



2023

RECRUITMENT PREDICTIONS

FEBRUARY 2023



Looking back on 2022

2022 was a rough year, and we begin 2023 teetering on the edge of a recession, but what can we anticipate, and how can we prepare for the coming year? It's safe to say 2022 was a turbulent year. Political instability, a war, a cost-of-living crisis and skyrocketing inflation. On paper, it appears to be a disaster, yet 2022 has been a very profitable year for many recruitment companies. Because the market has continually been short of candidates while being heavy on jobs, the importance of the recruiter has increased for businesses anxious to discover outstanding individuals for their open positions.

This tendency will likely remain the same for the foreseeable future. According to reports, jobs increased by 17% from October 2022 and were 39% higher than the 2021 monthly average. At a time of year when job activity often declines, these stats are astonishing. Meanwhile, applications have reduced, indicating that the candidate-short market may continue. With this as a backdrop, what trends can we anticipate in 2023?



Companies will continue to employ.

We've heard a lot of doom and gloom about the recession driving businesses to be cautious and stop hiring, but that's not what we're seeing. The main distinction between this and prior recessions is that unemployment remains relatively low, and the economic inactivity rate continues to climb, implying that fewer individuals are in the labour market. People are also changing employment more often than in the past, so there is still much mobility in the market that they may not have in their current role.

As a result, thousands of companies are severely understaffed, particularly in hospitality, health and nursing, and the public sector. Most businesses will need to continue employing; too many faltered during the pandemic because they froze hiring or let significant numbers of employees go but couldn't re-hire when required.



Candidate flexibility will be a top focus.

Since the pandemic, candidate motivators have evolved, with priorities becoming more holistic. Companies that provide a strong work/life balance and body and mind wellness programmes attract considerably more candidates than those that provide an office pool table, a fancy coffee machine, and free Friday drinks.

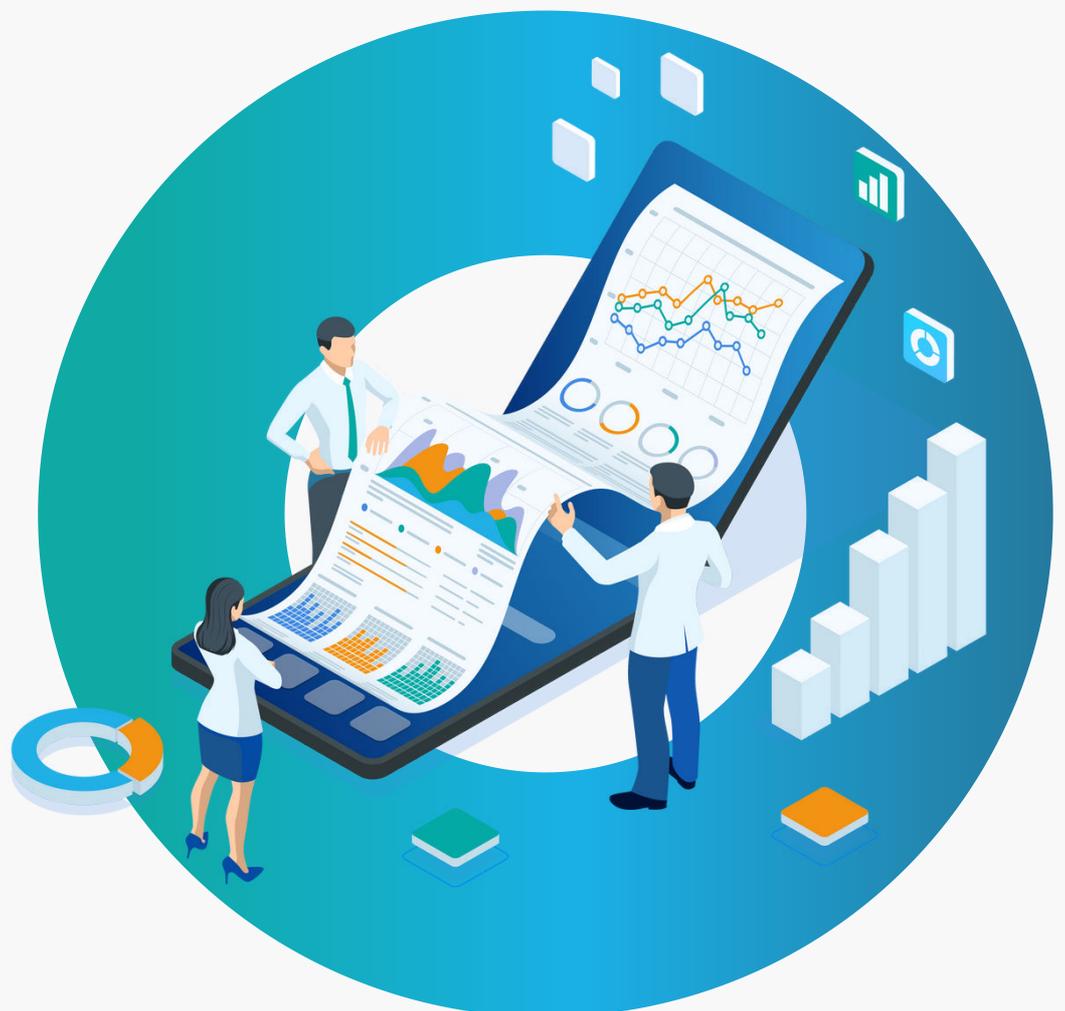
Businesses must offer flexibility regarding hours, location, and contract type to attract competent individuals in 2023. The announcement that flexibility rights are poised to alter in the UK, allowing employees to seek flexibility from the first day of work, emphasises the issue's relevance. This enormous demand for employment flexibility creates an opportunity for businesses and recruiters to grab that massive market of people searching for job flexibility.



