

The Only Guide Recruiters Need For 2022

How to gain from a global labor market and overcome the Great Resignation

Abstract

The pandemic has transformed the global labor market and recruiters must adapt. Following the economic downswing of 2020, we witnessed the Great Resignation and a shortage of skilled talent to fit emerging roles. Fortunately, cutting-edge technologies and hiring practices allow recruiters to scale their campaigns while managing risk. Background verification platforms, in particular, provide organizations with seven essential tools needed to hire candidates that stay and reverse the Great Resignation. This report discusses the key trends in today's labor market, opportunities for recruiters, and the top priorities that should define strategies in 2022.

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The Labor Market Has Seen a Tectonic Shift

The pandemic has holistically changed how we connect, communicate, and work with each other, and this has far-reaching implications for recruitment. Due to the steep economic decline of 2020, organizations were forced to adopt furloughs or even lay-off portions of the workforce as a drastic measure to meet the needs of the times. It is estimated that approximately 81 million jobs were lost across blue and white-collar segments in the Asia Pacific region alone as a result of unprecedented economic contraction¹. Recruiters had to defer or cancel hiring plans, while ensuring that candidates stayed engaged to help buoy the companies' eventual recovery and rise in a post-pandemic world.

¹ https://www.ilo.org/asia/media-centre/news/WCMS_763819/lang-en/index.htm

Then, in 2021, a new challenge appeared – the Great Resignation. Spurred by a variety of reasons, workers around the world started to rethink their current employment choices, and many decided to leave. Approximately 38 million US workers switched jobs last year, and in a survey, 92% said the pandemic had made them feel like life is too short to stay in jobs that do not drive a purpose². It makes sense, therefore, that it is often the most talented and experienced professionals who leave. Indeed, turnover between the ages of 30 and 45% increased by 20% in 2021 – a record high, considering it is usually the younger employees who switch jobs³.

In 2022, research suggests that the Great Resignation is still going strong and employee attitudes may have changed for good. Nearly 1 in 5 employees think they can find better job opportunities than their current roles, which makes things harder for recruiters. From having to delay hiring activities, recruiters now face an entirely new challenge – how to engage a talent pool that’s more demanding and discerning than ever before? How do employers stand out in a world without geographical barriers, where Zoom meetings allow a coder in India to work for a startup in Berlin? In this context, recruiters must make note of the following trends:

- **A chronic talent shortage** - The Great Resignation is not a flash in the pan. By 2030, there could be as many as 8.5 trillion unfilled jobs as there is not sufficient skilled talent to meet demand. For instance, the US tech industry could lose out of \$162 billion in revenues if it does not hire high-tech workers on time. Predictive analysis suggests that financial/business services, technology, media & telecom, and manufacturing will face a deficit of 4 to 10 million workers⁴.
- **A hyper-connected world** - Communication technologies have been rapidly advancing in the 21st century, driven mainly by the cloud. In 2020, cloud-based communication suites allowed companies to stay connected with their workforce while working from home. It also meant that candidates could now work for companies thousands of kilometers away from their residence without relocating. Indeed, flexible work options based on online connective is the Number 1 reason why people quit, a factor influencing 70% of candidates⁵.
- **Gig as the new normal** - The global gig economy could grow from \$204 billion in 2018 to \$455 billion in 2023, aided by new connectivity options, purpose-built platforms, and an emerging culture of flexi-work⁶. 59% of gig workers work with multiple companies, and realistically, WFH provides employees with more autonomy over their time than ever before⁷. Recruiters may have to change gear in order to gain from top talent who do not subscribe to the single-employer, 9-to-5 model.

² <https://www.businessinsider.in/policy/economy/news/2021-was-the-year-of-the-quit-for-7-months-millions-of-workers-have-been-leaving/articleshow/88173274.cms>

³ <https://hbr.org/2021/09/who-is-driving-the-great-resignation>

⁴ <https://www.kornferry.com/insights/this-week-in-leadership/talent-crunch-future-of-work>

⁵ <https://www.hrmorning.com/news/great-resignation-survey/>

⁶ <https://brodmin.com/case-studies/gig-economy-case-study/>

⁷ https://f.hubspotusercontent00.net/hubfs/8588609/Gig_Survey_2021_v2_021721.pdf

- **Candidate as the consumer** - Amid the employment uncertainty of 2020 and self-realization in 2021, candidates now expect a different sort of hiring experience. 80% of job seekers want to understand a company's culture before they join, which means that compensation and career prospects alone are not enough to engage a candidate⁸. Nearly half of candidates will also not tolerate delays in the hiring process and will "switch off."⁹

The Great Resignation: Challenge or Opportunity?

