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Examining Employer and Job Seeker Realities in the Current Job Market:

How Employers Can Respond to Candidate Preferences, Perceptions, and Personas

Employ Quarterly Insights Report | Q1 2023

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Contents

Executive Summary

In the current labor market, employers are facing unfamiliar territory. The job market remains strong based on the total number of job openings, and the unemployment rate is still at near historic lows, but is expected to climb by the end of 2023. Certain sectors, including media and telecom, internet software and services, and information technology have seen widespread layoffs and job losses, while other industries, like healthcare, education, and construction, are strong and face challenges finding enough high quality talent to fill open roles.

While job openings remain around 11 million, according to the **Bureau of Labor Statistics JOLTS Report**, there is a deceleration in the market, as evidenced by a pullback in the number of job postings, based on Employ data. It is likely that over time, deceleration in new job postings will begin to impact overall job openings in the wider labor market.

The start of 2023 reflects the tale of two hiring speeds, depending on organizational size. New job postings for small and medium-sized business (SMBs) did see a sharp rebound at the end of 2022, according to Employ data, but large enterprises saw a considerable fall in new postings. There is also indication that applications per job posting are increasing, providing good news for employers that jobs are getting more competitive.

So, where do candidates fit into this? What are their current preferences, perceptions, and sentiments when it comes to looking for jobs? What are candidate motivations for seeking new roles, and how do they go about looking for them? Even more, how can employers provide experiences that support job seekers and build a pipeline of talent for the future?

The Q1 2023 Employ Quarterly Insights Report seeks to answer these questions by examining both employer data across Employ's 18,000 customers, while exploring the motivations, similarities, and differences of workers based on findings from a survey of more than 1,500 workers conducted by Zogby Analytics in January 2023.

Examining Employer and Job Seeker Realities in the Current Job Market: How Employers Can Respond to Candidate Preferences, Perceptions, and Personas offers timely, actionable insights employers can use to optimize and mature their own recruiting functions, informed by the realities job seekers face right now.

Key Data
At-A-Glance
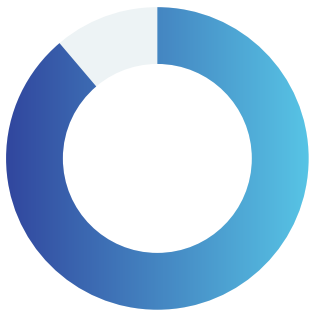
85%

of U.S. workers are somewhat open to other job opportunities, including 49% who are very open to new opportunities.

73%

of workers say they are satisfied with their current jobs, compared to only 9% who are dissatisfied.

58%

of job seekers believe that the current job market favors candidates, while 51% believe that finding a job in the labor market is easy.

52%

of active job seekers list career advancement as their top reason for seeking a new role.
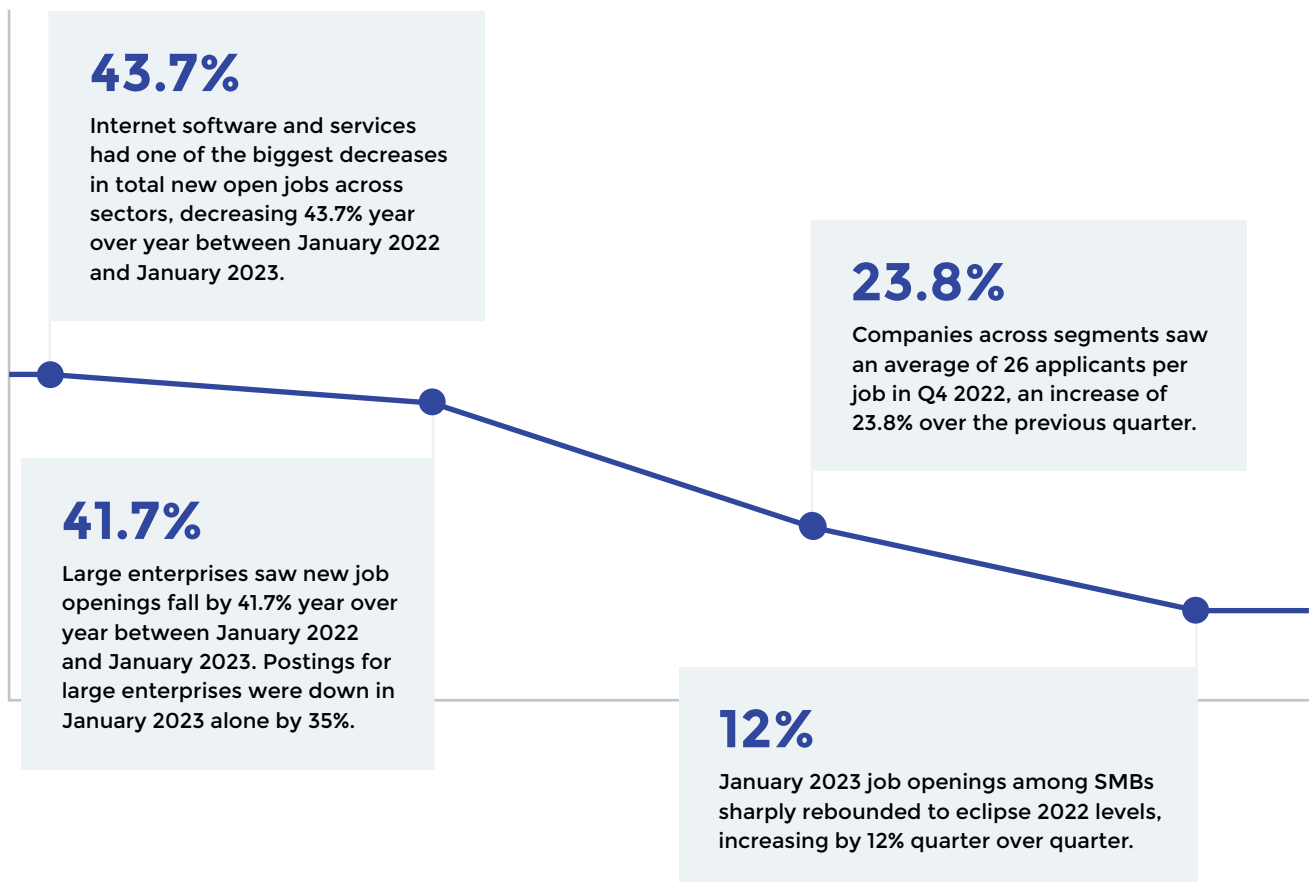
49%

of American workers are not actively looking for a new job, but 50% would consider applying for a job if approached by a recruiter.

41%

of workers seeking a new job would feel comfortable quitting without having another job lined up.

The Latest Employ Data Indicates:

43.7%

Internet software and services had one of the biggest decreases in total new open jobs across sectors, decreasing 43.7% year over year between January 2022 and January 2023.

23.8%

Companies across segments saw an average of 26 applicants per job in Q4 2022, an increase of 23.8% over the previous quarter.

41.7%

Large enterprises saw new job openings fall by 41.7% year over year between January 2022 and January 2023. Postings for large enterprises were down in January 2023 alone by 35%.

12%

January 2023 job openings among SMBs sharply rebounded to eclipse 2022 levels, increasing by 12% quarter over quarter.

