What Will Recruitment Look Like in Five Years and What Will Be Different From Today?

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Abstract

[Excerpt] Across most companies today, recruitment continues to follow the traditional model – hiring managers present lists of desired qualifications and responsibilities through job descriptions, applicants submit chronological summaries of their work experience, and recruiters review applications through the applicant tracking system to identify relevant skills and experience. In the next five to ten years, this model of recruitment will transform significantly.

There are many reasons for this. First, careers today are more lattice-like, and less linear. Individuals’ career paths are characterized by shorter tenures, stretch assignments, entrepreneurial endeavors, time off work to spend with family, and gig work. The recruitment process should change to account for these “jagged resumes”. Second, as automation, robotics, and Artificial Intelligence (AI) take over manual, repetitive tasks, the work left to be performed by humans will be more creative and strategic, less predictable, and more consequential to the business overall. The stakes of making the right hire will increase, and recruiting will become a defining differentiator. Already, demand for recruiting professionals is up 63% since 2016. Lastly, as companies prepare for the future of work, recruitment practices will need to change to match new trends and challenges. For example, 50% of millennials are already freelancing, and this number is expected to rise significantly. 43% of college Gen Z’s are eyeing an entrepreneurial future over traditional workplaces.

Given these broad trends, the future of recruitment will be marked by changes in three domains – recruitment technology, skills that companies recruit for, and the competencies of recruitment teams in the future.

Keywords
Human Resources, HR, recruitment, talent acquisition, technology, psychometrics, soft skills

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Suggested Citation

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Executive Summary

Research Question

What will recruitment look like in 5 years’ time? What will be different from today? How will companies and candidates change in their approach? Will we still interview or use AI/data? Basically, what is the future of recruitment?

The Future of Recruitment

Across most companies today, recruitment continues to follow the traditional model – hiring managers present lists of desired qualifications and responsibilities through job descriptions, applicants submit chronological summaries of their work experience, and recruiters review applications through the applicant tracking system to identify relevant skills and experience. In the next five to ten years, this model of recruitment will transform significantly.

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New Recruitment Technology

68% of recruiting professionals believe that investing in recruiting technology is the most effective way to boost recruiter performance in the future. Here are four ways in which technology is poised to transform the recruitment process:

Identification of talent gaps and desired skills: Using information from university records, government employment databases, and professional networking sites (like LinkedIn), AI will be able to predict information on jobs in the future, and the skills required to fill the gaps. Moreover, it will be capable of parsing through volumes of intra-company data, such as pattern assessments of high performers and performance scores, to identify the experiences, traits, and career paths that predict the highest odds of success in a role.

Talent sourcing and engagement: Companies will increasingly use social media to execute their employer branding strategy, and attract candidates through unique ways like memes, video-based job descriptions, and games. They will also invest in tools like LinkedIn Recruiter to find and engage passive candidates, and technologies like LinkedIn Talent Insights to assess the global talent market for places with talent surplus.

Novel assessments and video interviews: Traditional candidate assessments will be replaced by interactive games and tests that are custom designed to identify traits that best map to a specific job profile. Similarly, AI-based video interviews will drive a significant amount of administrative and operational efficiencies for recruiters. As an example, Unilever has replaced its traditional university hiring model with a series of AI assessments using a tool called Pymetrics. This has allowed the company to hire its most diverse class, and reduce time-to-fill from four months to four weeks.

Candidate experience: Chatbots will be used to screen applicant resumes and initiate interactions with candidates. They can be designed to pro-actively inform candidates about the status of their applications, and provide feedback through various stages of the application process.

For information on the most disruptive hiring technologies available in the market, refer to Appendix A.
**Importance of Soft Skills**

The growth of automation, robotics, and AI means that soft skills will become increasingly vital and relevant. This does not mean that hard skills won’t matter. However, it’s much easier to evaluate these skills at the hiring stage (e.g. coding skills for programmer, language skills for translator), and there’s less of a chance to hire someone without these skills. Assessing soft skills is much harder, and they’re often discovered after a hire has been made. “Bad hires” are almost never a matter of hard skills alone. 89% of talent professionals say that bad hires typically lack soft skills.³

**Which soft skills should companies look for?** The top five soft skills in high demand relative to their supply (in order) are: creativity, persuasion, collaboration, adaptability, time-management. In the age of automation, creativity, or the ability to solve problems in original ways – something that machines can’t easily replicate – will be crucial. A McKinsey study suggests that demand for creativity will increase sharply by 2030.³

In addition to the above, recruiters will also start hiring for LQ or “Learning Quotient” – the ability to enter a new situation, learn, and adapt. LQ will allow companies to grow their pipeline by finding candidates who don’t have the skills yet, but are willing to learn. One way to do this would be to open up internal training resources to potential candidates, assess the time they take to upskill, and measure how they perform.²

**How should companies assess soft skills?** 68% of talent professionals say the main way they assess soft skills is by picking up on social cues in interviews. Only 41% of recruiters employ a formal process to assess soft skills.³

Some tips for companies to effectively assess soft skills: determine the soft skills valued most at the company, identify the skills required for the specific role, use online tools like Pymetrics and Koru (that assess soft skills systematically, without bias, by analyzing how the candidates answer questions or play games), standardize interview questions, and ask problem-solving questions to see soft skills in action.