In this environment of challenge and change, there is also a very real opportunity for recruiters. Millions of mid-career workers with over a decade of experience are switching jobs, for a very specific set of reasons. Organizations that recognize these drivers and tailor the employer value proposition and candidate experience accordingly will stand to gain. Flexi-work and the option to work from home remain among the top priorities, which could necessitate major policy changes for established organizations. Additionally, there are four key reasons recruiters should keep in mind:

- **Highlighting career and growth opportunities** - In 2022, more than half (51%) of employees are looking to quit due to a lack of growth opportunities in the existing organization¹⁰. Recruiters can turn this into an opportunity by targeting regions that have high education and upskilling levels, without a large enough local economy to support employment. With the rise of remote work and a borderless world, new career opportunities can come from – literally – anywhere. Recruiters must identify talent pools aligned with the employer's proposition, often casting the net farther and wider than usual.
- **Acknowledging and meeting salary expectations** - Salary is the second reason why workers will quit, cited by 38% of professionals¹¹. The value of compensation derives not only from the in-hand remuneration one receives, but also from the transparency around the conversation. 61% of candidates expect to see salary information before they apply, but only 46% of recruiters make it a practice to include the data in job descriptions¹². Transparency also helps to counter bias and ensure wage parity among different employee demographics. For more senior roles, recruiters can analyze candidate backgrounds, qualifications, and past experience to accurately estimate what precise salary would "stick" in a competitive market.

⁸ <https://www.prnewswire.com/news-releases/cappfinity-survey-80-of-job-seekers-want-to-understand-company-culture-before-accepting-offer-301469525.html>

⁹ <https://www.cronofy.com/blog/candidate-expectations-report-2021>

¹⁰ https://www.qualtrics.com/m/assets/au/wp-content/uploads/2021/11/APJ_EX_211021_The_Great_Resignation_V2.pdf

¹¹ https://www.qualtrics.com/m/assets/au/wp-content/uploads/2021/11/APJ_EX_211021_The_Great_Resignation_V2.pdf

¹² https://uk.finance.yahoo.com/news/should-salaries-be-included-in-job-descriptions-095642379.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAMEIG49I6DO7GMN1tViR29gidKaYX2Sm19RAAErBIPMQs_fwn7RzCUIsqG1N8BU_OIZkjlwELrYAPcCCrYe1mEQkpyZ4UH35uz5FM3xBzVTMYOKJM-u73-4CRdPQ5ROlrJvdEjrz65i6ks1K0tv709JWkiDkXbfSYN-yWKsgfezkr

- **Reinforcing wellbeing benefits in candidate conversations** - 29% of candidates switch jobs because their previous employer did not provide sufficient benefits¹³. That is why candidate conversations should include benefits data at an early stage and reassure applicants that their priorities will be addressed. Importantly, mental health and emotional wellbeing will be a vital part of the employer value proposition in 2022, with many workers facing burnout and several recovering from sub-par work experiences in the past.
- **Driving home the purpose of it all** - Almost 1 in 4 workers will change employers because they could not find meaning or purpose in their job, a phenomenon unique to the post-pandemic world¹⁴. Recruiters can align with this expectation through simple and effective conversations that make applicants feel valued every step of the way. Regularized two-way communication can ensure everyone is on the same page and drive candidate engagement throughout the hiring journey. A larger talent pool will also make it easier to find candidates who are both a culture-fit and a value-fit – of course, it is essential to check candidate backgrounds to manage risk during the process.

Go Big, But Keep it Secure: The Need for Verification Technology

To succeed in this dynamic hiring climate, organizations need to “go big.” This means looking beyond the traditional talent pools, breaking down bias and barriers, and rethinking hiring parameters for a role. For instance, mid-career internships can help experienced professionals switch to a different career path, one where they actually find passion, purpose, and meaning. Reimagined graduate hiring programs can begin training young professionals, even as they engage in online learning. An institutionalized gig recruitment strategy can help organizations gain from the world’s top freelance and consultancy talent. In other words, 2022 should be all about scaling recruitment and borderless hiring, not only to fill the talent gap created in the last few years, but also to gain from a new group of professionals entering the job market en-masse.

Robust background verification technology helps meet these objectives while managing risk. It also improves recruitment efficiency metrics, providing better outcomes for both candidates and the employer. Three trends from February 2022 signaled the need for more advanced technologies and streamlined background checks in hiring:

- **Time to fill is at an all-time low** - Recruiters are eager to fill open positions quickly and efficiently. From August 2021 to December 2021, this metric saw a steady decline, decreasing by 21.2% in the last one month alone¹⁵. However, as organizations increase their recruitment speed, they should be careful to not overlook any gaps in candidate fitment.