The Reality of the Labor Market: Examining Trends Across Companies and Sectors
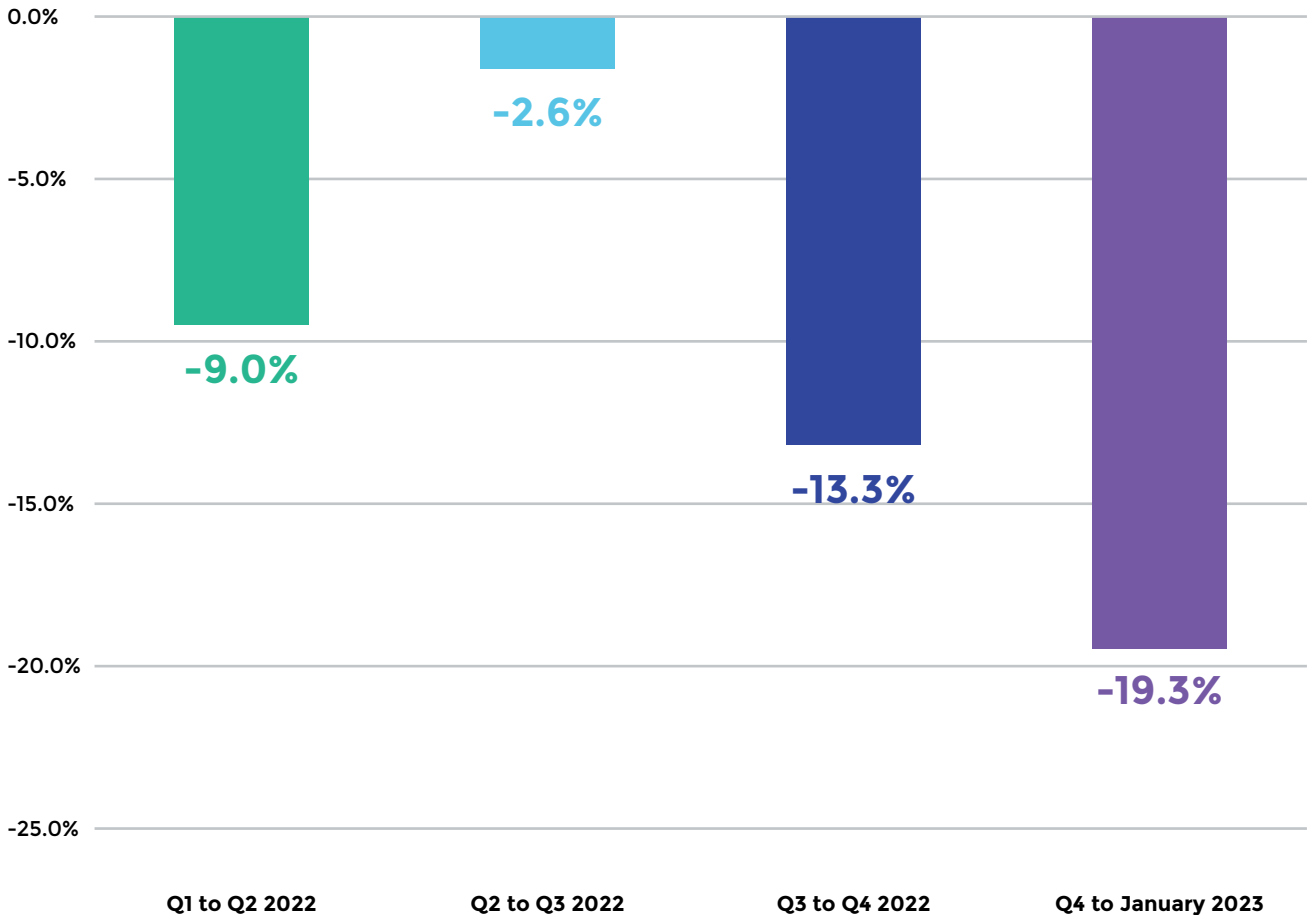
Total Job Openings By Quarter: Average Percent Change

Employ data revealed that across its 18,000 customers, organizations representing all segments, from SMB to large enterprise, saw an increase of 8.7% in average open jobs between Q1 and Q4 2022. **This is the average percent change in total job openings by quarter in 2022 and in January 2023.**

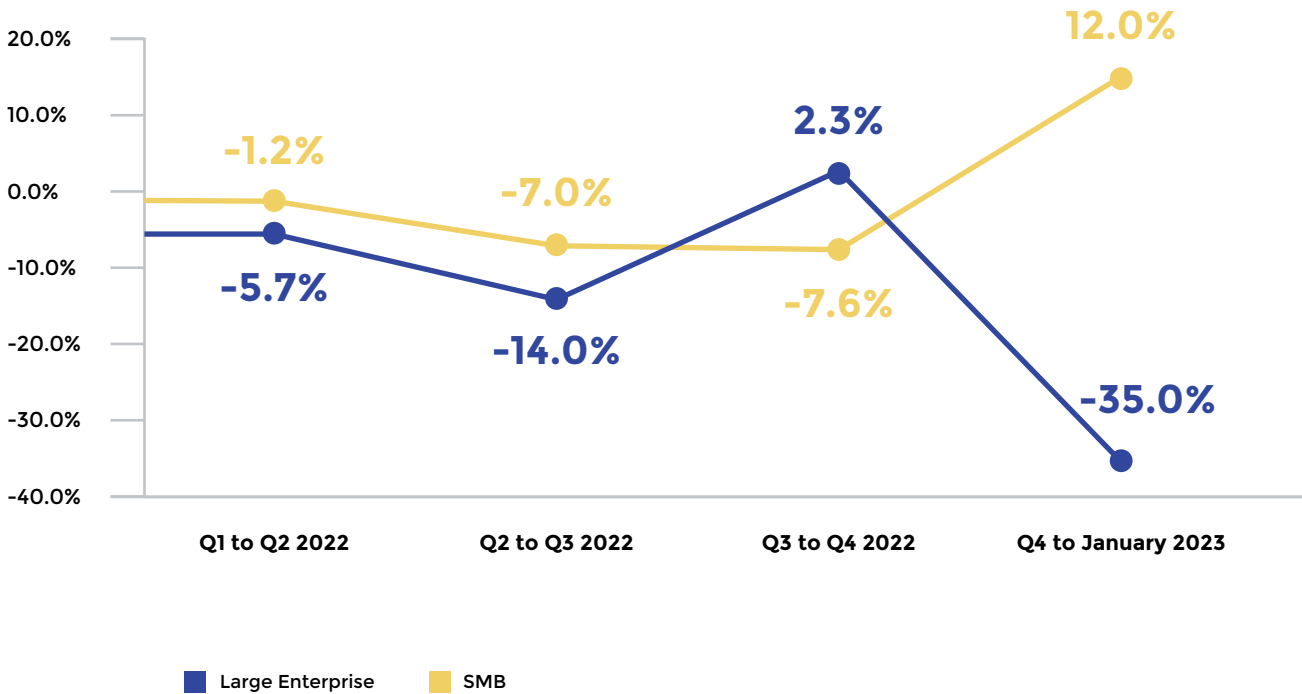| Q1 to Q2 2022	Q2 to Q3 2022	Q3 to Q4 2022	Q4 to January 2023
1.7%	2.6%	4.2%	-4.7%
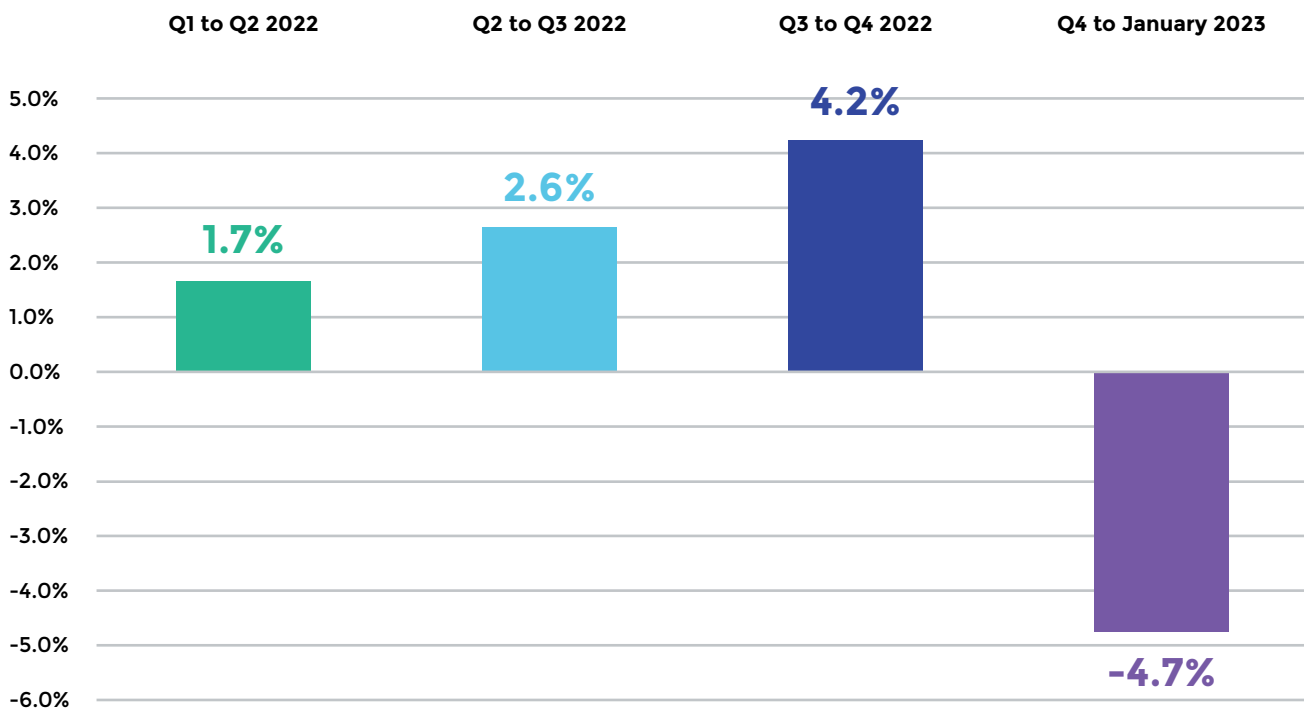
New Job Openings By Quarter: Average Percent Change

