more and just over one-tenth (14%) pay them less.

Differences based on size of organization

Three-fifths (60%) of large organizations pay employees recruited through high-volume recruitment the same as other employees, compared to more than 8 in 10 mid-size and small organizations (both at 85%).





Labor Organizing



Finding: Twelve percent say there has been an increase in attempts to organize labor among the hourly workers of their organization over the last year

Have there been increase in attempts to organize labor (e.g., form a union, collective bargaining) among hourly workers over the past year? Three-fourths of respondents believe there has not been an increase in such attempts. Over one-tenth (12%) say there have been increase in such activity while another 12% says their workforce is already unionized.

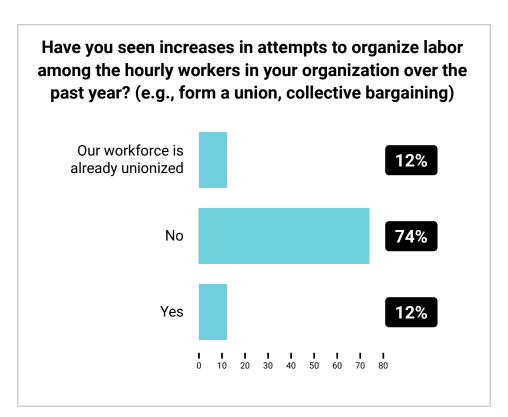
This data suggests that recent talk about higher rates of union organizing might be misleading. It's true that the National Labor Relations Board saw 2,510 union representation <u>petitions</u> filed in fiscal year 2022–a 53% increase over the previous year. On the other hand, the <u>Bureau of Labor Statistics</u> shows that the share of American workers in a union showed a decline from 2021 to 2022.

Differences based on size of organization

Small organizations have seen more attempts to organize labor among hourly workers over the past year (23%) compared to mid-size (10%) and large (11%) organizations. However, a greater proportion of hourly workers in large organizations are already unionized (19%) compared to 10% of mid-size and none of responding small organizations.

³ Elias, J. & Lucas, A. (2022, May 7). Employees everywhere are organizing. Here's why it's happening now. *CNBC*. Retrieved from https://www.cnbc. com/2022/05/07/why-is-there-a-union-boom.html

⁴ Bureau of Labor Statistics. (2023, January 19). Union members – 2022. Retrieved from https://www.bls.gov/news.release/pdf/union2.pdf



Editor's Note: In the original data, 5% of respondents stated that they "Don't know." We removed those responses and recalculated, so this only shows percentages for those who answered the question.

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What Does a Ban-the-Box Law Do?

All ban-the-box laws prohibit employers from asking applicants about criminal history on an initial job application. However, some go further, requiring employers to wait until after they have conducted an interview or made a conditional offer of employment before asking about criminal history.

States With Ban the Box Laws

Currently, 15 states (and the District of Columbia) have ban-the-box laws that apply to private employers. They are, California, Colorado, Connecticut, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New Mexico, Oregon, Rhode Island, Vermont, and Washington.

Expanding Hiring Pools

Finding: Most organizations will hire candidates with prior felony convictions and/or those who have been incarcerated, but few make a special effort to tap into this labor pool

How likely are organizations to hire employees with criminal records? Three-fifths of organizations (60%) will "sometimes" hire candidates with criminal records depending on issues such as job roles, nature of conviction, hiring manager, etc. Another 17% hire such candidates but only rarely. Just a handful (3%) of organizations have a hiring initiative specifically in place targeting those who have been previously incarcerated.

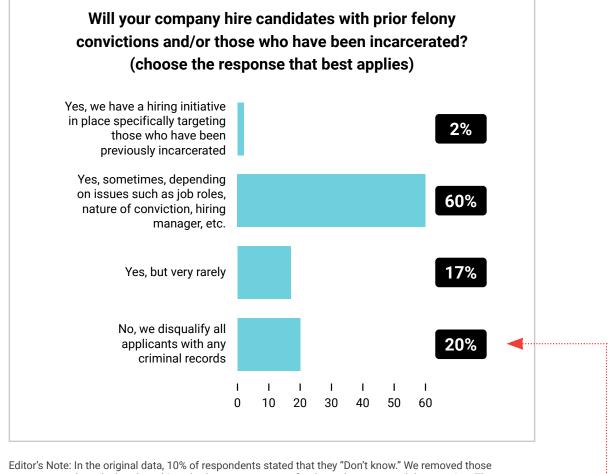
This indicates that while there may be willingness to hire someone with a criminal background, there is a lack of clarity and formal policy around the issue. Common concerns revolve around legal liabilities, customer reactions and more.

