RESOURCING AND TALENT PLANNING REPORT 2022

The CIPD is the professional body for HR and people development. The registered charity champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has almost 160,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

The CIPD's *Resourcing and talent planning* report, in partnership with Omni RMS, examines resourcing and talent planning practices and the key challenges organisations are facing. It provides people professionals and their organisations with benchmarking data on important areas such as recruitment costs, workforce planning and retention. This survey was conducted online in April 2022 by YouGov. In total, 1,055 UK-based HR/people professionals responded to the survey.

Report

Resourcing and talent planning report 2022

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Acknowledgements

Publication information

(1) CIPD foreword

The CIPD's Resourcing and talent planning report, in partnership with Omni, is now in its twenty-third year. It's a valued survey report with a sample this year of over 1,000 UK-based HR professionals.

This survey was conducted in Spring 2022 and highlights the dual challenge experienced by many UK employers of record numbers of vacancies, whilst recruitment difficulties and hard-to-fill vacancies persist. While we may see demand in the labour market slowing down in the future, following the Bank of England's recession forecast, skills shortages are likely to continue. So, organisations need to create compelling offerings to help them recruit and retain against this challenging backdrop. They also need to think of ways that they can support employees grappling with the cost of living crisis.

Our practical recommendations, outlined upfront in this report should help employers to navigate any future ups and downs of the labour market and economic outlook. We are grateful that so many HR practitioners helped to shape these with their insights on the ground.

Read on for insights on how to broaden your talent pools, get proactive with your workforce planning and make better use of data. Our report will also show you how to anticipate the changing world of work and the changing needs of employees.

Claire McCartney, Senior Policy Adviser, Resourcing and Inclusion

(2) Omni foreword

We are pleased to partner with the CIPD for a third year to produce this report which provides critical insight into resourcing and talent planning needs. The report's findings and recommendations are crucial for employers and talent professionals when navigating immediate challenges and building strategies that are fit for the future.

The world of work has changed for good

The world of work has changed, as it was always likely to do. If anything, the last two years have expedited the process as flexible working became the norm for many, and organisations re-positioned and re-invented themselves to compete effectively for talent.

Progressive organisations have grasped the nettle by developing agile talent strategies to build workforce resilience and achieve business goals. They know that talent acquisition is inextricably linked to bottom line performance, and they invest accordingly in people, partners and technology. Less forward-thinking organisations find themselves at the mercy of a labour market, the likes of which we haven't seen before, with competition for skills creating retention pressures that recruitment cannot contend with. The resulting fight for talent is costly and not sustainable, hence organisations need to accelerate their plans towards 'resourcing maturity'.

All businesses must plan strategically for retaining and upskilling their workforce. They should also think creatively about the future workplace, including how to engage new talent and improve workforce resilience. The winners will set new standards and outperform their competitors, whilst the losers will struggle to demonstrate the value of talent acquisition to their stakeholders.

Louise Shaw, Managing Director, Omni RMS

③ **Summary of key findings**

Increasing competition for talent

- Competition for well-qualified talent has increased over the last year (70% report this). Overall, 81% of organisations attempted to fill some vacancies. 77% experienced difficulties attracting candidates – up from 49% in our 2021 survey.

- Recruiting for senior and skilled roles was most challenging (58%), although 26% had difficulties attracting low-skilled candidates. The median cost of hiring senior managers remains the same as last year (£3,000), but the median cost of recruiting other employees has increased (2022: £1,500; 2021: £1,000).

- Talent is becoming harder to retain, but organisations are taking steps to improve the situation. 60% report that talent is more difficult to retain compared with a year ago and over a third (37%) undertook initiatives to improve employee retention over the last year, up from 29% in 2021.

- Looking forward, around two-fifths of organisations anticipate an increase to their recruitment and talent management budgets over the next year, a step increase on previous years, reflecting increasing resourcing challenges and costs.

Recommendations for practitioners

✓ Take a strategic approach to workforce planning. Review your organisation's critical skills and key roles and get under the data on retaining these people. Think holistically about your workforce, including permanent versus contingent, along with recruitment, development, upskilling and retention strategies. Also consider how technology and data can help with the development of proactive strategies.

✓ Take a proactive approach to widening your talent pools. Vary your recruitment outreach approach and channels, and ensure your employer brand is attractive and communicated well to a diverse group of candidates.

✓ Engage candidates throughout the recruitment process and help them perform at their best. Remove barriers to work for prospective candidates by adopting inclusive recruitment and selection practices, such as advertising and making jobs flexible, removing unnecessary qualifications from job adverts, and providing financial support and adjustments for candidates that need them, during the recruitment process. Ensure all hiring managers have access to structured selection tools and are fully trained on inclusive hiring.

Increasing pay and benefits

- Organisations are increasingly offering better pay and/or benefits to address recruitment difficulties (36%, up from 29% last year) and this is now the most common response to retention difficulties (2022: 54%; 2021: 32%). There are considerable sector differences, however, with private sector organisations far more likely to increase pay than public sector organisations.

- Pay and benefits is now most commonly ranked among the three most important elements of employer brand for attracting candidates. Overall, however, nearly three-fifths (58%) do not include pay and benefits among their top attractors.

Other factors such as perception of organisation as an employer, career development opportunities, organisational values, perception of job security and flexible working are also considered important.

Recommendations for practitioners

✓ Review what is possible when it comes to pay, but also take into consideration any changes that might be helpful to your overall benefits package. Think about pay transparency when advertising roles and be realistic about what is positioned as a benefit.

✓ Advertise salaries in job adverts and give information on the pension scheme and other core benefits. Don't ask about previous salaries during the recruitment process. Following this approach will help support fairness and reduce the risk of pay gaps in the workforce.

✓ Now is a good time to critically assess your employee value proposition. Employees value different benefits at different life stages, so be flexible in your offering and allow for personalisation – let people choose what is most important to them.

✓ While pay is important, many people also want to work for organisations that are purposeful, inclusive, and support their wellbeing. Career development opportunities are also important, as is job security.

Developing and updating skills

- Nearly two-fifths of organisations (38%) are increasing efforts to meet their talent requirements by developing more talent in-house. Upskilling existing employees is the most common response to recruitment difficulties (60%).