Recruiters will turn into strategic consultants.

Recruiters must provide considerably more than a transactional service, evolving into complete personnel solutions in which the recruiter functions as a strategic adviser and takes a broader perspective of a client's talent needs.

Clients will prefer recruiters who focus on the task rather than the body that needs to be hired. There is now a chance to figure out how to address a whole talent problem rather than how to fill specific jobs. This was previously appreciated during Covid, but it is now valued more than ever. In times like these, employees genuinely want knowledge and assistance to help them make vital decisions; this is where recruiters can shine.



Alternative candidate recruitment tactics will be critical.

Recruiters will need to broaden their hunt for talented individuals due to a general shortage of job searchers and rising job board charges. Concentrate on developing a talent pool of applicants you've evaluated and kept in touch with. Use CV Search tools to update your database frequently. Expand your pool by growing an audience on LinkedIn and writing frequent posts on your website.

The stronger such techniques get, the less reliant recruiters will have to be on a single source, such as job boards. Increasing your audience, building connections, and forming and cultivating relationships will all assist you in gaining fast access to individuals for the positions you need to fill.



Using your technology stack to increase efficiency will be critical.

In a downturn, every technology that increases efficiency and saves time will be critical. Being targeted with your job postings can help you locate and attract more people. Therefore, a multi-poster with analytics that can inform you when and where to post your openings is essential in a candidate-short market. A CV Search tool will help you identify applicants quickly and efficiently across different job board CV databases and your own database. A first-rate website will assist you in attracting prospects and serve as your employment board.

A good tech stack will help you get through a recession by allowing you to continue to attract prospects even when they are few and far between. It will also allow you to create relationships with prospects and clients, which is critical. When things are rough, the human aspect becomes even more vital. Clients will want knowledge to assist them in making decisions, but they will also require reassurance. Candidates will exercise care since job stability matters much more in a downturn. You will need to be a coach and counsellor, and the correct recruitment technology will help you achieve this.