One-fifth of organizations do not hire applicants with criminal records and immediately disqualify them. It must be considered that while organizations strive to improve DEIB, Black men are five times more likely to be <u>incarcerated</u> than white men. This reduces their chance of employment. Hiring such individuals also improves the talent pool available to organizations. Several U.S. states have adopted the "<u>Ban the</u> <u>Box</u>" laws (see side bar) to increase job opportunities for ex-offenders by restricting criminal conviction disclosure questions.

Differences based on size of organization

Small organizations are more likely to disqualify applicants with criminal records (39%) compared to mid-size (21%) and large organizations (6%).

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responses and recalculated, so this only shows percentages for those that answered the question. The numbers may not add up to 100% due to rounding.



One-fifth of organizations disqualify all applicants with criminal records

The Problem of Ghosting



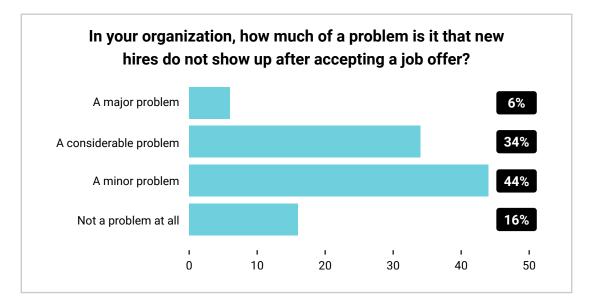
Finding: Two-fifths of respondents say that in their organizations "ghosting" is a considerable or major problem

How big a problem is new hires not showing up after accepting a job offer? In more than 8 in 10 organizations, it is a problem of varying magnitudes. In two-fifths of organizations, it is considerable (36%) or major problem (6%). In another two-fifths of organizations, it is a minor problem (44%). Under one-fifths (16%) of respondents say new hires not showing up is not a problem at all.

Why do new hires not show up after accepting an offer? There could be a variety of reasons. In a hot job market, candidates may receive more lucrative offers. In other cases, the candidates may feel that the job description was inaccurate, the organization has a poor brand image, or they dislike the company culture and hiring experience.

Differences based on size of organization

New hires not showing up is a bigger problem in smaller organizations. More than two-fifths (46%) of respondents in small organizations say this is a considerable or major problem compared to 41% of respondents in mid-size and 36% of respondents in large organizations.



What Do High-volume Recruitment Leaders Do Differently?

What differentiates organizations with highly effective high-volume recruitment practices from others? In order to examine this question, we divided our sample into two cohorts:

High-volume recruitment leaders, aka, recruitment leaders: Those answering the statement, "Your organization is effective at high-volume recruitment" with "strongly agree."

High-volume recruitment laggards, aka, recruitment laggards: Those answering, "neither agree nor disagree," "disagree" or "strongly disagree" to the same statement.

Effectiveness in this context is defined as success in sourcing and onboarding candidates. Of course, correlation is not the same as causation. While we cannot state that any particular practice will definitely lead to better performing HR departments, we do see intriguing relationships that may, if used judiciously, result in greater success.

Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment leaders are significantly more likely than laggards to have a well-defined recruitment strategy.

Finding: Recruitment leaders are more than five times more likely to have a well-defined strategy for high-volume recruitment

At least part of the success of high-volume recruitment leaders can be attributed to their likelihood of having a well-defined strategy in place for high-volume recruitment. This allows them to set targets, allocate resources and measure performance leading to better chances of success.

Almost all (96%) of respondents in high-volume recruitment leader organizations agree or strongly agree that they have a well-defined strategy in place compared to less than one-fifth of laggards who say the same.