From this data, there is a deceleration in the number of new job openings companies are adding. What does a deceleration in new job openings mean for the broader economy? If the deceleration in new job openings continues, it is likely total open jobs will fall as new job openings are a leading indicator for all open jobs. **Below is the average change in new job openings across each quarter of 2022 and in January 2023.**

Chart data:
- Q1 to Q2 2022: **-9.0%**
- Q2 to Q3 2022: **-2.6%**
- Q3 to Q4 2022: **-13.3%**
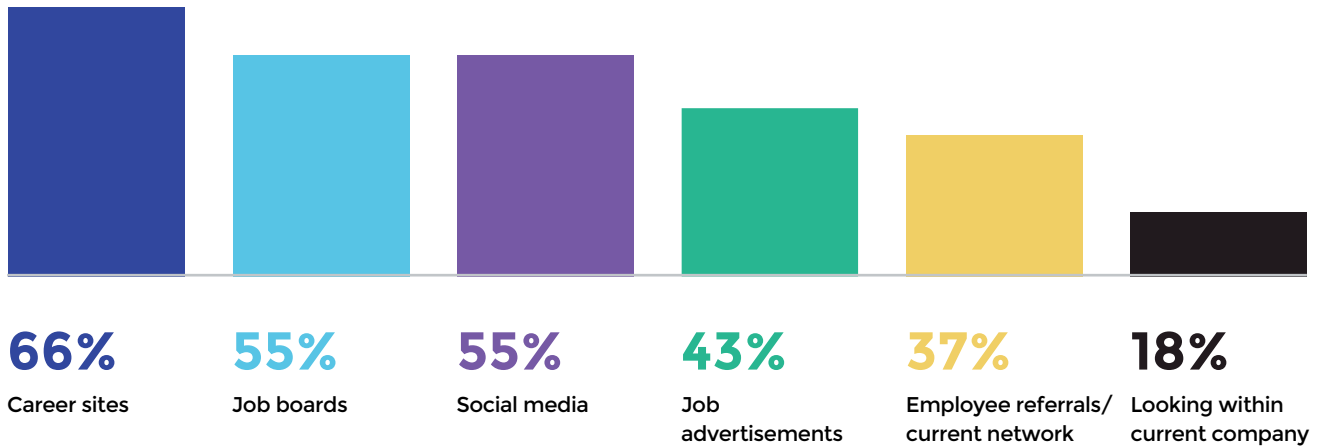- Q4 to January 2023: **-19.3%**

Total New Jobs by Quarter: SMB Versus Large Enterprise

While large enterprise companies experienced a larger drop in new job openings relative to small and medium-sized businesses, new job openings stabilized earlier in Q4 for enterprise companies. SMBs continued to experience a deceleration in new job openings through the end of the year; however, January 2023 job openings among SMBs sharply rebounded to eclipse 2022 levels, while large enterprise resumed the drop in new job openings. **This is the percent change of total new jobs in SMB versus large enterprise across each quarter in 2022 and January 2023:**

Legend:
- Large Enterprise
- SMB

Data points:
- Q1 to Q2 2022: SMB −1.2%, Large Enterprise −5.7%
- Q2 to Q3 2022: SMB −7.0%, Large Enterprise −14.0%
- Q3 to Q4 2022: Large Enterprise 2.3%, SMB −7.6%
- Q4 to January 2023: SMB 12.0%, Large Enterprise −35.0%

January 2023 job openings among SMBs sharply rebounded to eclipse 2022 levels, while large enterprises resumed the drop in new job openings.

With SMBs making gains in number of new job openings as they start this year, it is critical for companies of this size to stay competitive and get in front of larger enterprises to compete for talent. **According to Employ survey data, active job seekers are looking for new opportunities at the following sources:**

| 66%	55%	55%	43%	37%	18%
Career sites	Job boards	Social media	Job advertisements	Employee referrals/ current network	Looking within current company

Small businesses would do well to ensure they have an outstanding career site experience for candidates, are present on relevant job boards, are active and visible with job openings on social media, and are placing targeted job advertisements. Tapping into current employee networks to activate new talent pools and encouraging internal mobility also presents opportunities to attract talent and increase conversions across the recruiting lifecycle.

With SMBs making gains in number of new job openings as they start this year, it is critical for companies of this size to stay competitive and get in front of larger enterprises to compete for talent.