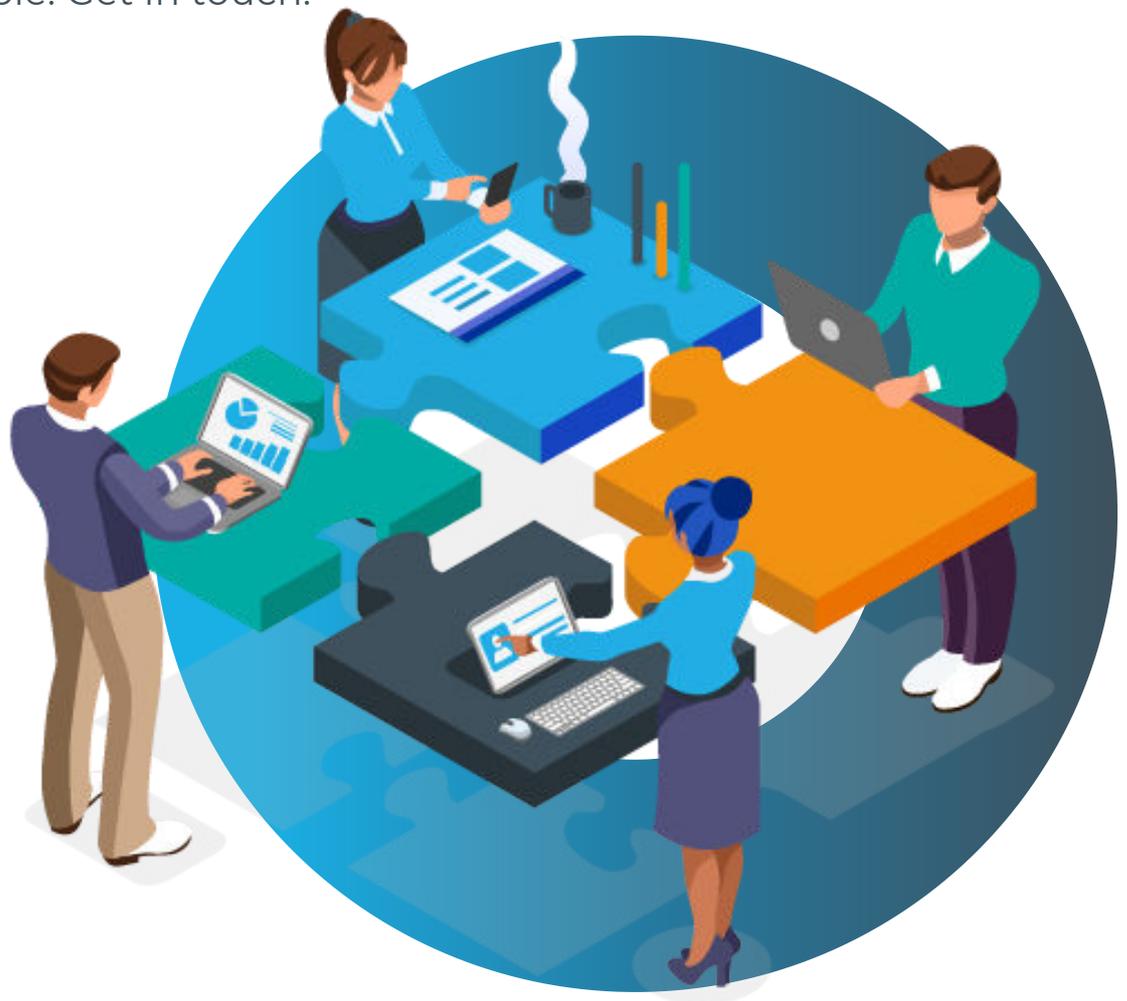
Plan for the future

An economic climate like the one we are currently experiencing gives excellent opportunities for businesses to prepare for the future, consider how to develop and diversify, and nail down the path they must take. During Covid, we saw a lot of this activity because people had the time. Companies that were nimble and paused to consider what the world needed right now, that pivoted in reaction to current market conditions and behaviours, were the most successful. And remember, economies are cyclical, and the recession, if or more likely when it comes, will not last forever, so limit the risks, be confident in your judgements, and keep talking to your clients and candidates, and you might end 2023 on a high note.



Simplicity is here to help.

Your recruitment business may face many challenges over the coming months. However, you can continue to prosper and grow with the support of Simplicity's recruitment finance solutions. We provide you with upfront funding on your Temps and Perm Placements, take care of your back-office and provide you with FREE pioneering recruitment technology to manage your business. Improving your cash flow, saving you time and leaving you to focus on growing your business. Keep it simple. Get in touch.



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