Almost all (96%) of high-volume recruitment leaders have a defined strategy in place for high-volume recruitment

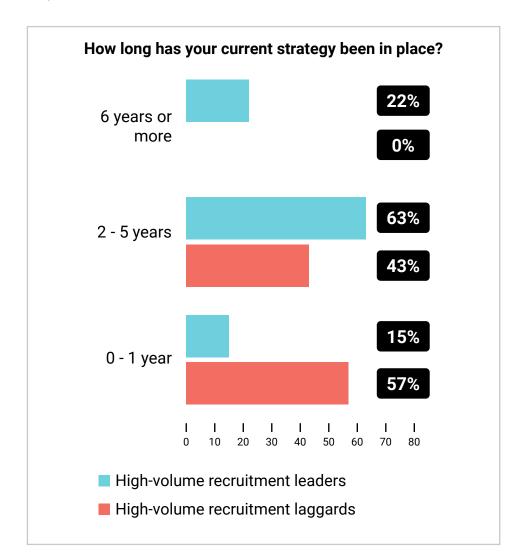
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Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment leaders are significantly more likely than laggards to have a well-defined recruitment strategy in place for over 6 years.

Finding: Recruitment leaders have had a recruitment strategy in place for longer than laggards

Of those that do have a well-defined strategy in place, high-volume recruitment leaders are more likely to have a strategy in place for longer than have laggards. One-fifth (22%) of leaders have had the strategy in place for 6 years or more, while two-thirds have had the strategy in place for 2 to 5 years. Most laggards (57%) have had the strategy in place for a year or less. In a sense, this is good news since it means that laggards may get better over time in this area



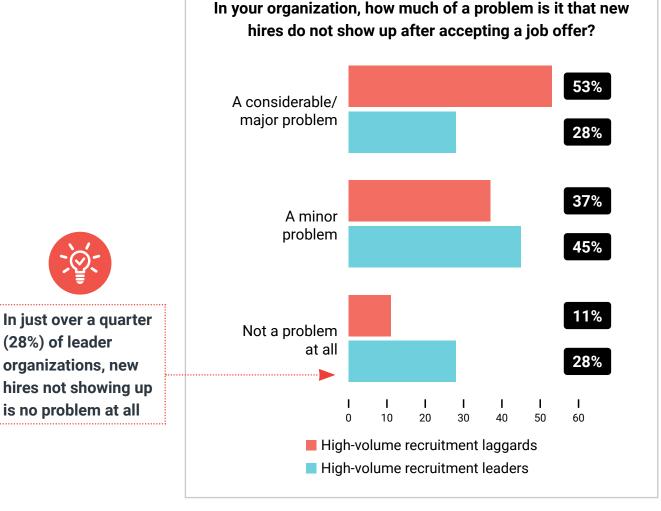
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Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment laggards are significantly more likely than leaders to say new hires not showing up after accepting a job offer is a considerable/ major problem.

Finding: 9 in 10 laggards say new hires not showing up after accepting a job offer is a problem

Compared to leaders, laggards face more challenges due to new hires not showing up after accepting offers. In more than half (53%) of laggard organizations, this is a considerable/major problem, compared to just 28% among leaders.



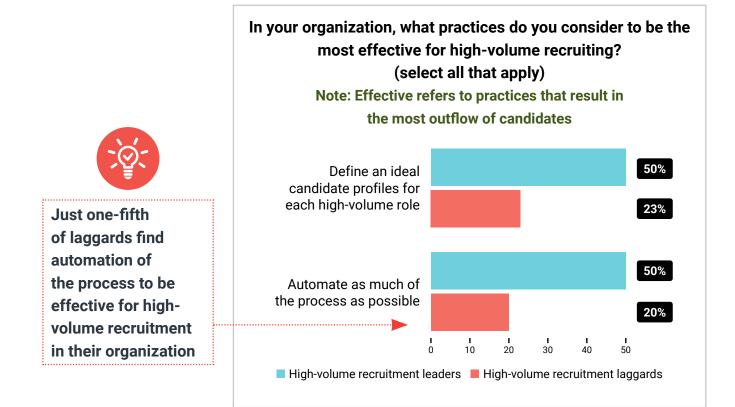
Editor's Note: In the original data, 5% of respondents in the laggard group stated that they "don't know." We removed those responses and recalculated, so this only shows percentages for those that answered the question.

Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment leaders are significantly more likely than laggards to say automating the process and defining ideal candidate profiles are effective practices in their organizations for high-volume recruitment.

Finding: High-recruitment leaders utilize a variety of practices to maximize effectiveness of recruitment

One of the differentiators of high-volume recruitment leaders and laggards is in the utility of various recruitment practices in these organizations. There are two areas where leaders are statistically more likely than laggards to say their practices are effective: automation and defining the ideal candidate.