- Almost half of organisations (46%) currently offer apprenticeships, around a third have graduate and/or post-A-level entry routes and just over a quarter have intern schemes. 28% have career returner programmes and 22% mid-career-change programmes. These figures show little change on last year, although more organisations say they are planning to introduce these initiatives in the next 12 months.

Recommendations for practitioners

✓ Create in-house talent development programmes to grow new talent, support social mobility and encourage the economically inactive into work. Encourage employees to think about lateral moves as progression.

✓ Develop strategies to attract career-returners and mid-career-changers to help broaden your talent pool and diversify people's skills and experiences.

✓ Invest in ways for young people to access opportunities in your organisation, such as through apprenticeships, traineeships, industry placements and post-A-level routes. Keep up-to-date with new products and routes.

Flexible and hybrid working solutions

- 69% advertise at least some jobs as open to flexible working. Among those who've recruited in the past 12 months, an increasing proportion believe that advertising roles as open to flexible working is one of their most effective methods for attracting candidates (2022: 30%; 2021: 24%). 54% (of those who've said they've experienced recruitment difficulties) are offering greater work flexibility to address their recruitment difficulties.

- 66% have some hybrid/remote working offering and 47% advertise at least some jobs as 'open to location'. 68% that offer hybrid/remote working report it has allowed their organisation to attract and retain more talent. 45% report it has increased productivity and 35% report increased engagement.

- Looking forward, nearly a quarter expect hybrid/remote working to increase over the next 12 months, while nearly two-thirds expect it to remain the same. This indicates that the significant shift towards more remote working during the pandemic is here to stay.

Recommendations for practitioners

✓ Develop internal policies that allow your employees to request flexible working from day one of employment and, wherever possible, stipulate in job adverts that jobs can be done flexibly. This will help you attract a wider pool of candidates looking for flexible roles. If roles can be done remotely, ensure working spaces are safe and sensible.

✓ Raise awareness of different forms of flexible working, such as compressed hours and job-sharing, and explore how they can be effective in roles that have traditionally been seen as non-flexible. This is particularly important for employees who can't work remotely and need to attend their physical place of work. Flexible working could also be targeted to recent 'retirees' to attract them back to the organisation in a way which works for both parties, as they may be experiencing higher living costs than initially expected.

✓ Consult and collaborate with employees when designing hybrid working practices. Develop clear and transparent policies on eligibility for – and access to – hybrid working, and establish systems to monitor decision-making and access. Undertake active listening with workers, managers and worker representatives to learn the lessons of hybrid, and continue to review, adapt and improve your approach. Remember, there is no one-size-fits-all approach, so build flexibility into your offering.

✓ Along with the benefits of flexible and hybrid working comes the challenges of onboarding, induction, development and wellbeing. Ensure you have policies and practices in place that effectively induct new hires and develop managers effectively to manage a remote workforce. Review early retention, to monitor potential interventions needed with remote onboarding.

Variable efforts to increase diversity and remove recruitment bias

- 61% have a formal diversity policy and the majority are taking some steps to attract diverse candidates, although most could take a more comprehensive and proactive approach. Just 35% are actively trying to recruit talent of all ages, while less than a quarter advertise in different sources to attract under-represented groups (24%) or actively try to attract talent from all backgrounds (23%). A third of organisations that attempted to fill vacancies report they recruited a more diverse workforce over the last 12 months compared with the previous year.

- Our findings show considerable variation in efforts to attract diverse candidates to board level. Just under a third (32%) of organisations are very or extremely active in their efforts to recruit more diverse candidates to the board, while a similar proportion (30%) are not at all active.

- 67% of organisations report their line managers follow objective assessment and scoring criteria when recruiting, but just 28% train all interviewers on legal obligations and objective interview practice. Fewer make efforts to remove recruitment bias through testing the words of job adverts, or checking that tests used are valid, reliable and objective.

Recommendations for practitioners

✓ Get support to critically and objectively review your end-to-end candidate experience with a diversity lens, ensuring that the entire process is accessible to all and represents your diversity objectives.

✓ Build a strategic and proactive approach to attracting and developing a diverse candidate pool across the organisation at all levels, including senior positions. Engage senior sponsors to help communicate and commit to this strategy and ensure visibility of diverse role models. Utilise employee networks to get voices heard in the organisation and consistently build inclusion and diversity.

✓ Evaluate your recruitment activities to assess which are most effective in diversifying your talent pools. Liaise with legal support around positive action – be brave and bold in choices on recruiting. Communicate the business case and prepare your organisation that there might need to be a trade-off between reaching greater diversity and increasing time to hire.

✓ Ensure selection methods used are free from barriers and train hiring managers on effective inclusive selection. Ensure the criteria you use to hire people is truly predictive of performance in role, and create assessment processes that objectively assess these in candidates. Once the process is defined, ensure that everyone involved in the assessment process has the understanding and the time required to be able to complete it effectively.

✓ Use data to measure any discrepancies with diverse progression through the selection process and take remedial action where this exists. Capture inclusion and diversity data at application and formally evaluate if there is an adverse impact against any candidate group at every stage of the assessment process. Consider the progress rate outcomes of each assessment stage by candidate group, as well as the candidates that self-select out before undertaking a particular stage. This will help you identify if there are stages that may be creating barriers for particular groups.

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Summary of key findings

Technology is increasing accessibility and improving candidates' experience

- 80% report their use of technology in the recruitment process has increased as a consequence of COVID-19, although just around a fifth use online induction processes, online tests/assessments and/or applicant tracking systems. Sixteen per cent use AI/machine learning.

- Organisations are reporting increasing benefits from their use of technology, the most common being increased accessibility for candidates. A higher proportion this year report that their use of technology has improved candidates' experience and sped up the recruitment process.

- As in previous years, the majority of respondents believe their use of technology has been limited by lack of resources, skills and knowledge.

Recommendations for practitioners

✓ Assess your internal capability and resource around recruitment technology; upskill and invest further where necessary.

✓ Research and develop a business case around the adoption of technology to free up your recruitment/HR team to focus on valued-added activities.

✓ Explore technology that creates a highly engaged and bespoke candidate experience in order to attract higher-quality candidates and retain them post-offer.