Total Average Applicants Per Job

Employ data reveals that throughout 2022, the average number of applicants per job was increasing. This increase in applicant volume is broad-based and transcends industry and business size. In both average applicants per job and new postings overall, companies are seeing a return to normalcy. In Q4 2022, companies saw an average of 26 applications per job, compared to just 17 total applications per job in the first quarter of 2022. Between Q3 and Q4, companies saw an increase of 23.8% in total average applicants per job, up from 21 applicants. This represents good news for employers as jobs are getting more competitive with higher applicant flow per role. **This is the average applicants per job by quarter:**
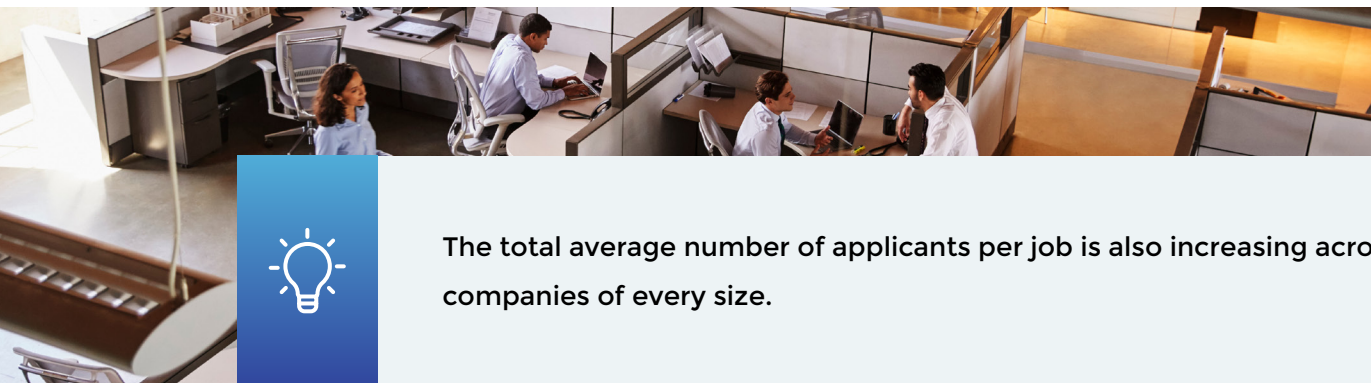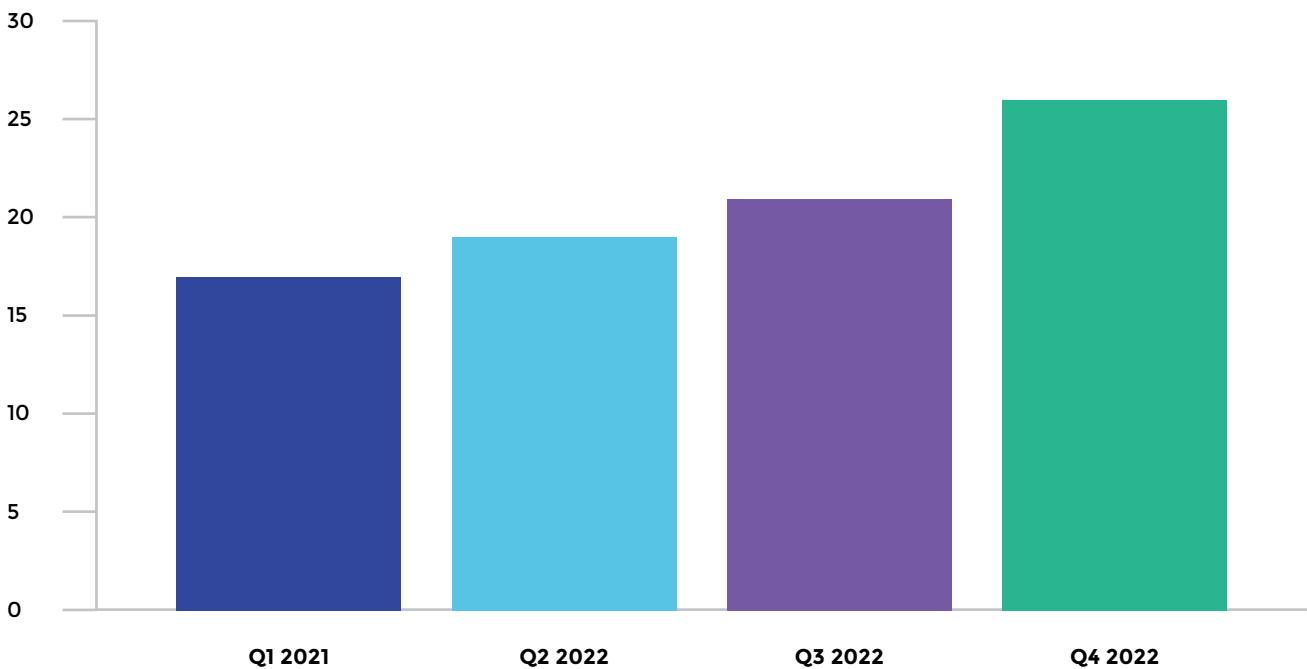

The total average number of applicants per job is also increasing across companies of every size.

Industry Trends

From an industry perspective, Employ data reveals several sectors saw gains in total jobs open, while others saw notable losses. Construction and education both saw noticeable increases between January 2022 and January 2023, with gains of 5% and 11%, respectively. Total jobs open in healthcare were fairly flat, growing 2.4% year over year, after seeing peaks in Q3 2022.

