

10 Recruiting Trends that are Shaping 2024

REPORT

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What trends for 2024 will be influencing your recruitment processes?

HR professionals are taking on more autonomy and responsibility for the talent strategy and the future direction of organizations. At the end of 2023, we could see some key trends starting to shape the recruitment field.

Here are ten top trends that are gathering pace for the year ahead.

- **01** Al and machine learning
- 02 Skills based hiring
- **03** DEI
- 04 Flexible and remote working
- 05 Employee Wellbeing
- 06 Upskilling and reskilling
- 07 Company Branding
- **08** Power skills
- **09** Data driven recruiting and analytics
- 10 Generational trends

1. The rapid growth of AI and machine learning

Al and machine learning came to the foreground last year and is making strides in the world of HR and recruitment. Currently, 63% of companies are investing or have plans to invest in Al solutions for talent acquisition problems (**Gartner**). In 2024, organizations looking to streamline and enhance their talent search will be turning to Al for insight as it has the potential to inform all parts of the recruitments process. Al solutions are writing clearer job descriptions, matching clients, automating process, and advancing onboarding. In 2024, organizations will need to be mindful of the ethical use of AI in recruitment processes, particularly around data usage and changing legalities (which will be dependent on local). But the potential for AI to transform the recruitment process is significant. At Pearson TalentLens, our Role Assessments platform is bringing together the power of AI with psychometrics to inform objective decision-making and widen talent pools.

But that is not all, AI is also changing job roles themselves. Head of AI positions have tripled globally in the last five years (HR Magazine), and roles including or directly linked to AI have grown significantly. On the one hand this may affect job retention as some roles are replaced, whilst on the other there is potential for upskilling and reskilling current employees and embracing the opportunities AI can bring. Using data driven assessments we can help hiring managers gain insight into career potential and skill sets.

2. Skills-based hiring is on the rise

Hiring requirements are evolving. Whilst many Hiring managers are focusing on qualifications as their key criteria, others are adopting a skills-based approach to hiring and focusing on candidates' skills – soft (e.g., adaptability, communication, emotional intelligence) and hard (AdWords, coding, copywriting), as well as responsibilities. LinkedIn Data indicates that taking a skills-based approach to hiring can widen talent pools by 10x. Using psychometrics, hiring managers can confidently assess candidates' skill sets to help you select top talent who will perform well now and in the future. This strategic approach can result in a more diverse and multi-skilled workforce, and even help to improve retention rates.

3. Ongoing demand for flexible and remote working

Flexible working is still very much in demand and today's employees want and often need to benefit from remote working practices and flexibility. In 2024, the concept of remote working will continue to be debated. Many organizations still fall either side of the argument concerning its benefits to work-life balance versus productivity. Research by **Upwork** suggests that by 2025, an estimated 32.6 million Americans will be working remotely, with over 98% interested in working remotely at least some of the time. Organizations focusing on employee retention and acquisition will need to look at the motivations and values of their candidates and teams to strike the right balance.

4. A renewed focus on DEI

Organizations are making strides in their approach to diversity, equality and inclusion. Over recent years we have seen the appointment of DEI Managers and commitment to new policies and approaches that are led from the top, however there is still a long way to go. 2024 is expected to be the year of renewed focus on DEI if organizations are to form diverse teams which embrace skill sets and values to drive them forward. According to a recent <u>WEF report</u>, organizations with inclusive cultures are 3.8 times more likely to harness the full potential of their employees and have improved retention rates.

5. Drive retention by supporting employee wellbeing

28% of HR professionals see employee wellbeing as their **second highest priority** for 2024, and with talent retention one of the biggest challenges for organizations it is time to take a close look at what plans are in place to support employee wellbeing. From creating more inclusive work cultures to open discussions around physical and mental health, today's employees are looking for places to work where they feel valued as an individual as well as an employee.

6. The cycle of upskilling and reskilling

The workforce is changing and with it the demand for new skill sets; technology is replacing some roles but also adding pressure for employees to learn new skills and systems to perform in the future. Employers estimate that 44% of workers' skills will be disrupted in the next five years. Conducting a skills analysis of the workforce will provide an overview of the current skills gaps that exist in organizations. With this insight hiring managers can begin to plan their talent lifecycle; analyzing job roles and outcomes to shape future job descriptions and planning talent pipelines to source new talent ahead of time. Psychometric assessments have a key role here and can help HR professionals select top candidates based on skill sets and requirements enabling them to advance candidates who are the best fit for the role with confidence, as well as helping to highlight opportunities for future development and eligibility for training programs.

7. What's your brand?

Company branding is high on the agenda for 2024. With the demand for talent still at a high, candidates have more opportunity to select an organization that best represents their values and motivations. How organizations present themselves, their values and the future will be up for review. HR professionals looking to attract millennials and Gen Z, may need to assess how their social media presence, employee advocates and values are portrayed to attract top candidates. Tools such as **SOSIE, 2nd Generation**, can help organizations take a closer look at their values and motivations – analyzing employee insights can help HR teams shape career development plans and teams.

8. Power skills of the future

'Power Skills' are the capabilities that will power the world's economy and people's careers today and tomorrow. A recent Pearson report identified that the top power skills employers are currently looking for are communication, customer service, leadership, attention to detail and collaboration top human skills that will be essential for business and personal success. In 2024, HR managers will need to look at how they can help employees develop these skill sets and move forward in their careers. Individuals who feel better invested in are more likely to remain with the organization. Tools such as Watson Glaser and our latest talent assessment platform Role Assessments can help recruiting managers identify their top skills sets based in job criteria and provide the insights needed to source and select candidates with the right skill sets.

9. Data driven recruiting and analytics

In-hand with AI and machine learning is an increased desire for data-driven insights to inform recruitment processes. The cost of making a bad hire has a significant impact not only financially but also in terms of productivity and team motivation. Using data insights HR managers can make informed, objective decisions on their recruitment selections. Outcomes can also inform how efficient and effective selections have been and enable adjustments to be made to the recruitment process in the future that will benefit both the candidate's experience and business overall. From cost of hire, time to hire, training costs, time to place and onboarding - data is transforming the recruitment field and making it more accountable than ever.

10. Generational and population trends

According to a Deloitte Insights article, Gen Z and millennial workers can be catalysts for change in building a future-proof workforce. Expected to make up over half the workforce by 2030, they are values-driven, striving for work/life balance, and are concerned about the environment, the state of the world, and the future! This year, <u>employers</u> <u>can empower</u> these workers by leveraging their passion and determination to create a better future through activities and policies such as establishing employee support groups (ESGs), supporting community activities, and offering volunteer time off.

Future-proof your recruitment process

Creating a future proof workforce takes time and planning, HR professionals who are empowered to embrace technology and use insight to drive the talent lifecycle will benefit from the trends currently set to shape 2024. What trends will you be taking a closer look at? For support and advice, discover how Pearson TalentLens can support HR professionals by connecting with our team.

About TalentLens

TalentLens is a core component within the newly established Workforce Skills division of Pearson plc, the world's lifelong learning company and global market leader in assessments. Workforce Skills is comprised of TalentLens - Pearson's established and successful workplace psychometrics team, plus two exciting new acquisitions, Faethm AI – the world's first data backed and truly end to end future of work company and Credly, the global leader in digital credentials.

Supported by over 70 years of research, our psychometric tests, such as the Watson Glaser test, are used by hundreds of companies around the world for their employee recruitment and development projects. As experts from the business world, our primary objective is to provide you with ongoing assistance to review your practices, understand and define your needs, and support you in choosing and using our assessment solutions.