✓ Ensure recruitment technology adopted meets the needs of your organisation and provides a fair and inclusive candidate experience. Continue to evaluate and improve your use of technology in your day-to-day working practices.

✓ Try to get the right balance between technology and human interaction. Ask candidates and hiring managers for feedback and act on that feedback. Provide feedback to candidates where possible. Apply for some of your own vacancies – this is a great way to see blockers in processes.

How strategic are organisations in their approach?

- 38% of respondents report that their CEO has had talent management as a key priority over the last 12 months, up from 30% in 2021, but lower than in previous years.

- Organisations vary considerably in how far ahead they look when planning and taking action on current and future workforce requirements. 30% don't look beyond six months, while 17% are planning over two years into the future.

- 63% of organisations collect some data to inform their resourcing decisions but few take a comprehensive approach. Just 21% collect data to forecast hiring demands, 16% to assess the availability/supply of talent and 28% to identify retention issues within the organisation. Very few compare the costs of developing versus recruiting talent (15%), internal versus external recruitment (14%) or the cost of investing in technology to automate (14%).

- 17% calculate the cost of labour turnover and 13% measure the return on investment of their recruitment processes. Just 12% collect data to evaluate and improve the effectiveness of retention initiatives.

Recommendations for practitioners

✓ Keep workforce planning simple if there is nothing in place at the moment – start small but build momentum and a business case of why it needs to be central to strategy. Consider forming a cross-company committee to help inform your approach to workforce planning. Work with wider HR, finance and procurement.

✓ Take a comprehensive, data-based approach to improving all your resourcing decisions. Consider the entire workforce, including permanent and contingent. Collate data and insights on the associated cost of employee turnover. Data will allow the development of strategic interventions and business cases to help fund the change necessary. Collect and evaluate data, and strengthen approaches based on the insights gained.

✓ Think about how jobs can be designed, particularly for hard-to-fill roles, to widen potential employee appeal, access and engagement. When recruiting, question what the need is and, rather than recruiting like for like, whether there is an opportunity to think more strategically about what is needed.

④ Resourcing and talent practices in the current climate

Key findings:

• COVID-19 continued to have considerable impact on resourcing in the 12 months to April 2022. 18% made redundancies, 19% put recruitment on hold, 11% decreased recruitment and 14% reduced working hours in response to the pandemic. Other organisations saw an increase in recruitment activity (24%) and working hours (11%).

• 51% increased homeworking and 23% redeployed employees to other roles in response to the pandemic. Just 14% increased training.

• 70% of respondents report that competition for well-qualified talent has increased over the last year, and 60% that talent is more difficult to retain compared with a year ago. 38% are increasing efforts to meet their talent requirements by developing more talent in-house. 26% report that their organisation has replaced some jobs with technology and automation.

The impact of COVID-19 on resourcing activity

This survey was conducted in April 2022, roughly two years after the first UK coronavirus lockdown was announced.

Figure 1 shows the continued and varied impact of the pandemic on organisations (and their workforces) in the 12 months leading up to April 2022. Over a third (34%) furloughed employees, around a fifth made redundancies (18%) or put recruitment activity on hold (19%), 11% decreased recruitment and 14% reduced working hours. Private and non-profit sector organisations were most likely to take these measures as restrictions impacted demand and operations.

In other areas of the economy, particularly essential services, activity increased. Nearly a quarter (24%) of organisations increased their recruitment activity in response to the pandemic, and just over one in ten implemented or increased their use of external services and/or temporary labour (11%). Just under a fifth of public sector organisations increased working hours (public sector: 18%; private sector: 9%; non-profit: 9%) and nearly half of public sector organisations redeployed employees (public sector: 46%; private sector: 17%; non-profit: 25%).

Just over half (51% compared with 60% in 2021) of organisations adapted by increasing levels of homeworking. Public and non-profit sector organisations were most likely to do so (private sector: 47%; public sector: 69%; non-profit sector: 71%). Despite the widespread changes in working practices, just 14% increased training in response to the pandemic. Eighteen per cent increased their focus on retaining talent.

Figure 1: Measures organisations have taken over the last 12 months in response to the COVID-19 pandemic (%)

Legend:
- Increased levels of homeworking
- Furloughed employees using the Coronavirus Job Retention Scheme
- Implemented or increased use of external services and/or temporary labour*
- Put recruitment activity on hold
- Redeployed employees to different roles in the organisation
- Made redundancies
- Increased working hours for some or all employees
- Reduced working hours for some or all employees
- Increased recruitment
- Decreased recruitment
- Increased training
- Cancelled apprenticeship, graduate or career-returner programmes
- Increased your focus on retaining talent

Base: 1,055; *separate question, base: 758.

Increased competition for well-qualified talent

With the reopening of the economy, the UK has seen a record number of vacancies,[1] while the supply of candidates has been restricted for a variety of reasons, including low unemployment, early exit from the labour market by older workers, and non-UK nationals returning to their home countries.[2]

Employers are consequently facing challenging resourcing conditions: 70% of respondents report that competition for well-qualified talent has increased over the last year, and 60% say that talent is more difficult to retain compared with a year ago (Figure 2). Organisations that tried to recruit over the past year are twice as likely to disagree (39%) than agree (19%) that they are receiving more suitable applicants for each post compared with the previous year. Two-fifths (40%), however, report they are receiving more unsuitable applicants.

Nearly two-fifths of organisations (38%) are increasing efforts to meet their talent requirements by developing more talent in-house, 35% are recruiting from a wider geography within the UK, and 33% are recruiting a more diverse workforce compared with the previous year. Just over a quarter (26%) report that their organisation has replaced some jobs with technology and automation over the past year.

