HiringThing™

HR TECHNOLOGY
INDUSTRY INSIGHTS
REPORT

HR Tech at a Glance

In the U.S. alone, more than 12 million employers spend more than $5 trillion on payroll, benefits, and other employee programs. More than 40 percent of the U.S. workforce changes jobs each year, creating a $250 billion market for recruitment, advertisement, assessment, and interviewing.[1]

HR technology is changing at a very fast pace. Cloud-based core HR systems are expanding and growing and more companies are creating talent tools based on AI (artificial intelligence) to help reshape the talent management landscape. Companies are investing their money into HR tools in order to make people more productive and improve their quality of hire, skills development, and employee engagement and retention.[1]

The market grew by 10 percent in 2018.	Global VC investment into HR technology in 2018 surpassed $3 billion.	The average large company now has 9.1 core talent applications.	The average company is spending $310 per employee, per year.
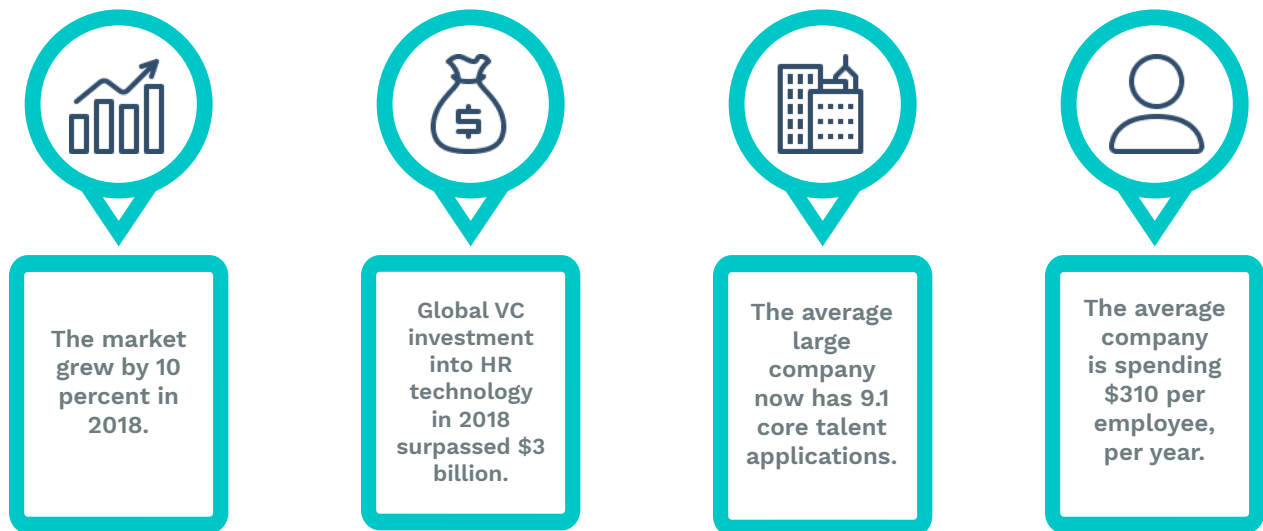
Source: HR Technology Market 2019: Disruption Ahead, Josh Bersin

Within the HR industry, Josh Bersin explains, a new set of talent issues have arisen, which raises a new set of questions that must be addressed.[1]

- **Diversity, inclusion, fairness, and transparency:** Are our people practices inclusive, diverse, and respectful of gender, age, race, educational background, and mental and physical ability?

- **Productivity:** Are we reducing workplace distractions so that employees can get their work done? Do we know how and where employees are wasting time?

- **Teams:** Are we building the practices, tools, and reward systems that enable a company to be agile and team-centric?

- **Well-being:** Are we responding to employee demands for a more humane, healthy, and friendly workplace in which they feel developed and rewarded?
- **Leadership:** Are we actively developing a new generation of leaders? Do we have tools and data to show leaders how to continually improve?

Change of Pace

The software and platform portion of the market, estimated at $5 billion, is comprised of online advertising, assessments, interviewing tools, and many AI and recruitment management tools. It's one of the fastest-growing segments of the HR tech market right now, primarily because the job market is so competitive worldwide.[1]

HR Tech Ecoystem

Different talent acquisition tools such as applicant tracking, onboarding, candidate assessments, video interviewing, and job boards contribute to the overall revenue stream of the HR tech market.