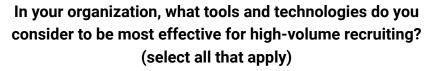
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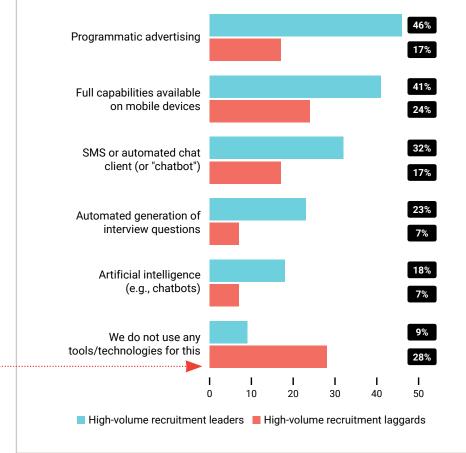
Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment laggards are significantly more likely than leaders to say they do not use any tools/technologies for high-volume recruitment.

Finding: High-volume recruitment leaders are more likely than laggards to utilize tools and technologies to maximize recruitment effectiveness

Leaders also differ from laggards in their effective use of recruitment tools and technologies for high-volume recruitment. Leaders are almost three times more likely to benefit from programmatic advertising for high-volume recruitment compared to laggards (46% vs. 17%). Leaders are also almost twice as likely to find SMS or automated chat client (chatbot) to be effective for high-volume recruitment compared to laggards (32% vs. 17%). Laggards are three times more likely than leaders to not use any tools/technologies for high-volume recruitment (28% vs. 9%).







More than a quarter of laggards do not use any tools/ technologies for high-volume recruitment

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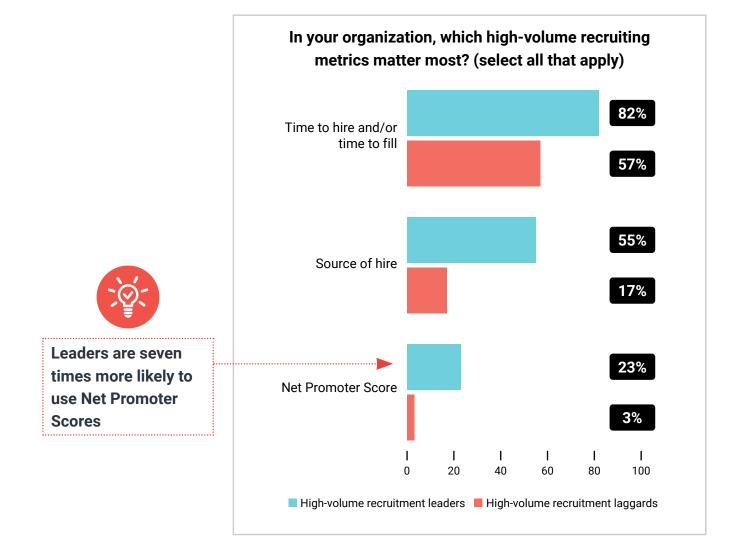
Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment leaders are significantly more likely than laggards to say time to hire/fill, source of hire and net promoter score are metrics that matter the most.

Finding: More than 8 in 10 high-volume recruitment leaders measure time to hire and/or time to fill

Leaders use a variety of metrics to a much higher extent than laggards. Although leaders are more likely than laggards to use all these metrics, there are three areas where there are significant statistical differences:

- Time to hire and/or time to fill 1.5 times (82% vs. 57%)
- Source of hire more than 3 times (55% vs. 17%)
- Net Promoter Score more than 7 times (23% vs. 3%)