Figure 2: Views on the employment market and resourcing (% of respondents)
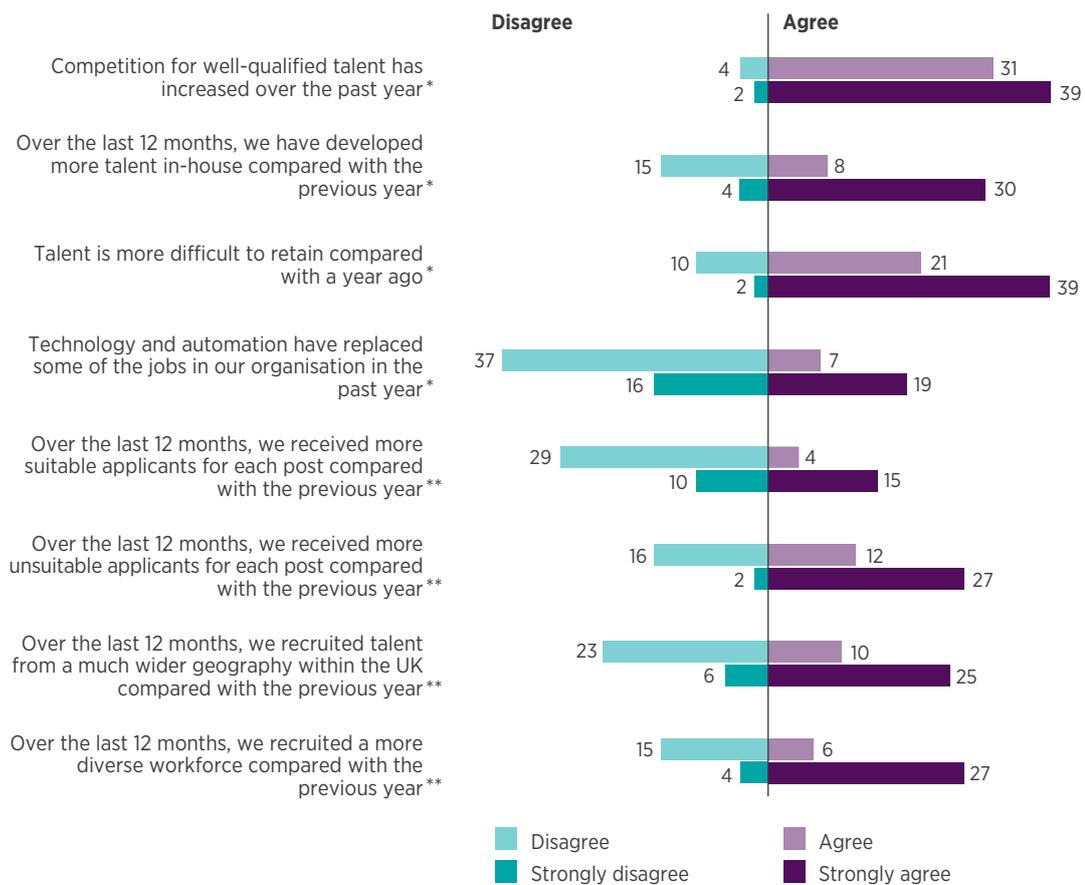
*Base: 1,055 (all respondents); **Base: 778 (respondents who attempted to recruit over the last year).

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[1] *ONS. (2022) Vacancies and jobs in the UK: May 2022.* Newport: Office for National Statistics. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/may2022

[2] CIPD. (2022) *Labour Market Outlook: Winter 2021–22.* London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/Images/labour-market-outlook-winter-2021-22_tcm18-109270.pdf

⑤ Recruiting: the numbers

Key findings
- 72% of organisations attempted to fill permanent vacancies and 49% short-term vacancies over the last 12 months.
- The median cost of hiring senior managers remains the same as last year (£3,000), but the median cost of recruiting other employees has increased (2022: £1,500; 2021: £1,000).
- Around two-fifths of organisations anticipate an increase to their recruitment and talent management budgets over the next year.
- 63% of organisations collect some data to inform their resourcing decisions, but few take a comprehensive approach. Just 13% measure the return on investment of their recruitment processes.

Increase in recruitment activity

Overall, more organisations attempted to fill vacancies in the last 12 months compared with the previous year. Nearly three-quarters of organisations (72%) attempted to fill permanent vacancies in the last 12 months (up from 65% last year) and nearly half (2022: 49%; 2021: 47%) had attempted to fill short-term (temporary, fixed-term and/or interim vacancies). Nearly a fifth, mostly small private sector organisations, had not attempted to fill any vacancies (2022: 19%; 2021: 26%).

The ONS reports that the number of open job vacancies returned to pre-pandemic levels in April–June 2021 and, in January–March 2022, vacancies were at their highest level since comparable records began in 2001. In all industries, vacancies were higher in January–March 2022 compared with January–March 2020 levels.[3]

Small increase in recruitment costs

Only around a quarter of respondents (265) were able to provide average costs per hire for senior managers/directors, and 189 respondents could provide average costs for other employees with an accuracy of plus or minus 20%.

The median cost of recruiting senior managers (£3,000) shows no change from last year (Table 1) and remains considerably lower than in previous years. In contrast, the median cost of recruiting other employees has increased compared with last year (2022: £1,500; 2021: £1,000), although it also remains lower than in previous years. The additional challenges of recruiting in a tight labour market can increase costs, although these may be offset by the use of technology or changes in the recruitment methods used.

The median cost per hire remains higher in the private sector than in the public and non-profit sectors, possibly due to differences in the recruitment and selection methods used, as well as economies of scale in public sector organisations, which tend to be larger. Caution should be taken in comparing these figures, however, due to the small sample size and high variation across organisations (part of which may be attributable to the inclusion of different costs in estimates).