- 96 percent of organizations conduct pre-employment background screenings and 89 percent conduct background screenings to protect employees, customers, and others.[2]

- Organizations striving to be best in their class are 36 percent more likely than all other organizations to use assessments in the pre-hire stage.[3]

- Companies who use pre-hire assessments report a 39 percent lower turnover rate. Those companies are also 24 percent more likely to have employees who exceed performance goals.[4]

- More than 8 out of 10 HR professionals say they regularly conduct reference checks for professional (89 percent), executive (85 percent), administrative (84 percent), and technical (81 percent) positions.[5]

- Job board postings account for 18 percent of all successful hires,[6] with 43 percent of job seekers using job boards to search for jobs.[7]

- 73 percent of job seekers prefer to receive new job opportunities via text, with 65 percent of job seekers using their smartphones at least once per day for job search purposes.[8]

- 60 percent of hiring managers and recruiters have turned to using video technology to conduct remote interviews,[9] with 22 percent of employers saying they would use video interviewing to help them reach candidates from other geographic regions.[10]
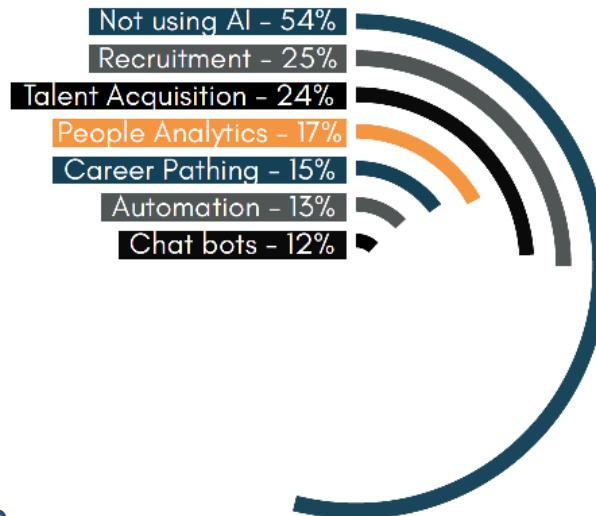
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What percentage of your company's planned annual spend is dedicated to human resources technology?

Less than $1k
$1k – $10k
$11k – $50k
$51k – $100k
Over $100k

4%
12%
13%
28%
43%
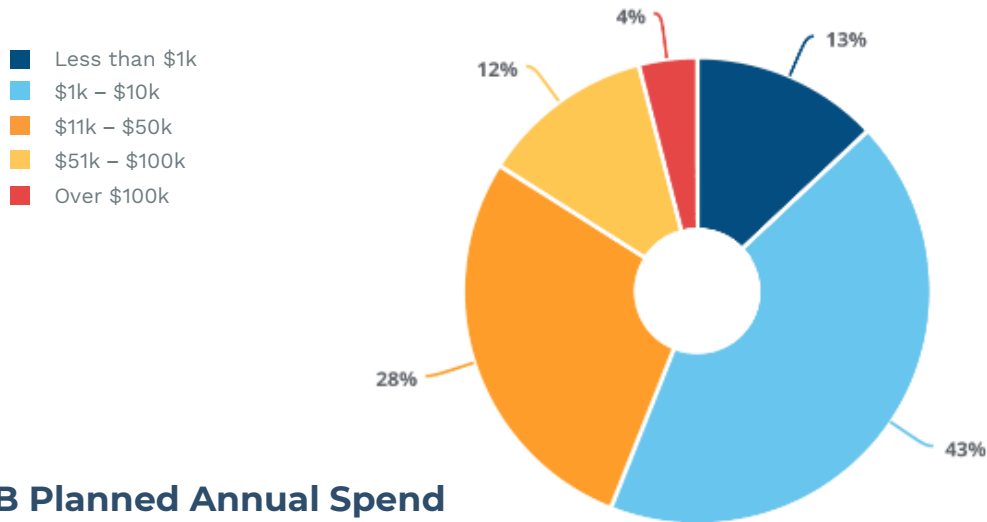
SMB Planned Annual Spend on HR Software

Source: Capterra's 2018 Top Technology Trends Survey

How is your company using artificial intelligence?

Not using AI – 54%
Recruitment – 25%
Talent Acquisition – 24%
People Analytics – 17%
Career Pathing – 15%
Automation – 13%
Chat bots – 12%

Artifical Intelligence Usage

Source: HR Tech Global Report 2019, HR Exchange Network
Note: These responses are from directors, VPs, and C-level officers.

Talent Shortage

Emerging technology and quick-changing skills are leaving employers with unfilled roles and threatened productivity, efficiency, and overall future growth. For the sixth consecutive year, skilled trades positions are the hardest to fill globally. Large companies (more than 250 employees) have twice as much difficulty filling roles as micro organizations (less than 10 employees).[11]

Mid-sized organizations (50–249 employees) are feeling the pressure as well, with more than half struggling to find the skill sets that they need. Nearly one-third of employers say that positions are remaining unfilled due to a lack of applicants, while 27 percent say that candidates lack the required hard or soft skills.[11]

The Current State of Recruitment

The U.S. Department of Labor recently reported a record high 6.6 million job openings this year, affecting 50 percent of U.S. employers.[12]

