# willo

# The State of Hiring in 2024

How companies are thinking about a changing world of work, AI, and hiring

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### Introduction

What do AI, remote work, and economic uncertainty all have in common? They are completely changing the way companies hire.

Even though the working world is no stranger to change or evolution, companies are seeing multiple changes compounding all at once—with AI perhaps a harbinger of even more to come.

Despite this uncertainty, businesses need to deliver for their customers (and need the right team in place to do it).

That brings us to hiring, which is frequently talked about in the form of outcomes (such as hiring sprees, freezes, or layoffs). However, the granular level is often left out; that is, what are companies planning to do when it comes to hiring in a year of uncertainty?

At <u>Willo</u>, we specialize in helping business leaders in organizations of all sizes feel more confident in their hiring decisions. While our one-way video interview platform is a key way we deliver on that promise, we also know that marketplace data is critical for helping people understand what peers and competitors are up to. To that end, surveyed talent and business leaders from North America (41.1%), the UK and Europe (28.8%), and Asia (11%).

Nearly two-thirds of respondents (65.8%) are in HR with 31.5% being either a Hiring Manager or Director. More than a tenth (13.8%) are executives. From a company size perspective, three quarters (78.1%) of respondents are from companies with 250 or fewer employees, nearly a tenth (8.2%) are at 251-1,000 employees and 13.7% are at 1,001 employees or more.

In this report, we're diving into multiple categories about the changing world of work:

- Hiring trends: Hotly anticipated trends and changes impacting the way we work
- Company adaptations: How companies are adapting to trends and changes
- Artificial Intelligence: What HR and company leaders think about AI in recruiting
- Process resilience: How to build a more resilient hiring process at any scale

Let's get started.

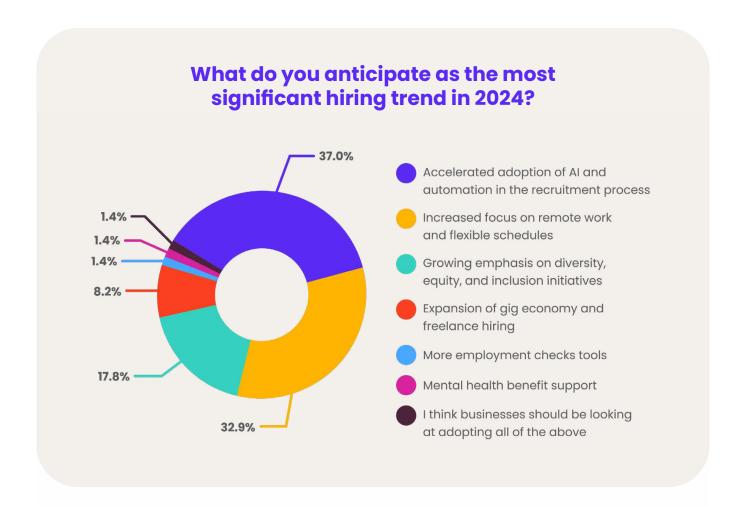


# Flexibility and growth: How hiring might change in 2024

**Key takeaway:** Respondents overwhelmingly cite AI and flexible work as the key trends they'll need to manage. Further, most company leaders are planning to expand hiring in 2024.

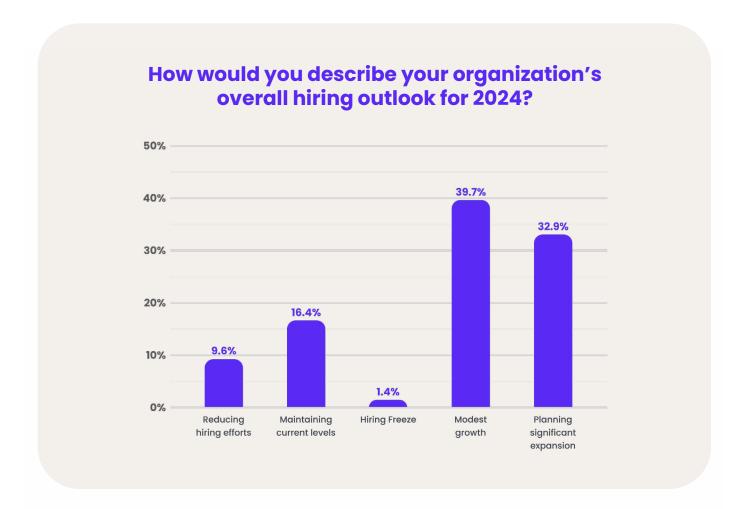
That said, many worry that compensation expectations and competition from other employers will be barriers to attracting top talent.