Internet software and services saw job openings drop by nearly half (43.7%) from January 2022 to January 2023. Professional services also saw a decrease of 19.8% year over year, after significant growth in spring 2022. These data are similar to losses reported by the Bureau of Labor Statistics, and indicate that software and services has likely seen a tremendous slowdown compared to other sectors. **Here is the change in open jobs by industry:**
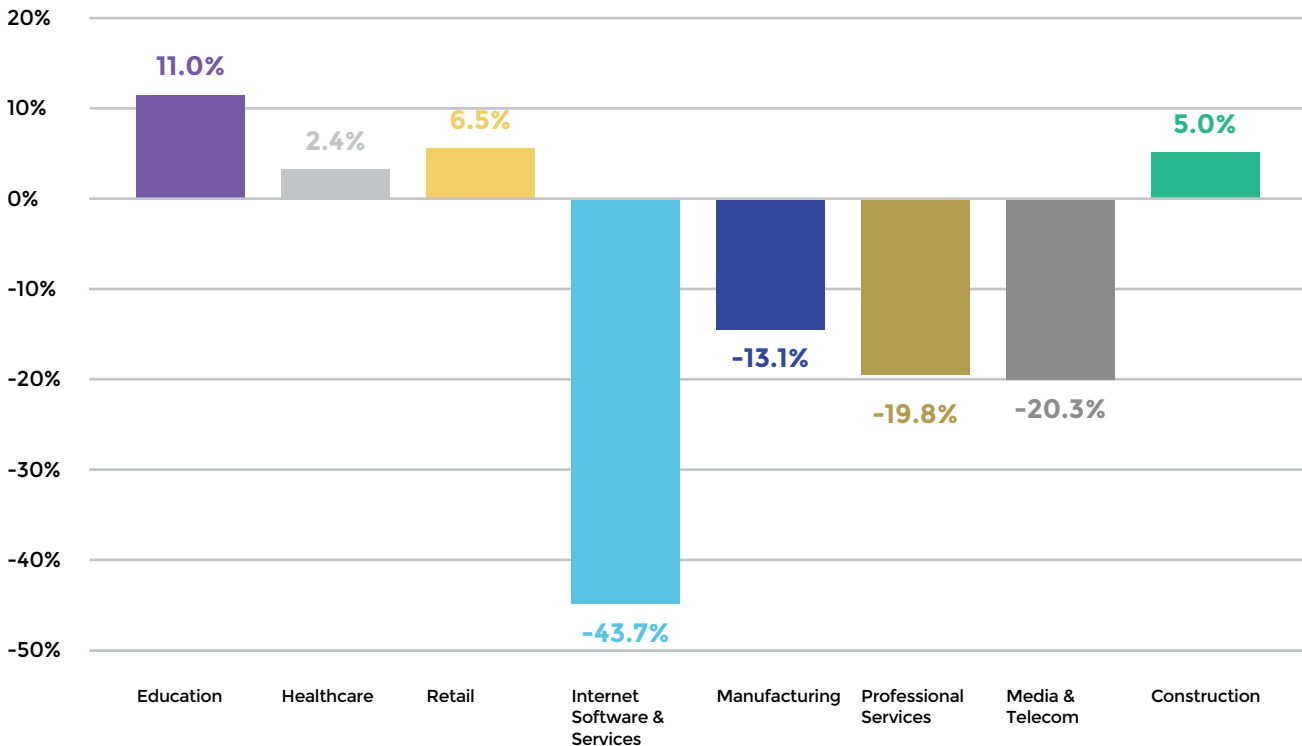
Clearly, there are areas of weakness and strengths across industries. Education, construction, and healthcare continue to look strong, while the technology sector, which has gone through high-profile layoffs, has seen the sharpest pullback. It is important to keep these job losses and gains in perspective, recognizing the market cannot climb forever and the market cannot drop forever, especially across the various sectors of the economy.

The Reality of Job Seekers: Exploring Worker Perceptions and Establishing Candidate Personas
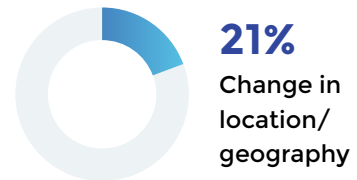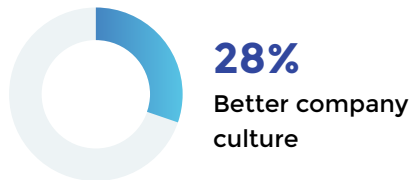
Perceptions of the Job Market

U.S. workers are overwhelmingly satisfied with their current jobs: 73% are at least somewhat satisfied, compared to only 9% who are dissatisfied. Despite this, 85% are at least somewhat open to other job opportunities.

A large number of workers are actively looking for a new job (43%), and the good news for employers is that a majority of them (56%) have looked for a new position at their current company. In addition to compensation, active job seekers are primarily motivated by career advancement and greater work flexibility or remote work opportunities.

Workers Who Are Actively Seeking Out New Job Opportunities Do So for the Following Reasons:

52%
Career advancement

45%
Greater work flexibility/remote work opportunities

31%
Better company leadership

28%
Better company culture

22%
Ability to go into the office

21%
Change in location/ geography
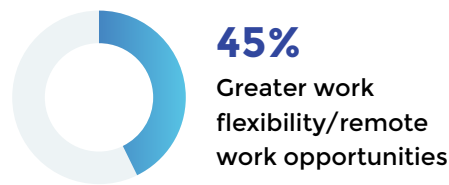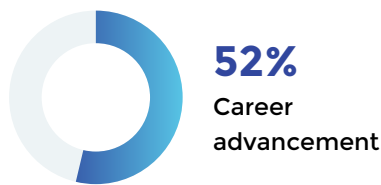
For active job seekers, flexibility and career advancement are top of mind. Employers should recognize that candidates are looking for opportunities to progress and to stay flexible in their approach to work. By emphasizing these two top aspects in recruiting and candidate messaging, companies can differentiate themselves to job seekers.
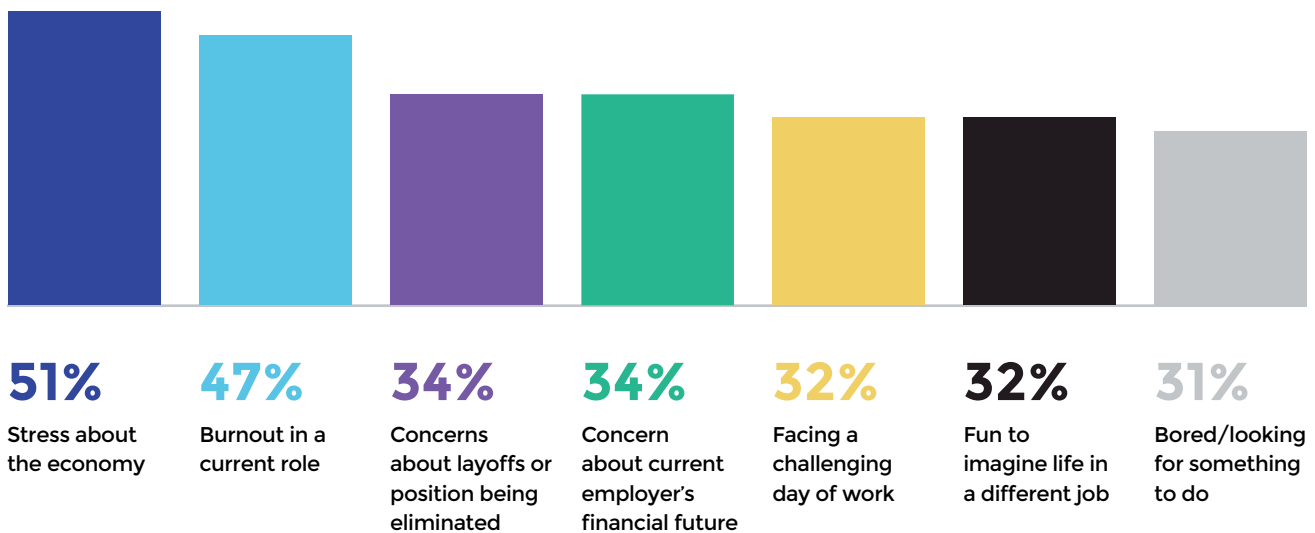
When it comes to the current labor market, more than half of all job seekers (51%) believe that finding a job is easy, and 58% believe the current job market favors candidates. More than two-thirds (68%) believe their job search will take one to three months. And 41% would even feel comfortable quitting without having another job lined up. Candidates are feeling confident that they are still in the driver's seat of the job market and organizations would do well to respond to these perceptions by focusing on areas that can speed the hiring process, better nurture candidates, and cater to worker priorities.

For the 49% of workers who are not actively looking for a job, half would consider applying for an open role if approached by a recruiter, with career advancement, greater work flexibility, better company culture, and leadership as their top motivators. Of these more passive types of workers, 58% believe it would be easy for them to find a new job in the current labor market, and 72% think it would take them no longer than three months to find a new role, if needed. However, only 20% would feel comfortable quitting their jobs without having another lined up.