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[3] Powell, A., Francis-Devine, B. and Clark, H. (2022) *Coronavirus: impact on the labour market*. House of Commons Library. Available at: https://researchbriefings.files.parliament.uk/documents/CBP-8898/CBP-8898.pdf

Table 1: Median average cost per hire (including in-house resourcing time, advertising costs, agency or search fees) for estimates accurate to +/− 20% (£)

Occupational group	All	Private services	Public services*	Not-for-profit*
Senior managers/directors				
2022 survey	**3,000 (265)**	**3,000 (202)**	**2,000 (39)**	**2,000 (24)**
2021 survey	3,000 (232)	3,000 (174)	2,000 (34)	1,500 (24)
2020 survey	5,000 (259)	5,000 (177)	3,000 (46)	3,000 (36)
2017 survey	6,000 (143)	8,000 (103)	3,000 (18)	5,000 (22)
2015 survey	7,250 (68)	9,500 (47)	2,500 (11)	4,000 (10)
2013 survey	5,000 (79)	6,000 (55)	5,500 (8)	4,500 (16)
2012 survey	8,000 (105)	10,000 (74)	5,000 (11)	6,000 (20)
2011 survey	7,500 (150)	8,000 (111)	5,000 (15)	3,500 (26)
Other employees				
2022 survey	**1,500 (189)**	**2,000 (148)**	**1,000 (22)**	**600 (19)**
2021 survey	1,000 (174)	1,200 (129)	1,000 (27)	750 (18)
2020 survey	2,000 (226)	2,500 (154)	1,500 (41)	1,500 (31)
2017 survey	2,000 (160)	2,500 (115)	1,000 (24)	700 (21)
2015 survey	2,000 (80)	2050 (55)	1,000 (12)	1,500 (13)
2013 survey	2,000 (82)	2,200 (58)	1,500 (8)	875 (16)
2012 survey	3,000 (98)	3,000 (71)	2,000 (10)	2,000 (17)
2011 survey	2,500 (150)	2,500 (114)	3,000 (14)	1,500 (22)

Number of respondents shown in brackets

* Caution should be applied in comparing the costs for each sector due to the small number of respondents.

Recruitment and talent management budgets expected to increase

Around two-fifths of organisations anticipate an increase to their recruitment and talent management budgets over the next year, an upturn on the last two years (Figures 3 and 4). Just 9% anticipate a decrease to their recruitment budget and 6% a decrease to their talent management spend. This reflects high recruitment intentions in many sectors, the tight labour market and, for some organisations at least, an increased focus on retention to achieve the size of workforce needed to meet demand.[4]

Private sector and non-profit sector organisations are most likely to anticipate an increase in both recruitment budget (private sector: 44%; non-profit sector: 40%; public sector: 20%) and talent management budget (private sector: 43%; non-profit sector: 38%; public sector: 15%). Public sector respondents are more likely to report budgets will remain the same.

[4] CIPD. (2022) *Labour Market Outlook: Spring 2022*. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/Images/labour-market-outlook-spring-2022-web_tcm18-106241.pdf

Figure 3: Will your organisation's recruitment budget increase, decrease or stay the same? (% of respondents)

2022–23: 40, 51, 9

2021–22: 29, 58, 13

2020–21: 15, 46, 39

■ Increase ■ Stay the same ■ Decrease
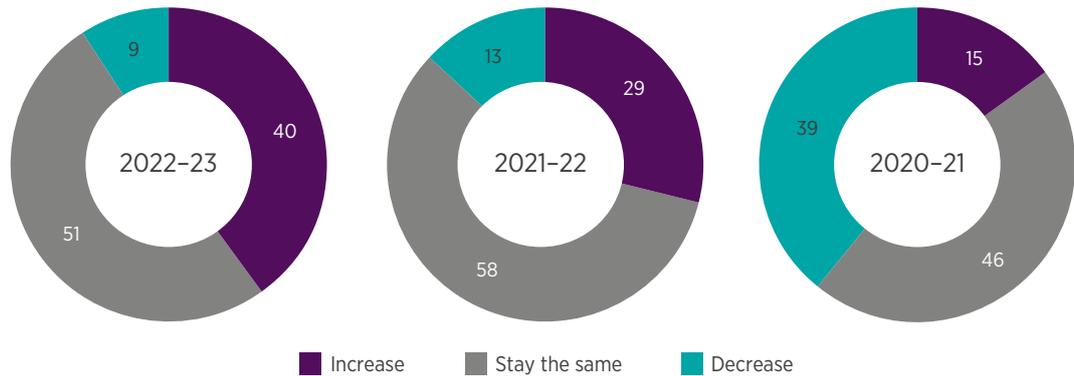
Base: 2022: 789; 2021: 762; 2020: 563. 'Don't know' responses and those with no anticipated recruitment are excluded from these figures.

Figure 4: Will your organisation's talent management budget (to attract, identify, develop, engage and retain key employees) increase, decrease or stay the same? (% of respondents)

2022–23: 38, 55, 6

2021–22: 26, 62, 11

2020–21: 16, 52, 32

■ Increase ■ Stay the same ■ Decrease
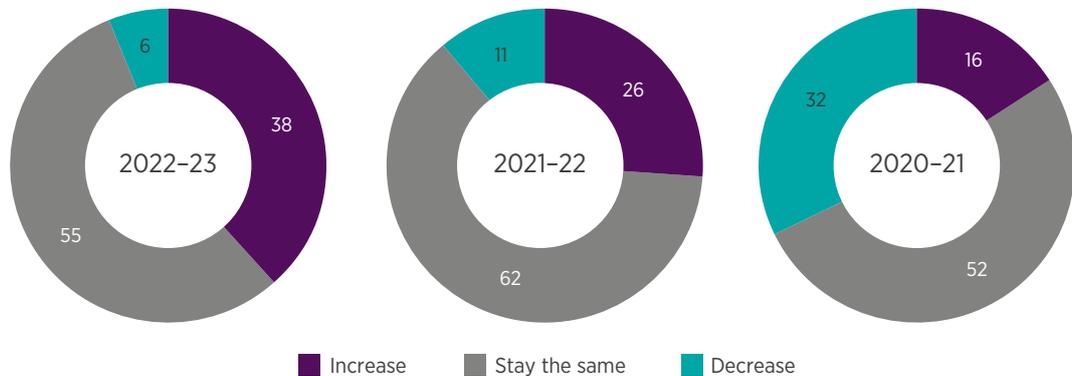
Base: 2022: 684; 2021: 677; 2020: 515. 'Don't know' responses and those with no talent management spend are excluded from these figures.

Two-fifths combine in-house and outsourcing of recruitment activity

In similar findings to previous years, just over half of respondents (53%) report all recruitment is conducted in-house. Two-fifths (41%) use a combination of in-house and outsourced approaches, while a minority outsource all recruitment activity (6%).