In this section, we're looking into the trends that respondents see coming this year, how they plan on hiring to take advantage of those trends, and the challenges they see on the horizon. The results suggest a changing world of work in the year ahead.



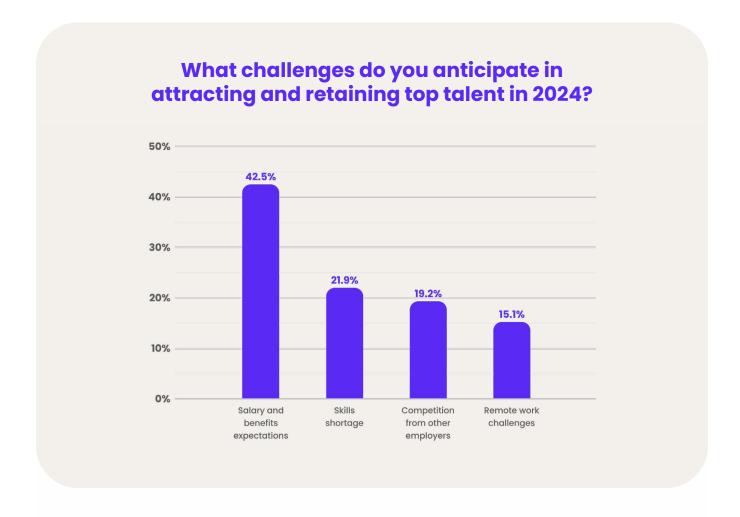
When we asked company leaders what trends they see coming to the forefront, flexibility came first: 41.1% are looking either to offer more remote work, flexible schedules, or bringing freelancers and contractors onto their teams.

The other big trend, to no one's surprise, is artificial intelligence: 37% say the accelerated adoption of AI in the recruitment process is the trend to watch for 2024.



Media headlines throughout 2023 highlighted layoffs and hiring freezes due to economic uncertainty. This might make you think that the same would happen in 2024; after all, it's a year of *more* predicted uncertainty, not less. However, the data suggests that the tide is turning.

Whether because of work flexibility and AI, or perhaps in spite of the fear those two trends might arouse, growth seems to be the goal. Only a small minority (11%) of respondents are planning to freeze hiring or reduce hiring efforts. Meanwhile, 39.7% are planning modest growth and 32.9% are planning for significant hiring growth in 2024.



But a desire to hire doesn't immediately equate to ease of hiring—respondents noted a few anticipated hiring and retention challenges, chief among them the salary and benefits expectations that top talent will have (42.5%).

The next two concerns are skills shortages stopping companies from getting the talent they need (21.9%) and competition from other employers (19.2%).

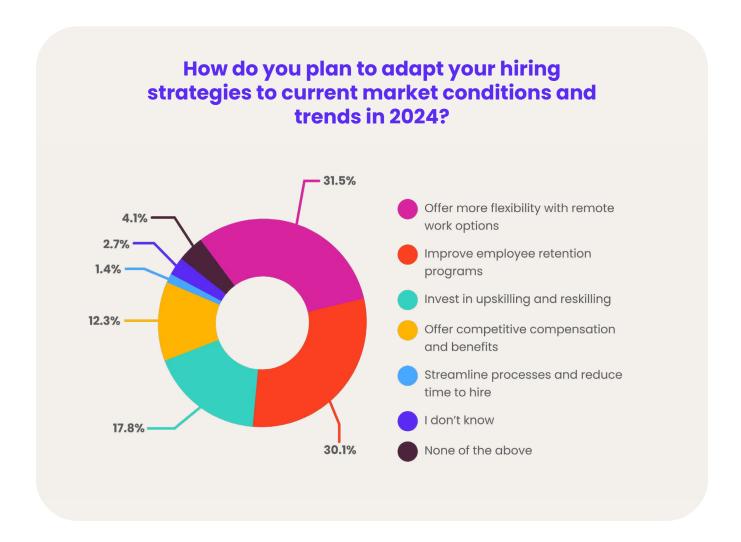
Building a resilient company takes the right team. Even as major trends come into play that will change how whole industries operate, respondents are primarily looking for growth opportunities in 2024. That doesn't mean it's all easy, though, with challenges coming at every turn.

In the next section, we'll look at how company leaders are adapting to those challenges in order to reach their goals.