While there are distinct differences between those workers actively seeking a new job versus those who are not, there are also similarities. These commonalities point to shared motivations for seeking new positions and beliefs that the labor market still offers plenty of opportunity to find new roles quickly.

Perceptions of the Job Search Process

Understanding what candidates go through in the job search process is important if employers are to enhance and build a candidate-centric hiring process. Right now, stress about the economy and burnout in a current role are the biggest factors motivating workers to start looking for a new job. **Here are the top reasons candidates begin their job search:**

51%	**47%**	**34%**	**34%**	**32%**	**32%**	**31%**
Stress about the economy	Burnout in a current role	Concerns about layoffs or position being eliminated	Concern about current employer's financial future	Facing a challenging day of work	Fun to imagine life in a different job	Bored/looking for something to do

While stress and burnout may be top reasons workers initiate their job search, a sizable number (one-third) find searching for a new job either a distraction or pastime.

When it comes to actually applying for a new role, more than three-quarters of U.S. workers expect the job application process to take less than 30 minutes, and only 6% expect it to take more than one hour. More than a third would abandon an application if it takes too long, most often if they are required to join a talent network, to enter the same information from their resume manually, or if required to register to apply. The most common ways job seekers apply for jobs include Indeed Quick Apply (33%), company website (26%), and direct resume submission to companies (18%). Employers should make sure that they are leveraging these technologies, have a fast application process that does not require separate registration, and offer an optimized career site that easily converts candidates into applicants.

Hiring Snapshot: What Workers Like Least During the Recruiting Process

There are several facets of the recruiting process job seekers dislike.
But for employers, this provides a list of opportunities within the job search, application, interview, and offer stage to improve, optimize, or transform. Read the list to determine if there are areas to focus on in your organization:

What job seekers like least about the job search process:

- Difficulty finding jobs that match their skills/expertise: **49%**
- Difficulty finding jobs in their field: **43%**
- Getting SPAM emails: **43%**
- Poor search results with too many irrelevant jobs: **41%**

What job seekers like least about the job application process

- Having to input the same information from the resume into the application: **64%**
- Length of time required for each application: **56%**
- Having to register to apply: **50%**
- Not hearing back from the employer at all: **49%**
- Having to join the talent network to apply: **41%**
- Receiving generic automated confirmation email: **39%**

What job seekers like least about the interviewing process:

- Having to go through multiple rounds of interviews: **62%**
- Not receiving feedback from an employer: **49%**
- Not hearing back from the employer after interviews are complete: **43%**

What job seekers like least about the offer process:

- Length of time to receive an offer: **65%**
- Lack of transparency into offer process: **60%**
- Negotiating an offer with the employer: **51%**

Whether it's lack of transparency, a slow process, or outdated technologies, identify areas your company can seek to improve to bolster the candidate experience and connect with quality talent to drive your business forward.

Once a job seeker has applied for a job, they have expectations about what kinds of communication they should receive from an employer. Nearly half (49%) believe they should either receive an automated email from the company or a personal email from the recruiter. Less than one in five job seekers have no expectations for communication. Given many candidates prefer messaging from employers throughout the recruiting process, companies that are hiring would be wise to prioritize timely, personalized messaging to prospects they engage for open roles. Organizations must take the opportunity to improve their communication with candidates and deliver higher quality experiences.

Perceptions of Recruiting Technology and Outreach

Over the past year, candidate communication preferences have shifted. Email has regained some of its popularity as a method of communication, with 41% of candidates preferring them versus 28% in 2022. Phone calls have continued to make gains (32%), while in-person meetings have experienced a large drop compared to last year at 9% versus 26% in 2022. Texts are preferred by just over one in 10 candidates. Similar to 2022, half of surveyed workers (52%) report that, at some point, a recruiter texted them in order to schedule a job interview, and 65% of survey respondents who were contacted this way preferred it to email and phone calls.

Forty-one percent of surveyed job seekers have been, at some point, screened or interviewed through a video; a majority of them preferred this method to in-person and phone calls. More than a quarter of workers have, at some point, interacted with a chatbot during the recruiting process. Of those, more than two-thirds believe that the chatbot has at least somewhat improved the process/experience, most often through quickly answering their questions (67%), quickly connecting them to helpful resources (67%), and through its availability when needed, especially during non-working hours (62%).
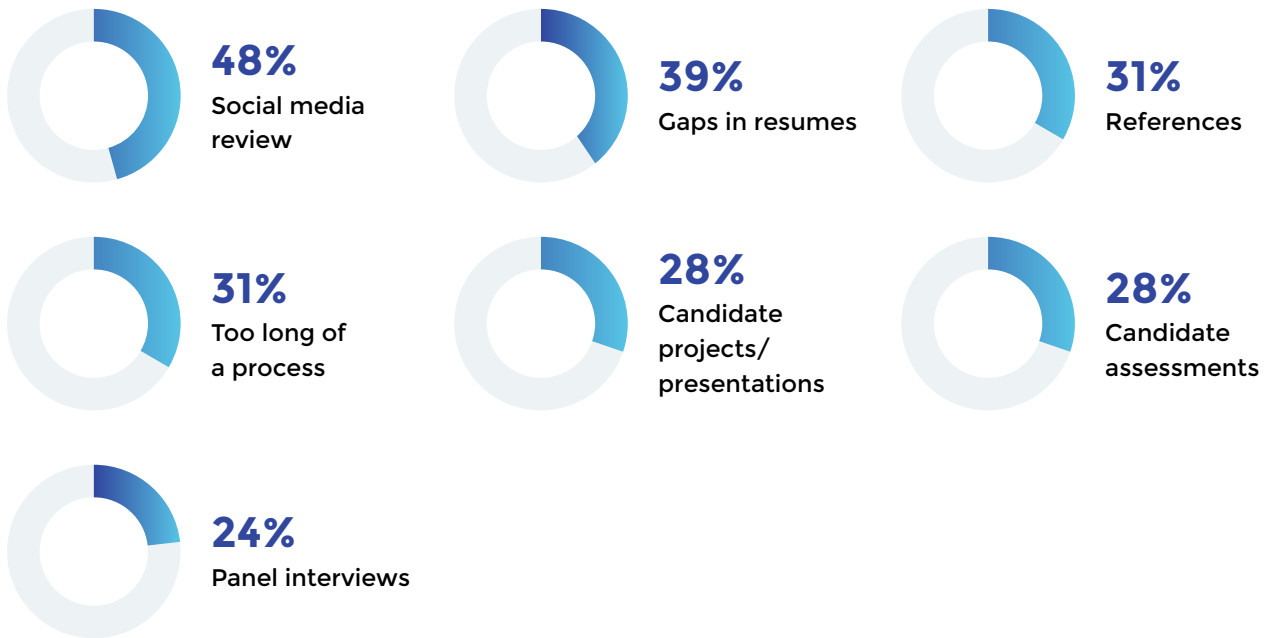
Perceptions of the Candidate Experience

The candidate experience includes all the feelings, impressions, interactions, and activities a job seeker encounters and considers along their candidate journey. It's how a candidates feels they've been treated throughout the recruitment process, and how that treatment makes them feel about the organization.