For example, Citi assesses soft skills in their graduate hires by using problem solving case studies and group exercises, and through Koru. BYTON, an electric car startup in China uses a hiring panel with a standardized set of situational interview questions to systematically assess soft skills.³

**Recruitment Team Competencies**

Given the rapidly evolving landscape of work, workers, and the workplace, recruitment teams of the future will be expected to have the following competencies:

**Flexible recruitment:** The rapidly changing business needs of organizations mean that recruiters will need to continuously adapt their hiring practices. Ideally, recruiters will extend beyond functional expertise to hire across various functions and roles, and establish close alignment with business executives.

**Strategic recruitment:** In the future, recruitment will move from a tactical to strategic function – recruiters will be expected to bring perspective, push back, and lead the way forward in terms of talent needs. 82% of recruitment professionals say advising business leaders will grow more important over the next five years. Already, 1 in 3 recruiting leaders come from a role outside HR.⁴

**Use of outcome-driven metrics:** Most recruiters today use tactical metrics like time to hire, candidates per hire and offer acceptance rate. While tracking these is easy, it fails to capture the business impact of recruitment. Results-based metrics will become more important in the future. The 3 strategic metrics that will matter most are: quality of hire, sourcing channel effectiveness, assessment effectiveness.⁴ The latter two are derivatives of the first (i.e. which sources and assessments yield the highest quality of performers). Quality is difficult to measure, but can be defined as a composite of three core metrics – retention, engagement, and performance.

**Engagement, analysis, advice:** Recruiters will need to develop their skillsets in three key areas: engaging passive candidates by using tools like LinkedIn Recruiter, analyzing talent data (such as trends in labor market or predictors of high quality hire) to drive decisions, and proactively advising business managers by setting realistic talent expectations and aligning hiring goals with business needs. Refer to Appendix B for a training curriculum that organizations may use to build these skills in their recruitment teams.

**Use of non-recruiter specialists:** As the role of recruiting expands to include other critical areas, like analytics, marketing, and technology, companies will realize that these call for their own dedicated roles. The three most impactful new roles in recruiting include people analytics, recruitment marketing, and recruiting technology. In order to effectively integrate these new roles into their teams, recruiting leads must convey a vision to get exec buy-in, and consider a pilot program to determine expected impact.⁴

As organizations lay out plans for the future of recruitment, they must consider changes in all three areas – the effective use of new technology, the new skills that must be recruited for, and the future competencies that recruitment teams must have.
Appendix A

<table>
<thead>
<tr>
<th>Technology</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>HackerRank</td>
<td>Enables real-time skill assessments for engineering and software candidates</td>
</tr>
<tr>
<td>Pymetrics</td>
<td>Assesses candidates’ soft skills using interactive games</td>
</tr>
<tr>
<td>HireVue</td>
<td>Analyzes video interviews using AI and neuroscience technology to predict soft skills, honesty, and job performance</td>
</tr>
<tr>
<td>Wade &amp; Wendy; Mya</td>
<td>Chatbots to keep candidates engaged, informed, and happy through the application process</td>
</tr>
<tr>
<td>Textio</td>
<td>Helps improve job descriptions (e.g. by eliminating gender bias) with data</td>
</tr>
<tr>
<td>Amberjack</td>
<td>Creates immersive experiences for campus recruiting</td>
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</tbody>
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*Table 1. 6 of the most disruptive hiring technologies in 2018 (McLaren, 2018).*

Appendix B

<table>
<thead>
<tr>
<th>Business Acumen Exercises:</th>
<th>Assessing Soft Skills:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding Our Business Goals</td>
<td>A Solid Approach to Accurate Evaluations</td>
</tr>
<tr>
<td><strong>Insights 101:</strong></td>
<td><strong>Structured Interviewing:</strong></td>
</tr>
<tr>
<td>How to Analyze Talent Data to Drive Decisions</td>
<td>Asking the Right Questions Every Time</td>
</tr>
<tr>
<td><strong>Storytelling for Recruiters:</strong></td>
<td><strong>Stopping Unconscious Bias:</strong></td>
</tr>
<tr>
<td>How to Engage Candidates Effectively</td>
<td>Extending Opportunity to Every Candidate</td>
</tr>
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*Figure 1. Courses in a training curriculum to prepare recruitment team with desired competencies (LinkedIn Talent Insights, 2019)*

Appendix C

*Figure 2. The top skills listed by recruiters on LinkedIn (LinkedIn Talent Insights, 2019). The yellow data-points are skills that are becoming “more common”, while the brown data-points indicate skills becoming “less common”.*
References