# How companies are adapting

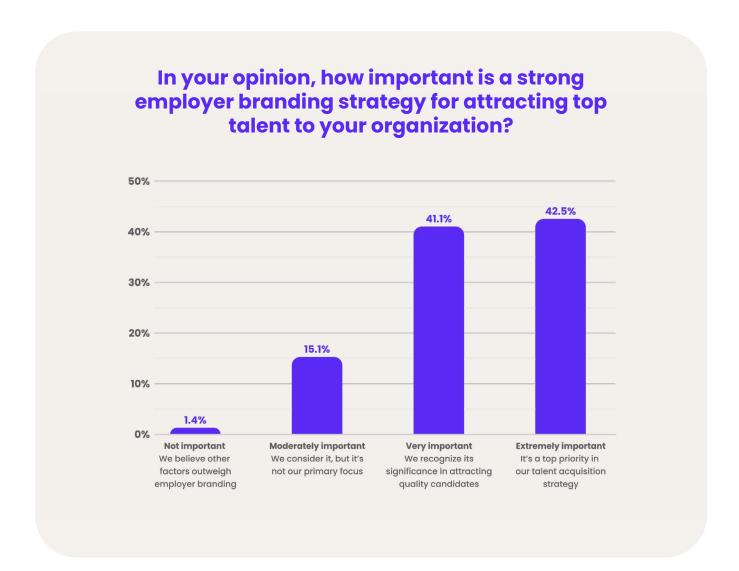
**Key takeaway:** Most employers are looking to shake up how they engage and retain employees, including increased flexibility, compensation, and investing in team upskilling. Further, the majority of respondents agree that a strong employer brand is a crucial tool for attracting top talent.

Companies of all sizes must adapt to market conditions to survive; respondents to our survey are planning to do just that. In this section, we're detailing the programs companies are putting in place, the importance of employer branding, and how companies are approaching compensation for 2024.

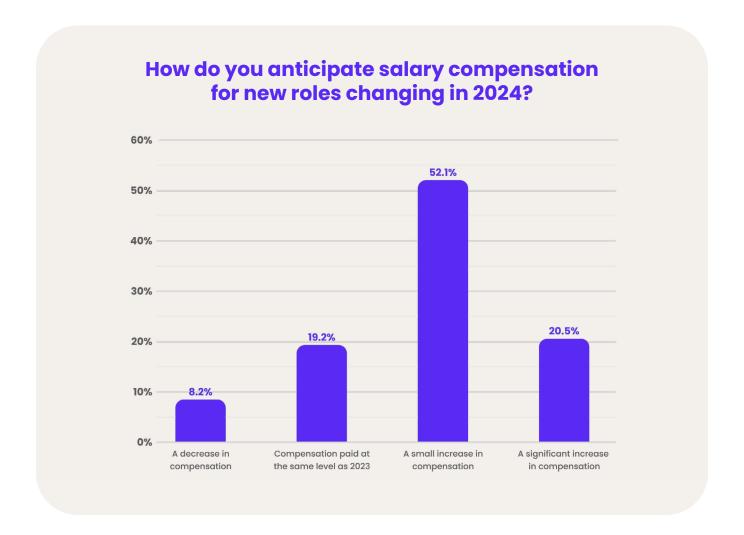


In response to the trends and challenges companies face, most leaders have a plan. The primary shift companies are looking at is offering more flexible and remote work options (31.5%), which correlates directly to the key trend. Almost equally, 30.1% are looking to improve employee retention programs to keep the talent they already have (and plan to hire).

From there, 17.8% are looking to invest in upskilling and reskilling their staff, while 12.3% are prioritizing offering competitive compensation and benefits as a hiring strategy.



Regardless of strategy, the vast majority (83.6%) agree that a good employer brand is either very or extremely important for attracting and retaining top talent. A further 15.1% say it's moderately important, while only 1.4% say it's not important and other factors outweigh employer brand.



On top of a good employer brand and other programs, compensation is a key topic of discussion—after all, it's one of the biggest challenges respondents anticipate when it comes to top talent attraction and retention. In response, nearly three quarters of respondents (72.6%) are planning to offer either a small or significant increase in compensation from what they currently do.

Interestingly, 8.2% are planning to decrease compensation, potentially from variable earnings like bonuses, to help protect their bottom line during tough times.

When any challenge arises, business leaders must adapt; our data suggests that's precisely what's happening. From making hiring programs more attractive to top talent, to improving retention and skills programs for all employees, to addressing compensation, companies are clearly paying attention to how talent drives success.

That leaves the big question ahead: what about AI?

## What talent leaders think about AI

**Key takeaway:** The majority of respondents believe that AI has significant potential but also carries ethical considerations that need to be managed before it can become widely used in hiring. Even then, many prefer human judgment in the end, even as a significant majority of companies are expecting to use AI in 2024.

In one way or another, AI has the potential to touch every single industry, business, and person. In this section, we share data on whether company leaders feel it will dominate recruiting in 2024. We also asked for their personal views on the ethical and practical implications of bringing AI into recruiting.