¹³ https://www.qualtrics.com/m/assets/au/wp-content/uploads/2021/11/APJ_EX_211021_The_Great_Resignation_V2.pdf

¹⁴ https://www.qualtrics.com/m/assets/au/wp-content/uploads/2021/11/APJ_EX_211021_The_Great_Resignation_V2.pdf

¹⁵ <https://resources.workable.com/stories-and-insights/hiring-pulse>

Automated background checks ensure that recruiters evaluate every aspect of a candidate profile without extending the time to fill.

- **The number of total job openings is rising** - Expectedly, the Great Resignation and talent shortages are creating vacancies at a faster rate. In January of this year, there were 17% more openings than the Q4 average in 2021 and the trend will continue into 2022. Recruiters need to be able to find, engage, and process candidates at scale without any errors to keep up with demand. Vacancies left unfilled for a prolonged period of time could impact business outcomes in the crucial months of post-pandemic recovery.
- **There are fewer candidates for every hire** - Between November and December of 2021, the total number of applicants available for a role decreased by 15.3%. This makes the recruiter's job significantly harder, as the possibility of finding a perfect fit within a smaller pool will shrink. That's why it is important to scale hiring campaigns and look beyond the usual channels for targeting applicants. Recruiters must also coordinate with marketing and brand design teams to strengthen the organization's employer branding presence.

Background verification technology improves recruitment metrics without compromising on the quality of hire. In 2022, it would allow recruiters to meet three key priorities.

Top 3 Recruitment Priorities for 2022

This year, organizations will re-envision their recruitment processes to focus on three goals:

1. Support (and gain from) the breakdown of geographical barriers

The "work from anywhere" trend is here to stay and organizations can benefit from it in three ways. First, remote employees situated in different parts of the world can increase an organization's availability and drive business processes without interruptions.

For example, a support team located in a different time zone can help carry on the work once the primary team's 9-to-5 hours end. This also ensures better work-life balance and moderate workloads for all. Second, it allows organizations to penetrate new markets, aided by a workforce conversant in that region's culture and market dynamics. Finally, it is more sustainable from an environmental, social and governance (ESG) point of view as it reduces the corporate carbon footprint. More than 1 in 3 companies are looking to increase the number of international remote workers in 2022¹⁶, and recruiters must adapt.

¹⁶ <https://www.business.hsbc.com/en-gb/insights/growing-my-business/top-3-benefits-of-a-borderless-workforce>

A technology platform can conduct a variety of background checks, including checking against global sanctions, identity credentials, and criminal records when hiring remotely. It makes it possible to safely recruit international workers who add great value to the business.

2. Embrace the culture shift without bias

Borderless hiring and “work from anywhere” introduce a culture shift that completely disrupts the status quo. It makes it more likely for organizations to hire outside of their usual age demographics, and embrace employees from diverse linguistic, cultural, and socioeconomic backgrounds.

Unfortunately, bias still influences hiring decisions and countering this should be a top priority in 2022. In a recent survey, 56% of hiring managers thought talent and hard work were the core drivers for career mobility, but only one-third of candidates agreed. Indeed, 15% of hiring managers admitted that age was a key reason for their decision-making, either consciously or unconsciously; 11% were influenced by ethnicity and 9% by disability¹⁷. Not only does this lead to a skewed workforce composition, but it also prevents organizations from benefiting from the top talent, objectively measured.

Detailed and accurate data on all applicants is essential to combat bias. A background check will break down a candidate profile based on academic achievements, past experience, references, and other tangible parameters. Equipped with this data, organizations can make informed decisions without being swayed by subjective judgment.

3. Select the best for candidates to beat the talent war

As the statistics suggest, the war for talent has never been so severe. Job openings are constantly increasing, with fewer applicants for each role. Recruiters are attempting to quickly acquire candidates so as not to lose to the competition. As skill requirements transform at a faster pace than the education system, organizations need the best candidates *now* to avoid chronic talent shortages *in the future*.

Ultimately, recruiters’ objective in 2022 is to help hire top talent while factoring in the labor market dynamics of different regions and industries. For instance, the pandemic has exacerbated pre-existing staffing shortage in the US education sector. Organizations need a clear understanding of the drivers at play, scale their recruitment campaigns, and leverage cutting-edge technology to find candidates not only for immediate outcomes but also to last in the long term.

A technology platform can consolidate applicant data in one place, provide 360-degree visibility, run automated background checks, and integrate with other hiring systems to help hire better, faster. It would allow organizations the flexibility they need in a world without geographic barriers while ensuring the quality of hire.

¹⁷ <https://www.hrdiver.com/news/recruiters-in-survey-acknowledge-conscious-bias-in-hiring/597945/>

Key Technology Aids Recruiters Need for Success

Organizations have already digitized a large number of HR processes in the last two years to support remote HR operations. Next-gen background verification goes beyond adapting processes for a low-touch world and creates real value through greater hiring accuracy. When an automated and data-driven approach is employed, candidates come under closer scrutiny and employers can access verified information about them, sans bias. It also overcomes the challenges caused by manual checks and paper processes.