Few take a comprehensive approach to data collection to inform resourcing

Despite increased competition for talent, our findings show little change in the proportion of organisations that collect data to inform and improve resourcing decisions. Less than two-fifths compare pay/benefit offerings with competitors and just three in ten monitor candidate experience (Figure 5). Fewer monitor time to hire, conversion rates, retention or performance of new hires, and just 12% collect data to evaluate and improve the effectiveness of retention initiatives. Larger organisations are more likely than smaller ones to collect data in all of these areas, but there remains considerable room for improvement: more than one in five (22%) respondents from organisations with more than 1,000 employees report they do not collect data in any of the areas in Figure 5.

Public sector and non-profits are considerably more likely than private sector organisations to monitor diversity to inform recruitment decisions (public sector: 51%; non-profits: 52%; private sector: 27%). Public sector organisations are also most likely to monitor diversity in development and promotion decisions (public sector: 36%; non-profits: 24%; private sector: 24%).

Figure 5: Does your organisation collect data in any of the following areas to inform resourcing decisions? (%)

Category	Value
Comparability of pay/benefit offering with competitors	39
Monitor diversity to inform recruitment processes	33
Candidate experience	30
Hiring manager feedback	27
Monitor diversity in development and promotion decisions	26
Retention of new hires (within first year)	26
Performance of new hires (within first year)	24
Conversion rates (application : interview : offer : accept : start)	22
Time to hire	19
Effectiveness of retention initiatives	12
Predictive validity of assessment methods	7
None – we don't collect data in any of these areas	37

Base: 1,055.

Few measure return on investment of their recruitment processes

Just 13% of respondents report their organisation measures the return on investment (ROI) of their recruitment processes, although a further 14% say they plan to introduce measures to do this (24% don't know if they do or not). Larger organisations are more likely to measure ROI (18% compared with 8% of SMEs), as are those in the private sector (private sector: 16%; public sector: 5%; non-profit sector: 6%).

The most common methods used to measure ROI are cost per hire, the performance of new hires, and the turnover rate of new hires (Figure 6).

Figure 6: Methods used to measure ROI of recruitment processes (% of respondents that measure ROI)

Category	Value
Cost per hire	64
Performance of new hires	63
Turnover rate of new hires	53
Cost of turnover	45
Effectiveness of attraction methods	38
Success of talent pipeline	36
Interviews per hire	32
Engagement of new hires	30
Don't know	4
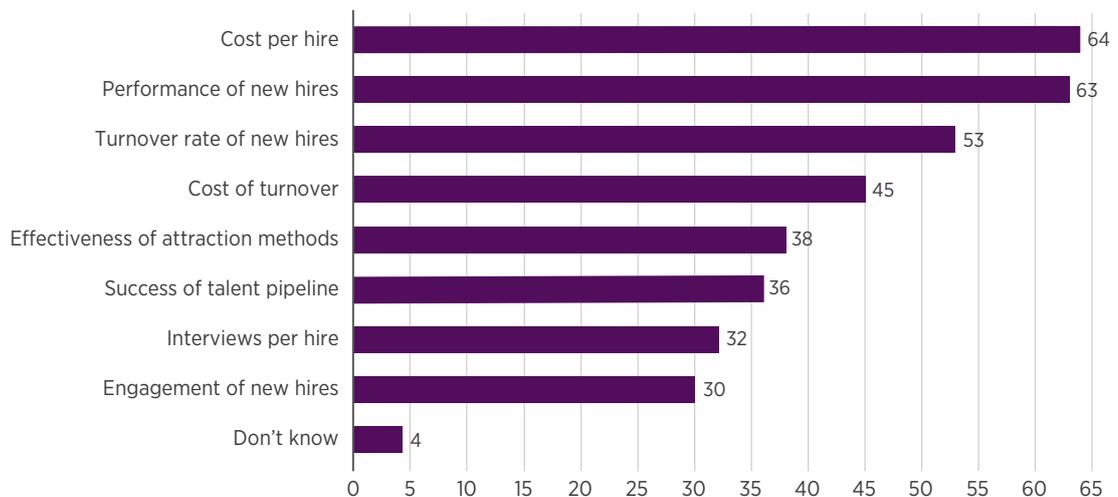
Base: 117 (unweighted).

⑥ Attraction strategies

Key findings

- Pay and benefits is now ranked the most important element of employer brand when it comes to attracting candidates, although there are considerable sector differences. 33% have made pay and benefits more competitive over the last year.

- Corporate websites, professional networking sites (such as LinkedIn), and recruitment/search consultants remain the most effective methods for attracting candidates, although more this year include advertising roles as open to flexible working among their most effective methods (2022: 30%; 2021: 24%). 69% advertise at least some jobs as open to flexible working.

- 66% have some hybrid/remote working offering and 47% advertise at least some jobs as 'open to location'. 68% of organisations that offer hybrid/remote working report it has allowed their organisation to attract and retain more talent.

- 61% have a formal diversity policy and 70% are taking some steps to attract diverse candidates, although most could take a more comprehensive and proactive approach.

- There has been little change in the proportion offering development programmes such as apprenticeships (46%), graduate programmes (35%), career returner programmes (28%) and mid-career-change programmes (22%), although there has been a small increase in the proportion planning to introduce all these initiatives in the next 12 months.

Pay and benefits tops values for attracting candidates

Pay and benefits has risen from second to first place in respondents' rankings of which elements of employer brand are most important when it comes to attracting candidates, replacing organisational values, which has fallen from first to fourth place. Overall, however, just 42% include pay and benefits among their top three attractors and there is considerable variation between organisations and sectors (Figure 7).

Pay and benefits stands out as a key attractor in the private sector, but in the public sector slightly more respondents believe the perception of the organisation as an employer is important, and nearly as many include job security among the most important elements of their employee brand. Non-profit organisations are more likely to rank their goals, strategy and values as most important in attracting candidates. Less able to compete on pay, organisations in this sector are more likely to appeal to candidates through flexible working and working from home/hybrid options.

Figure 7: Most important elements of employer brand for attracting candidates (respondents could select up to 3 options) (%)

All respondents	Pay and benefits	Perception of employer	Career development opportunities	Organisational values	Perception of job security	Flexible working
	42	33	28	26	26	25

Private sector	Pay and benefits	Perception of employer	Career development opportunities	Perception of job security	Organisational values	Flexible working
	45	30	29	25	24	23

Public sector	Perception of employer	Pay and benefits	Perception of job security	Career development opportunities	Organisational values	Flexible working
	43	39	38	31	26	25

Not-for-profit sector	Organisation's goals and strategy	Organisational values	Flexible working	Perception of employer	Pay and benefits	Working from home/hybrid options
	52	49	46	34	28	28

Base: 1,055.