### How do you view AI when it comes to hiring?



Al has potential, but it should be used cautiously and ethically in hiring



Al is a valuable tool that can significantly improve our hiring process



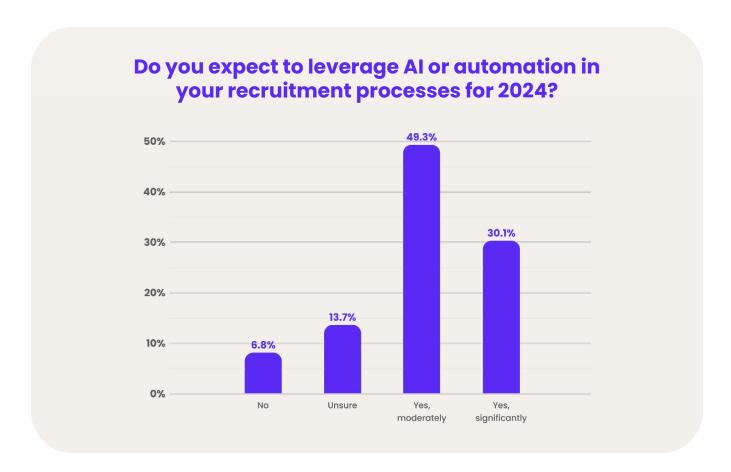
I have reservations about AI in hiring and prefer human judgement



Al should not play a role in hiring decisions; it's best left out of the process

When it comes to AI, respondents broadly expressed optimistic skepticism.

While just over one-third (35.6%) say AI is valuable and can improve hiring, 45.2% expressed caution due to the potential ethical implications. A further 15.1% believe AI should not be used to make hiring judgments in the end, and 4.1% said AI should not play any role in hiring decisions.



Beliefs about AI, though, don't seem to correlate to usage. While the majority expressed either concern about using it, or an outright desire to not use AI, the data suggests that isn't actually stopping them. A large majority (79.4%) of respondents said they are expecting to use AI either moderately or significantly in their hiring process for 2024, while only 6.8% said they don't expect to use it.

The intrigue around AI is tangible in almost every business conversation. As a result, it's not surprising that the majority of company leaders say they expect to leverage AI technology in some way in 2024. That said, using the technology should not be mistaken for complete acceptance—most respondents have reservations and are not yet sure of AI's place in the hiring process.

# The three pillars of a strong hiring process in 2024

If your plans involve increased hiring, changes to compensation or work structure, or bringing AI into the picture, it's important to take a strategic approach. Here are three pillars to build from when creating your plan.

### 1. Focus automation on time-consuming, low-value tasks

As you build your recruiting process, you will likely find steps that are time consuming yet provide little value.

The most common example is conducting phone screens, a continual bottleneck as Recruiters have to schedule calls, manage time zones, sit on the call waiting, deal with noshows, and find time to write notes after the fact. One Willo customer, for instance, admitted that phone screens eat up 20 hours per week of Recruiter time, since the company routinely receives thousands of applications for its early grad programs. Another area is moving data between platforms, for example a niche hiring tool into your ATS.

Both of these use cases are prime candidates for some simple automations: one-way video interviews in place of phone screens, for example, allow candidates to complete answers on their own time. This one step can easily save hours of Recruiter time per week and help scale out your hiring (like WillowTree, which screened 17,000 candidates with video with a lean internal team). Secure platform integrations ensure data moves instantly without any manual effort.

Pro tip: As you think about automations, make sure you let your team know which tasks they will be moving to, not just the ones you're automating out. This will help get more people on board, removing any fear that they are being automated out of a job.

**The result:** Your team saves time on manual tasks so they can focus on high-value work like meeting candidates face-to-face.

### 2. In employer branding, go for substance over flash

With 83.6% saying a strong employer brand is a key element of recruiting top talent, it's important to remember that "strong" means authentic, genuine, and provable rather than simply flashy.

For example, claiming to "be an AI company" when your company only uses ChatGPT for some smaller functions is not just inaccurate, it's a disservice to your employees—putting that signal in the market attracts and repels different types of individuals. If you're claiming to be an AI-driven company, you are likely to attract people who expect AI infrastructure to already be in place. If it's not, you could be setting yourself up for significant employee disengagement and attrition.

An employer brand should be the reality of the job, painted in the best light possible—that might be pay levels, the industry landscape, the challenge of a specific role, or something else. However you present it, though, don't lie or hide the elements that perhaps aren't the strongest. For instance, if you cannot offer every benefit that a big tech company can, don't pretend to; instead, offer a fair package and prioritize your employer brand on what you do offer, such as more autonomy in the job or remote work flexibility. Or, if your product has a lot of technical debt, you can describe a Developer role as ideal for someone who likes tinkering with code to make it cleaner, rather than implying nothing is wrong.