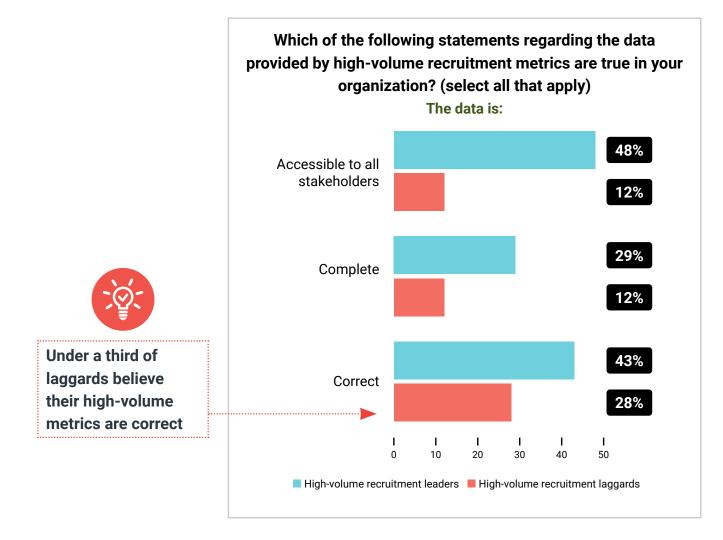


Results of Chi-square Test

A chi-square test of independence shows that highvolume recruitment leaders are significantly more likely than laggards to say metrics are accessible to all stakeholders.

Finding: Almost half (48%) of leaders say their metrics are accessible to all stakeholders

Leaders also outperform laggards in the quality of metrics they collect and utilize. Leaders are more than twice as likely as laggards to believe their high-volume recruitment metrics are complete (29% vs. 12%), almost 1.5 times more likely to say they are correct (43% vs. 28%) and 4 times more likely to say metrics are accessible to all stakeholders (48% vs. 12%). While there is room for improvement for leaders in the quality of metrics used, they are certainly faring better than laggards.

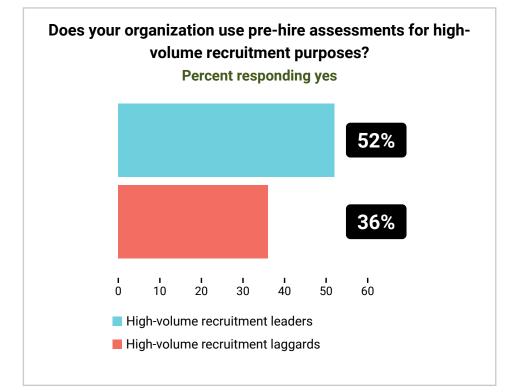






Finding: More than half of leaders utilize pre-hire assessments for high-volume recruitment purposes.

Leaders are almost 1.5 times more likely to use pre-hire assessments for high-volume recruitment purposes, thereby improving the quality of hire (52% vs. 36%). When used correctly, this allows them to make hiring decisions based on objective measures while helping candidates be more involved in the hiring process.





Key Takeaways, Strategies and Practices



In today's labor market's volatile landscape, where demand for nonexempt workers tends to reach unprecedented heights, employers face daunting and complex recruitment challenges when it comes to hiring hourly and high volume workers. This requires employers to confront and overcome—some ostensibly daunting obstacles.

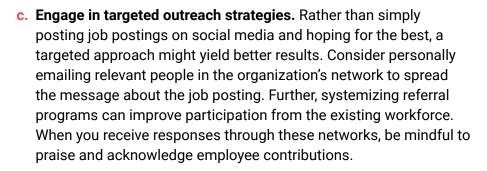
High-volume recruitment has never been easy, but the intensification of competition and scarcity of available workers has significantly compounded these hiring hurdles. The good news is that there's no better time than right now to rethink, reinvent and reimagine how highvolume hiring happens.

The needs of every organization will be different, but here are some things we think recruiters should consider to better compete in this emerging battlefront in the proverbial war for talent.



Widen the applicant pool and attract better quality candidates.

- a. Clarify the job role. Work with hiring managers so they know the exact requirements of the job role that you are hiring for. This means detailing the skills and competencies required for success in the role. By doing this, employers reduce ambiguity during the hiring process and improve ability to filter out candidates who do not meet the requirements. Part of the challenge, of course, is to avoid creating artificial barriers to entry. Detailed skills should generally be "must have" rather than "nice to haves."
- b. Focus on job descriptions to attract quality candidates. The job posting is often the first interaction that candidates have with the organization. Therefore, the job description can be a good branding tool to communicate the organization's culture. A good job description goes beyond basic requirements of the job to providing good visualization of how a "day in the job" would look. This serves to motivate candidates to put in the time and effort to apply to the job. Further, the job description should communicate what attributes are required for high performers in the organization to ensure candidates can assess if they will be a good fit with the job or not.