Job seekers have high expectations when it comes to the candidate experience and their interactions with recruiters. An overwhelming majority of workers expect to work with either a recruiter working on behalf of the company (47%) or corporate recruiter (34%) during the recruiting process. In some industries, such as financial services, manufacturing, and retail, recruiters working on behalf of the company are much more common than corporate recruiters (approximately 20 percentage points more likely than corporate recruiters). This is affirming news for organizations that outsource part or all of their recruiting process to strategic RPO partners.

Providing a quality candidate experience allows companies to find and recruit top talent to impact the success of the business. A solid candidate experience also ensures organizations can build a robust talent pipeline and employer brand that strengthens their reputation relative to competitors. **According to job seekers, top factors leading to a positive candidate experience include:**

56%
Easy job application process (up 8% from 2022)

55%
Great communication from a recruiter, including prompt feedback and follow-ups

49%
Easy to schedule an interview

42%
Short/quick hiring process (up 7% since 2022)

40%
Right amount of personal conversation during the interview

35%
Great explanation of company values, vision, mission, and culture (up 12% from 2022)

27%
No cover letter required

18%
Offered multiple interview methods (text, video, phone, etc.) (up 11% since 2022)

Within the candidate experience, workers believe there are areas of the recruiting process that should be deprioritized. These may be areas that candidates feel are unnecessary or do not give an accurate picture of who they are or even lengthen the hiring process. **Job seekers believe that recruiters and hiring managers should focus less on:**

48%
Social media review

39%
Gaps in resumes

31%
References

31%
Too long of a process

28%
Candidate projects/ presentations

28%
Candidate assessments

24%
Panel interviews

When communication breaks down between the recruiter and candidate, the result often ends in ghosting. This happens when one person suddenly withdraws from all communication without explanation. Similar to the percentage in 2022, 21% of workers have ghosted a recruiter, a hiring manager, or a company over the last year.

At the same time, more than one-third of candidates (34%) have been ghosted by the recruiter or employer. Nearly half (49%) of job seekers who have been ghosted said that it has happened to them more than three times. This not only damages the employer brand, but also can impact the potential of future candidates from applying at an organization. As an employer, it is paramount that candidate ghosting does not occur and that adequate and appropriate feedback is given to job seekers no matter what stage of the hiring process they are in.

Hiring Snapshot: How to Improve the Candidate Experience

A great candidate experience means providing active and passive job seekers with engaging content, a fast application process, streamlined communications, consumer-grade technologies to quickly answer questions, and prompt feedback throughout their experiences.

Whether it's making them feel valued during the application process, providing helpful feedback or communication, or treating them with professionalism and respect after their candidacy has ended, the candidate experience encompasses every interaction a job seeker has with an employer. If you're looking to improve your candidate experience, the key is to always keep the candidate at the heart of everything you do. By nurturing each individual and prioritizing candidate engagement at every step of their journey, you'll be well on your way to building stronger relationships with top talent that will deliver results for your business. **Top candidate experiences include:**
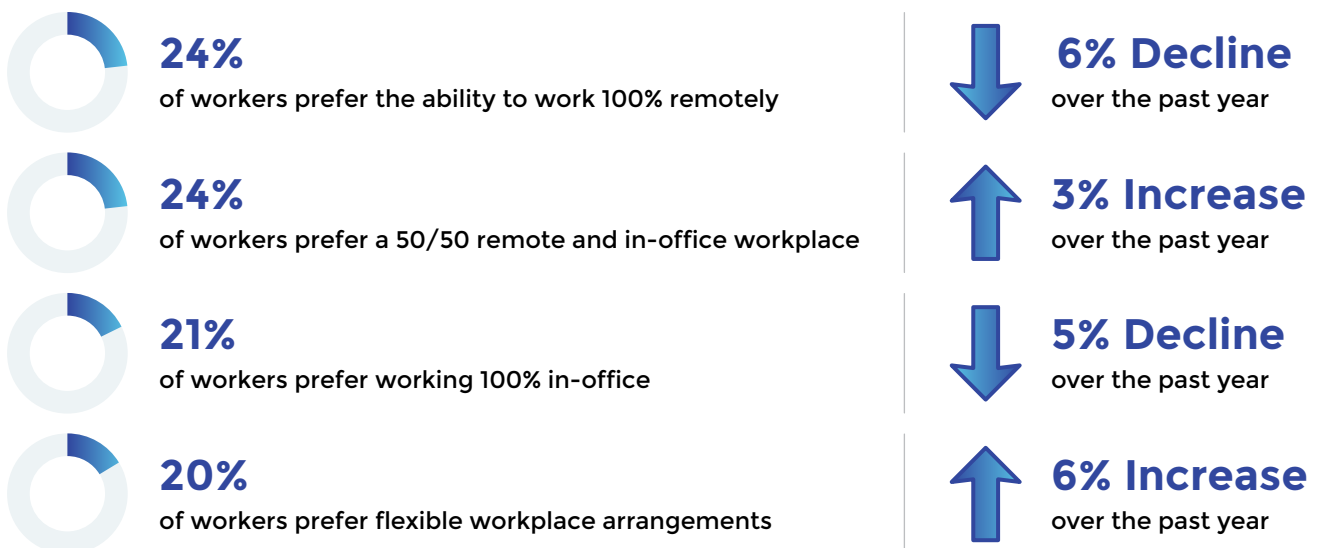
- Consistent employer brand messages
- Automated messaging with recruiters
- Personalized job recommendations
- Feedback loops at each hiring stage
- AI-powered chatbots to optimize candidate interactions

- Easy to schedule interviews
- Mobile-optimized career sites
- Seamless job application process
- Tailored content and experiences
- Easy to find information

Perceptions on Work Flexibility

Worker preferences for remote work over in-office work have remained steady over the past year. Approximately one-quarter (26%) of all candidates would decline a job if they were required to work full time on location and 67% of workers consider the ability to work remotely important when considering whether to reject or accept a job. However, one-fifth of active job seekers listed the ability to go into the office as a top reason for their job search. This is more than twice as likely as non-active job seekers. 100% remote work is also on the decline. **Preferences on work flexibility show a hybrid approach is preferred by a majority of workers:**

24%
of workers prefer the ability to work 100% remotely

6% Decline
over the past year

24%
of workers prefer a 50/50 remote and in-office workplace

3% Increase
over the past year

21%
of workers prefer working 100% in-office

5% Decline
over the past year

20%
of workers prefer flexible workplace arrangements

6% Increase
over the past year

While the importance of remote work for rejecting or accepting job offers has remained similar to the previous year, the preference for 100% remote work has declined six percentage points over the past year. In its place, job seekers increasingly prefer flexible arrangements and 50/50 remote and in office/workplace.

When it comes to workplace flexibility, there is a generational divide. Generation X workers are the only age group where the top two work setups are either fully in office (28%) or fully remote (25%). Other age groups lean more toward flexible or hybrid work arrangements.