You may not want to air all your mistakes or challenges in

a public job description. That's ok, but make sure

you aren't dishonest upfront. As candidates

get further into the process, disclose incrementally more so anyone who chooses to join your team has an idea

of what they will see on day one.

The result: An authentic employer brand is more likely to attract talent that will thrive in your working environment. This means a higher likelihood of loyalty, engagement, and collaboration as employees feel they are getting what they signed up for.



### 3. With AI, start with problems and goals first

It's not just ChatGPT—there are many different types of AI, all with different use cases. If you're thinking of bringing AI into your workplace, first plan out the problems you need help solving or the goals you need help attaining.

Here's a simple process to follow:

- **1. Name the problem or goal without talking about AI:** For instance, "We want to 5x the number of applications we get and have the employer marketing resources to achieve that goal, but that will create a huge backlog of candidates to screen that our existing team doesn't have the time to complete.
- 2. Pinpoint the real issue to solve and name any parameters or barriers to overcome: For instance, "We need a way to assess candidates fairly at scale, in a way that only requires a little bit of Recruiter time. And Recruiters need some time freed up in their schedules to do those additional candidate assessments. Unfortunately, we cannot hire more Recruiters at this time due to both budgetary concerns and the fact that it would take too long to find and onboard new individuals; applications will start arriving next quarter."
- **3. Breakdown problems into their essential parts:** For instance, "The first problem is time-efficient candidate assessments. The second problem is saving Recruiter time in other ways."
- **4. Identify potential solutions:** For instance, "For problem one, We can use an Al-based assessment tool that we can train to identify obvious bad-fits, prioritizing our need for X and Y soft skills. This will help us cut down the number of candidates our team needs to review while still meeting our application targets. For problem two, we can use one-way video interviews instead of phone screens, thus unlocking hours per week of Recruiter time so they can assess candidates after the Al assessment weeds out obvious-bad fits."

Notice how AI didn't enter the conversation until step four—and even then, it was not the solution to every problem. Instead, this approach prioritizes solving the problems at hand, bringing in whatever tool is best for the job.

**The result:** An outcome-first approach to AI will not only increase your chances of success, but it will also help with employee buy-in, since you can directly address skepticism or ethical concerns by ensuring the AI has a known scope and purpose.

# Gearing up for a year of change

A lot is going on in the world and that means companies have to adapt. But in chaos and change comes opportunity, and it's clear many organizations are looking to take advantage of that to strengthen their own positions. This comes with its own challenges, particularly around hiring and retaining top talent.

The key to success will be a strategic approach that partners with technology to save time and improve productivity, just as humans have been doing for generations in the working world.

At Willo, a core belief is that we can improve work for *both* Recruiters and candidates. For instance, we believe lengthy CVs are no longer necessary, and continuing to use them is unhelpful (Recruiters often don't have time to read them thoroughly and CVs offer little insight into someone's true skills or personality). With video interview tools and other novel technology like various Al-powered platforms, we can scrap the CV altogether, instead using time saved to get to know candidates more deeply as individuals.

This is how we help companies navigate the future of hiring—with tools that help you feel more confident in hiring decisions for *your* organization, rather than simply doing what everyone else is doing.

We're in a golden era of technology that is capable of making us more productive and more connected. The risk is that there's so much of it, we can get lost in the glut. However, if we harness the amount we need for the problems we have, we can work magic.

#### **About Willo**

Willo is a candidate screening platform that helps companies save time and make more confident hiring decisions.

- Our features include:
- One-way video interview platform.
- Ability to ask for video, audio, text, or document uploads from candidates.
- Scorecards to fairly and accurately assess candidate interview responses.
- Customizable branding so the platform looks and feels like your organization.
- Over 5,000 secure integrations from Willo to major HR and ATS platforms.
- Willo is localized for the 18 most spoken languages on earth—Arabic, Chinese Simplified, Chinese Traditional, Dutch, English, French, German, Greek, Haitian Creole, Hindi, Italian, Japanese, Korean, Indonesian, Russian, Spanish, Ukrainian, Welsh—with more languages coming soon.
- Identity and right-to-work checks globally.

#### Methodology

Willo conducted a wide-ranging survey, promoted both to our internal customer base and shared publicly online. We sought primarily respondents with decision-making capability, regardless of their title. N = 86, with all respondents answering all questions.

Learn more about Willo.





Published on 25 January 2024
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