- d. Consider flexibility while designing hiring processes. Overly stringent hiring processes can scare away potential talent. Candidates who lack specific hard skills may have transferable skills such as active learning or communication skills. Consider candidates who lack specific qualifications but may be able to succeed on the jobs.
- e. Avoid bias during high-volume recruitment. The rapid pace and large scale of high-volume recruiting makes it more susceptible to systemic and/or unconscious biases. While the use of technologies such as AI can be beneficial, such algorithms are also based on previous human decisions. Recruiters need training on DEIB for a consistent and discrimination-free hiring process. Other strategies to consider include blind hiring, skill assessments and data-backed hiring processes. Organizations could also consider innovating in certain areas to reach untapped communities. For example, some companies have hiring initiatives in place specifically targeting candidates who have been previously incarcerated and so may be having a harder time entering the workforce.
- f. Don't skip required checks and assessments. In a haste to complete high-volume hiring processes, organizations may skip important steps such as checking references, verifying candidates' documents, personality assessments and culture fit with the organization. These could result in significantly lower quality of hires.

Human interaction is key to candidate experience. Employees want to feel like they're going to be somewhere where they're going to be considered as a human and not just a number."

- Daniel Sakhai, HeyHire - Cofounder

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Improve process efficiencies.

- a. Leverage the right recruitment technology. Technology can be invaluable in high-volume hiring. A good assessment software can help match candidates with the right skills and competencies to the roles. Newer technologies allow for hiring benchmarks and criteria for each position and even come equipped with situational judgement tests. They also allow organizations to create a branded experience for candidates. These features free up recruiters time to focus on relationship building with candidates. Further, the use of technologies can help build up a reliable database of candidates. Recruitment software also offer better protection of sensitive data and simplifies monitoring the recruitment process.
- b. Employ recruiting metrics to optimize hiring process. Recruitment metrics can help identify success of hiring practices and areas of improvement. This can help optimize methods and decisions employed during the process. Such metrics can also give insight into effectiveness of methodologies used, candidate experience, etc. Common metrics to consider include time to hire, cost per hire, source channel cost, quality of hire, offer acceptance rate and more.
- c. Considering outsourcing high-volume recruitment. An external agency may benefit organizations with high-volume recruitment since they are able to scale up and down quickly to meet recruitment needs. This can help HR staff who face excessive workload which may result in dissatisfaction among candidates affected due to inefficiencies. Overworked recruiters could also cause problems to company image and result in candidates not showing up after being recruited. Further, organizations could also outsource part of the recruitment process while keeping important parts of the strategy and final recruitment decisions in-house.





Key Takeaway **Focus on candidate experience to reduce pre-start dropout rates.** One of the major problems with high-volume hiring is pre-start dropout rates. Good job descriptions and a seamless hiring process coupled with open lines of communication are key to maximizing candidate experience.

- a. Provide timely feedback. Organizations must focus on improving hiring transparency and respecting the candidate's time during high-volume recruitment. This ensures that applicants do not have qualms about joining the organization once selected. When hiring a large number of candidates, organizations can leverage technology platforms to provide automated responses and general feedback. This helps ensure that even rejected candidates don't feel disrespected by organizations. The feedback also allows them to reapply to the organization in future. Promptly acknowledge receipt of applications and keep candidates updated on the status of their application to demonstrate respect for their time and effort.
- b. Streamline application processes. Companies should aim to make their application forms as simple and concise as possible. Avoid repetitive or unnecessary questions and only request information that is genuinely relevant to the position. Use technologies that are easy to navigate, mobile-friendly, and can integrate with other platforms. Ensure that candidates can easily upload their CVs and other relevant documents without encountering technical issues.





About Paradox

Paradox is building the world's leading conversational recruiting software to drive automation with a human touch. Serving global clients, our conversational assistant Olivia is helping talent teams do more work with less — streamlining tasks like screening, interview scheduling, assessments, onboarding, and more through fast, easy, mobile-first interactions. We support some of the world's largest employers — including Unilever, McDonald's, CVS Health, Nestle, L'Oréal, Lowe's and FedEx Ground — and have been honored with numerous awards, including 3 Human Resource Executive's Best HR Product within the last 4 years. Paradox has also been recognized by the Inc. 5000 as one of the fastest growing companies in the country. To learn more, visit <u>www.paradox.ai</u>.





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