Establishing Candidate Personas Based on the Current Market: The Job Seeker Quadrant

For employers today, understanding job seeker mindset and behavior is critical to connecting with them more effectively and staying competitive in a tight labor market. Based on the findings from Employ's research study, candidates are likely to fall into one of four quadrants in their job seeking behavior. The four types of job seekers are:

Diligent/High-Volume Job Seekers

Sporadic/High-Volume Job Seekers

Diligent/Selective Job Seekers

Sporadic/Selective Job Seekers

	Diligent	Sporadic
High Volume	**Trigger:** Job Alerts and Economic Concerns **Challenges:** Not Knowing Where to Look, Length of Time to Find Opportunities **Apply Method:** Indeed/LinkedIn; Career Site **Job Seeking Status:** 50%+ Actively Looking **Approximately 10%** of Job Seekers	**Trigger:** Bad Day **Challenges:** Not Knowing Where to Look **Apply Method:** Indeed/LinkedIn; Career Site **Job Seeking Status:** 67%+ Open to New Job **Approximately 25%** of Job Seekers
Selective	**Trigger:** Burnout **Challenges:** Difficulty Finding Jobs in Field **Apply Method:** Indeed/LinkedIn; More Likely to Use Company Website Than Others **Job Seeking Status:** Less Than Half Actively Looking **Approximately 40%** of Job Seekers	**Trigger:** Boredom and Burnout **Challenges:** Finding Jobs in Field & Deceiving Job Descriptions **Apply Method:** Submit Resume to Person at Company; Company Website **Job Seeking Status:** Half Actively Looking **Approximately 25%** of Job Seekers

Diligent/High-Volume Job Seekers

Candidates characterized as this persona are likely to look internally in their organizations for new jobs and make up just one in 10 job seekers. They are motivated by job alerts they receive or by overall economic concerns in the current market. Frequently updating their resume, these candidates will apply even if they doubt the employer is hiring. They can get frustrated with the job application process and abandon an application if it takes too long. Most of these candidates are optimistic it will take them less than one month to find a new job and will apply to a job with a large salary range. These candidates are racially diverse and seeking new roles that have strong company leadership. Concerned about the company's financial position, these job seekers often use social media and subscribe to job advertisements. The way to make a big impact with these candidates is by offering an easy scheduling process for interviews.

Sporadic/High-Volume Job Seekers

Candidates characterized as this persona are the most satisfied in their current job, and make up one-quarter of all job seekers. They are most likely to apply with no intention of taking a new job. These job seekers are also most likely to look internally for new roles within their current company and to frequently update their resume. While these candidates skew younger in age, they are also most likely to apply to a job with a large salary range. Candidates in this group have typically taken a new job in the past 12 months, and one of their primary motivations is looking for career advancement opportunities. These individuals are also highly in tune and concerned with the company's financial position. From a job search perspective, they regularly search via job boards, are impressed by easy scheduling, and abandon job applications if they require registration. Most are accepting if they don't hear back from employers for jobs they've applied to, but typically receive the greatest number of automated and impersonal rejection notes.

Diligent/Selective Job Seekers

Candidates characterized as this persona make up the largest amount of job seekers currently. They are less likely to look internally within their current organization for new roles and less likely to apply to a new job if they believe an employer won't hire for the position. They are more likely to abandon a job application if it takes too long. Half of these job seekers are unlikely to apply to a job with a large salary range. While these candidates expect to work with an outsourced recruiter, they have a low likelihood of ghosting recruiters in general. This group of job seekers also typically attributes the explanation of a company's mission and values as a good candidate experience. And from a job application perspective, they are more likely to look and use a company's website in applying for roles than other personas.

Sporadic/Selective Job Seekers

Candidates characterized as this persona are the least likely of any candidate type to apply internally for open roles. They expect to submit the fewest applications to get a new job and are least likely of any group to use social media, to update their resumes for an application, or apply to a job with a very large salary range. This group of job seekers has a greater proportion of older workers, including Baby Boomers and Generation X, and are least likely to apply for a role if they believe the employer won't hire. Candidates in this category are also unlikely to put in significant amounts of time into an application or to have learned a new skill in the past 12 months. While unlikely to be ghosted by a recruiter or to ghost a recruiter themselves, they are also least accepting of not hearing back from an employer. These candidates also believe the hiring process takes too long and want personal rejection notes, emails, or notices if not selected for a role.
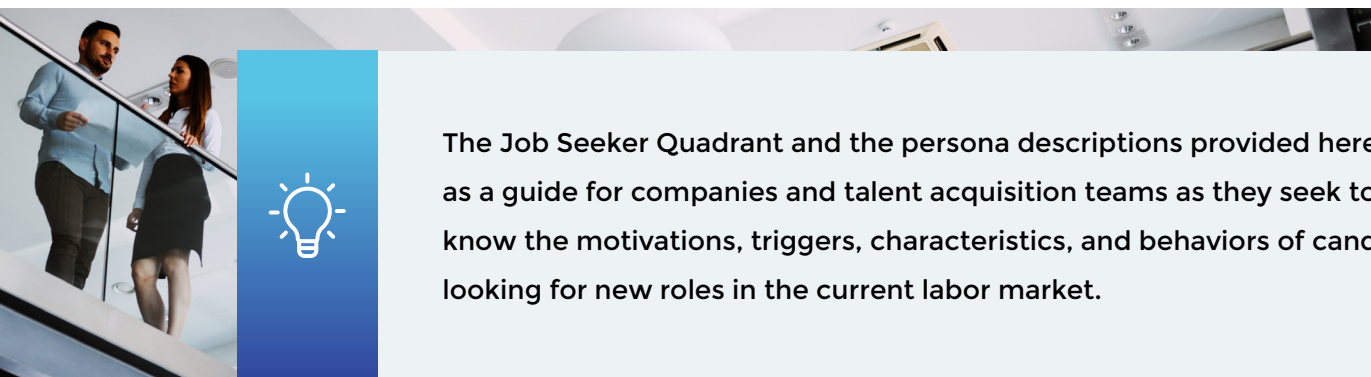
The Job Seeker Quadrant and the persona descriptions provided here serve as a guide for companies and talent acquisition teams as they seek to get to know the motivations, triggers, characteristics, and behaviors of candidates looking for new roles in the current labor market.

Key Takeaways & Conclusion

No matter what your company or industry is facing right now, one thing is certain. Job seekers believe they still have the upper hand when it comes to hiring. Whether this is true, or will remain true for the future, is unknown. But for now it's critical to recognize what candidates are thinking and to leverage personas that will help your company better attract them and convert them into applicants for your open roles.

Using the Job Seeker Quadrant in your own organization can help you tap into the types of job seekers in the labor market today and give you a leg up in understanding candidate realities. As you start to tailor candidate messaging using candidate personas, remember to use these characterizations to inform your recruitment messaging and strategies. Moving further into 2023, make sure you also understand the following trends:

- **Career advancement and flexibility are top priorities to a majority of job seekers.**
- **Candidates want a streamlined hiring experience and will bail on companies that don't provide it.**
- **Deceleration in new job postings by employers now will likely begin to impact total job openings later this year.**

By examining employer and job seeker realities in the current labor market, you can better respond to and tackle the hiring challenges your organization faces. Remember to always keep candidates and job seekers central to your talent acquisition and recruiting strategies, so you can overcome short-term challenges and embrace long-term success in your business.

About Employ

Employ Inc. empowers organizations of all sizes to overcome their greatest recruiting and talent acquisition challenges. Offering a combination of purpose-built, intelligent technologies, services, and industry expertise, Employ provides SMB to global enterprises with a single solution for recruiting and growing a diverse workforce. Through its **JazzHR**, **Lever**, **Jobvite**, and **NXTThing RPO** brands, Employ serves more than 18,000 customers across industries. For more information, visit **www.employinc.com**.