Three-quarters are taking action to improve employer brand

Three-quarters of respondents (75%) report their organisation has taken action to improve its employer brand over the last year, with larger organisations most likely to have done so (63% of SMEs; 84% of larger organisations). The most common actions taken (Figure 8) were to increase flexible and hybrid working opportunities (particularly in the public and non-profit sectors) and to make pay and benefits more competitive, although the latter was less common in the public sector (private sector: 38%; non-profit sector: 31%; public sector: 10%). Around a quarter of organisations (26%) have refreshed or promoted their values, and a similar proportion (23%) improved their work environment.

Just 12% have taken steps to measure the impact of their employer brand and fewer have monitored or actioned feedback received through other websites and social media.

Attraction strategies

Figure 8: Actions undertaken in the last year to improve employer brand (% of respondents)

Action	%
Increased flexible working opportunities	34
Made pay and benefits more competitive	33
Increased hybrid working opportunities	32
Refreshed or promoted our values	26
Improved the work environment	23
Developed social media content strategy	19
Improved career development options	19
Improved job roles	17
Enhanced corporate social responsibility activity	16
Improved our candidate experience	15
Taken steps to measure the impact of our employer brand	12
Attended career fairs or networking events	11
Monitored feedback received through other websites (eg Glassdoor) and social media	9
Developed/enhanced corporate careers website	8
Actioned feedback received through other websites (eg Glassdoor) and social media	6
Other	1
Not applicable – no action taken	25

Base: 1,055.

Corporate websites and professional networking sites remain most effective attraction methods

The most effective methods for attracting candidate applications in the 12 months to April 2022 were:

- their own corporate website (47%)
- professional networking sites, such as LinkedIn (45%)
- recruitment/search consultants (44%)
- internal advertising to their existing talent pool (39%).

These were also the top four most effective attraction methods identified in our 2021 and 2020 surveys. This year, however, there has been a slight fall in the proportion including their own corporate website among their most effective methods (2022: 47%; 2021: 54%). Given the current labour market, organisations may be finding they need to be more proactive in seeking candidates.

As in previous years, there were considerable sector differences in the attraction methods used by organisations (Table 2). Private sector organisations are more likely than their public or not-for-profit counterparts to include recruitment/search consultants, professional referral schemes, direct targeting of passive jobseekers and encouraging speculative applications/word of mouth among their effective attraction methods. They are less likely to include their own corporate website, advertising roles as open to flexible working arrangements, and specialist journals/trade press.

Attraction strategies

The public sector is most likely to include internal advertising, secondments and specialist journals/trade press and least likely to include professional networking sites among their most effective methods.

Figure 9: Top ten effective attraction methods in the last 12 months (% of those that attempted to recruit)

- ■ Own corporate website
- ■ Professional/employee referral schemes (eg 'refer a friend')
- ■ Professional networking sites, eg LinkedIn
- ■ Social networking sites, eg Facebook
- ■ Recruitment/search consultants
- ■ Commercial/industry-specific job boards
- ■ Internal advertising to existing talent pool
- ■ Encourage speculative applications/word of mouth
- ■ Advertising roles as open to flexible working arrangements
- ■ Apprenticeships

Base: 778 (unweighted).

Table 2: Effective attraction methods in the last 12 months, by sector (% of those that attempted to recruit)

	Private sector services	Public sector	Non-profit sector
Base	*565*	*147*	*66*
Own corporate website	44	54	52
Professional networking sites, eg LinkedIn	48	34	44
Recruitment/search consultants	49	32	30
Internal advertising to existing talent pool	35	53	35
Advertising roles as open to flexible working arrangements	26	39	40
Professional/employee referral schemes (eg 'refer a friend')	37	12	8
Social networking sites, eg Facebook	26	26	61
Commercial/industry-specific job boards	23	18	32
Encourage speculative applications/word of mouth	26	13	19
Apprenticeships	20	25	16
Links with schools/colleges/universities	20	29	9
Specialist journals/trade press	13	28	18
Directly targeting passive jobseekers	18	6	7
Job fairs (including virtual)	12	17	10
Secondments	8	23	8
Newspapers (online or print, local or national)	9	13	9
Collaborating with other employers/sectors	7	13	8

Attraction strategies

Over two-thirds advertise some vacancies as open to flexible working

More organisations this year (2022: 30%; 2021: 24%) report that advertising roles as open to flexible working arrangements are among their most effective methods for attracting candidates (Figure 9). There has been little change, however, in the proportion advertising jobs as open to flexible working. One in five organisations advertise all job vacancies as open to flexible working and an additional 49% do so for at least some jobs (Figure 10). SMEs are most likely to report they do not advertise any jobs as open to flexible working (33%, compared with 15% of larger organisations).

Figure 10: Advertising vacancies as open to flexible working and open to location (%)

Does your organisation advertise any job vacancies as open to flexible working?

Yes – for all vacancies	20
Yes – unless there is a good reason not to	27
Yes – sometimes – depends on the requirements of the hiring manager	22
No vacancies are advertised as open to flexible working	22
Don't know	9

Does your organisation advertise any job vacancies as open to location?

Yes – for all vacancies	10
Yes – unless there is a good reason not to	15
Yes – sometimes – depends on the requirements of the role and hiring manager	22
No – vacancies are advertised as being required at a certain location/office	45
Don't know	8

Base: 1,055.

Around half advertise some vacancies as 'open to location'

COVID-19 has accelerated a significant shift in the use of hybrid/remote working. Over a fifth (22%) report their use of hybrid/remote working has greatly increased in the past 12 months, and a further 26% say that it has somewhat increased (Figure 11). Overall, two-thirds (66%) of organisations have some hybrid or remote working offerings, with just over a fifth (Figure 12) offering a full-time option to work from home. Larger organisations and those in the non-profit sector are most likely to offer hybrid/remote working, with non-profits most likely to offer a full-time option to work from home (non-profits: 32%; private sector: 20%; public sector: 23%).