45% of organizations conduct mandatory checks before a new employee is given active business responsibilities – however, 96% of this group faced bottlenecks in their usual background checking capabilities in 2021¹⁸. This negatively impacts hiring efficiency – something recruiters cannot afford in 2022. In order to overcome the effects of the Great Resignation, thrive in a rapidly changing labor market, and prepare organizations for the future, seven tools are necessary.

- **Engagement through custom conversation flows** - Custom questionnaires and editable templates can help recruiters design engaging conversations for background checks. The format could include both open statements and rating scales to collect a variety of data. This ensures that references from a candidate's background are more likely to respond and provide the data necessary. It would allow organizations to capture a complete understanding of the person they are looking to hire without any information gaps.
- **Automated follow-ups to save time and effort** - As recruiters strive to shorten the time to fill, automated follow-ups can help save time and effort. The background verification platform would maintain data records of all the cited references, and reach out to them as per the designated schedule. Organizations can alter follow-up emails and the conversation flow as needed, notifying candidates whenever there is an important activity or update.
- **Hassle-free data collection for an unintrusive experience** - If a verification experience is too complex or effort-intensive, candidates risk becoming disengaged. Even if they do not drop off (which is a very real risk when vacancies outnumber skilled applicants), an intrusive candidate experience leaves a negative impression. The platform should enable hassle-free data collection through guided interfaces for both the applicant and their referees.
- **Business user dashboard for updates and insights** - A quality hire always involves multiple stakeholders, and now online collaboration is absolutely essential to complete a hire remotely. Therefore, organizations need an online dashboard that keeps track of candidate information, verification progress, milestones and datelines, and potential red flags. Recruiters can access the dashboard from any device, whether working from home, or the office. The dashboard will also include sort and search filters to help identify trends and retrieve key information.

¹⁸ https://www.ey.com/en_in/news/2021/06/digitalization-of-employee-background-check-processes-can-transform-hr-functions

- **Built-in risk framework to find and investigate discrepancies** - This technology aid can be instrumental in mitigating bias and investigating any discrepancies in the applicant's background. It ensures that justifiable discrepancies do not terminate the candidate relationships altogether. Instead, it uses a built-in risk framework to highlight the discrepancy for further investigation.
- **Integration with applicant tracking systems** - Background verification systems must coexist with other hiring tools such as the applicant tracking system (ATS). Without this feature, organizations risk fragmenting their digital landscape and HR will be forced to juggle multiple tools – eventually causing effort duplication and data errors. Instead, the platform must connect with major solutions to fetch candidate data automatically, and offer an API for custom integrations.
- **GDPR compliance, SSO, and on-demand reports** - HR technologies deal with large volumes of sensitive data, a lot of which is classified as personally identifiable information (PII). It is vital that background checks are compliant with data regulations like GDPR and CCPA, as well as local laws applicable to a specific region. Single sign-on (SSO) further helps to secure the data against unauthorized access, and on-demand reports allow organizations to maintain an audit trail.

By leveraging these capabilities, recruiters can get ahead of the talent war and beat the Great Resignation to set up a safe, verified, and future-ready workforce.

Reversing the Tide with Candidates Who Stay

A loyal, low turnover workforce begins with effective recruitment. When organizations pinpoint the right culture, value, and skill alignment in their candidates – without geographic barriers, bias, or risk – they set up a robust foundation for the future. In 2022, there is very little margin for error, with hiring volumes poised to increase to keep up with a bullish economic climate. Organizations getting this formula right will gain a competitive advantage for several quarters to come.

At Veremark, we provide the world's leading organizations with the tools they need to hire effectively and without risk. Research indicates that 1 in 3 hires may lie in their application and the average cost of an incorrect hire can be as much as \$30,000. To prevent this, employers need cutting-edge technology solutions that conduct a wide variety of background checks adapted for 180+ countries, simplified through automation, data dashboards, and connected workflows. In addition to the seven must-have tools, i.e., custom conversation flows, automated follow-ups, hassle-free data collection, business user dashboards, risk frameworks, integrations, and compliance, we also provide:

- Verification timeline reduction from weeks to 3-5 days
- Standardized packages and questionnaires to prevent bias
- Communication white-labeling to reinforce the employer brand

- Real-time updates on verification attempts and completion
- One-click report generation in multiple formats
- Tiered account permissions for collaborative recruitment

The pandemic period and the Great Resignation have revealed gaps in the employee experience, which often stem from a lack of alignment between applicants and employers. Cutting-edge technology can help recruiters bridge this divide in 2022 and reverse the tide, with candidates who stay.

For more information, please email us at <<email ID>>.