On average, it takes 27 working days to make a hire. Employers are encouraged to remain reasonable and patient in their hiring timeframes, as it can take time to bring qualified talent on board. Employers also have some leverage, considering that recruiter space is very competitive.[13] Among recruiters, 45 percent are still struggling to fill certain positions due to a shortage of talent.[14]

- Talent shortage is an issue in the current market. 73 percent of employers have reported difficulty finding skilled candidates, and 45 percent of employers are concerned about finding employees with the right skill sets.[11]

- Millennials will comprise 50 percent of the U.S. workforce by 2020.[15]

- The top technologies that HR and hiring professionals wish their companies would adopt by 2020 are 1) gamification, 2) virtual/augmented reality, and 3) talent matching technology.[16]

Recruitment by Role

- Skilled trades, sales reps, engineers, drivers, and technicians consistently rank among the hardest roles to fill.[11]

- The demand for tech roles continues to trend upward as software developer, statistician, and mathematician occupations are predicted to grow by 30 percent, 33 percent, and 29 percent, respectively, within the next decade.[17]

Candidate Experience

Candidate experience remains a trending focus among many businesses. However, nearly 60 percent of candidates have reported negative experiences when applying for jobs. Organizations must keep a great candidate experience at the top of their minds when creating hiring plans and organizing their hiring processes. A good candidate experience allows a company to find better employees that will stay around longer.[18]

- 78 percent of candidates believe how they're treated during the application process reveals how highly — or how poorly — a company values its people.[19]

- 58 percent of candidates who had a negative experience with a company's recruitment process said they would not apply again in the future.[20]

- People who enjoy the candidate experience are 38 percent more likely to accept a job offer.[20]

- Organizations that invest in a strong candidate experience improve their quality of hires by 70 percent.[2]

- According to 91 percent of employers, job-candidate experience can help influence consumer purchasing decisions.[16] A poor candidate experience would make 60 percent of job seekers less likely to purchase the employer's product.[21]

Workplace Flexibility

Remote work positions are intriguing to many individuals across the world. More than 43 percent of employed Americans report time working in remote positions, and this number continues to increase.[22] Remote work allows employees to feel appreciated and valued, create their own workplace cultures, and communicate better overall. The flexibility, positive outlook, and increased opportunities all work together to contribute to an overall vibe of happiness to organizations that offer remote work or workplace flexibility.

- 52 percent of employees around the world report working from home at least once per week, with 21 percent working from home more than once per week and 13 percent one day per week.[23]

- 18 percent of employees work remotely full time.[23]

- Employees who work from home at least once per month are 24 percent more likely to feel happy and productive at work than their desk-bound colleagues.[23]

- Companies that allow remote work see 25 percent less turnover than those that don't.[23]

- The primary reason employees reported working from home was for better focus and increased productivity. The second biggest reason was to reduce their commute.[23]

- 71 percent of job seekers rank workplace flexibility as the top benefit that would attract or retain them as employees.[16]

Who We Are

HiringThing, founded in 2012, is award-winning recruiting software that helps simplify and shorten the hiring lifecycle by automating processes, facilitating collaboration, and organizing data. Our goal is to manage the complexity of the hiring process on the backend so that you can focus on what matters most — finding the perfect hires.

HiringThing's robust product offering includes ATS Anywhere — a platform designed to provide white-label modular recruiting and world-class applicant tracking solutions that add incredible value to companies. Additionally, The HiringThing Partner Experience is a unique offering that provides partners with a technically superior applicant tracking system, along with the friendliness and flexibility of a top-tier team of recruitment experts who are dedicated to understanding and solving your clients' hiring pains. For more information, email info@hiringthing.com, or visit www.hiringthing.com.
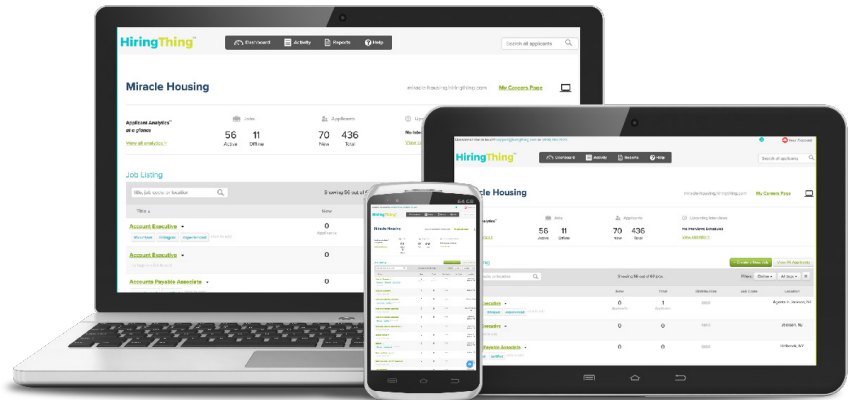
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