Nearly half of organisations (47%) advertise at least some vacancies as 'open to location' (Figure 10). These organisations were more likely to agree that they recruited more diverse talent and from a much wider geography within the UK, compared with those that require employees to work at a specific location/office (Figure 13). Over two-thirds of organisations (68%) that offer hybrid/remote working report it has allowed their organisation to attract and retain more talent (Figure 14).

Many organisations are experiencing other benefits of hybrid/remote working. Forty-five per cent report it has increased productivity and 35% increased engagement (Figure 15). Some organisations, however, report a negative impact in these areas, and respondents are particularly divided regarding the impact of hybrid/remote working on engagement in the organisation culture. The benefits of hybrid/remote working clearly depend on how well it is managed and implemented.[5]

Looking forward, nearly a quarter (24%) expect hybrid/remote working to increase over the next 12 months, and nearly two-thirds expect it to remain the same. Just 12% anticipate decreases (Figure 16). This confirms other research indicating that the significant shift towards more remote working during the pandemic is here to stay.[6]

Figure 11: Has your organisation's use of hybrid working increased or decreased in the last 12 months? (%)

- Greatly increased
- Somewhat increased
- Stayed the same
- Somewhat decreased
- Greatly decreased
- Not applicable – my organisation has never offered hybrid/remote working
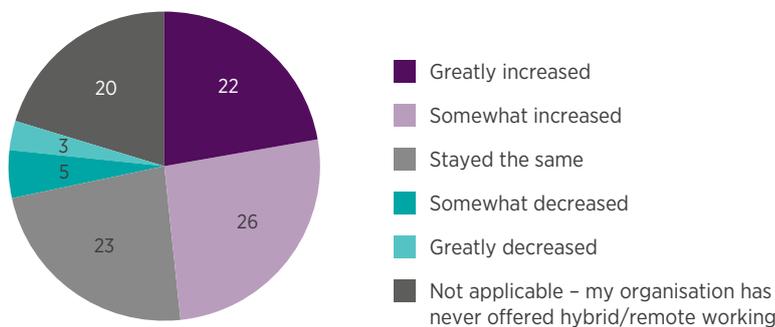
Base: 1,055.

Figure 12: For roles that can be based at home, how much of the average working week can employees work at home? (%)

- Full-time option to work from home
- 4 days per week
- 3 days per week
- 2 days per week
- 1 day per week
- We don't offer working from home
- Don't know
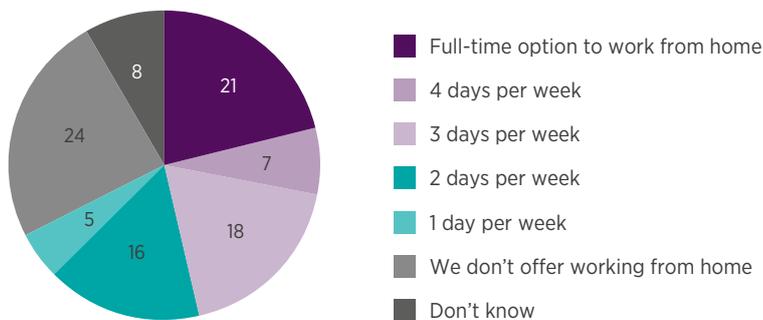
Base: 1,055.

[5] CIPD. (2022) *An update on flexible and hybrid working practices*. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/knowledge/fundamentals/relations/flexible-working/flexible-hybrid-working-practices#gref

[6] CIPD. (2020) *Embedding new ways of working: implications for the post-pandemic workplace.* London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/Images/embedding-new-ways-working-post-pandemic_tcm18–83907.pdf

Attraction strategies

Figure 13: Recruiting a more diverse workforce and from a wider UK geography, by whether organisations advertise as 'open to location' (% of those who attempted to recruit in last 12 months)

Over the last 12 months, we recruited talent from a much wider geography within the UK compared with the previous year

All or some vacancies advertised as 'open to location'
16	32	27	19	3	4

All vacancies are advertised as being required at a certain location/office
4	18	28	31	12	7

Over the last 12 months, we recruited a more diverse workforce compared with the previous year

All or some vacancies advertised as 'open to location' (Base: 361)
8	35	42	11	2	3

All vacancies are advertised as being required at a certain location/office (Base: 376)
3	20	44	21	7	4

■ Strongly agree ■ Agree ■ Neither agree nor disagree ■ Disagree
■ Strongly disagree ■ Not applicable

Figure 14: Offering work from home or hybrid work has allowed our organisation to attract and retain more talent (% of those currently offering hybrid/remote working)

Pie chart values: 24, 44, 25, 5, 2

■ Strongly agree
■ Agree
■ Neither agree nor disagree
■ Disagree
■ Strongly disagree
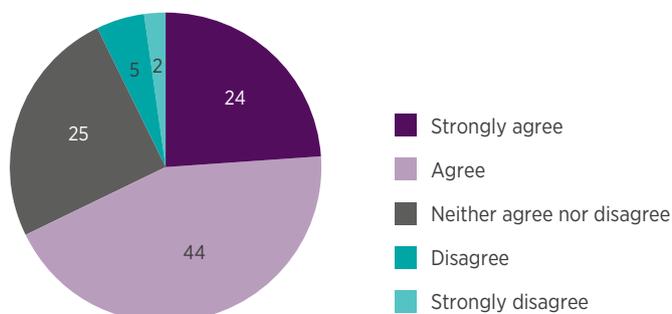
Base: 630 (unweighted).

Figure 15: Have any of the following increased or decreased as a result of your organisation offering hybrid/remote working? (% of those currently offering hybrid/remote working)

Productivity levels
- 13
- 32
- 42
- 12
- 1

Engagement levels
- 9
- 26
- 45
- 18
- 2

Retention levels
- 8
- 23
- 55
- 12
- 1

Engagement in the organisational culture
- 8
- 19
- 42
- 27
- 5

■ Greatly increased ■ Somewhat increased ■ Stayed the same
■ Greatly decreased ■ Somewhat decreased

Base: 630 (unweighted).
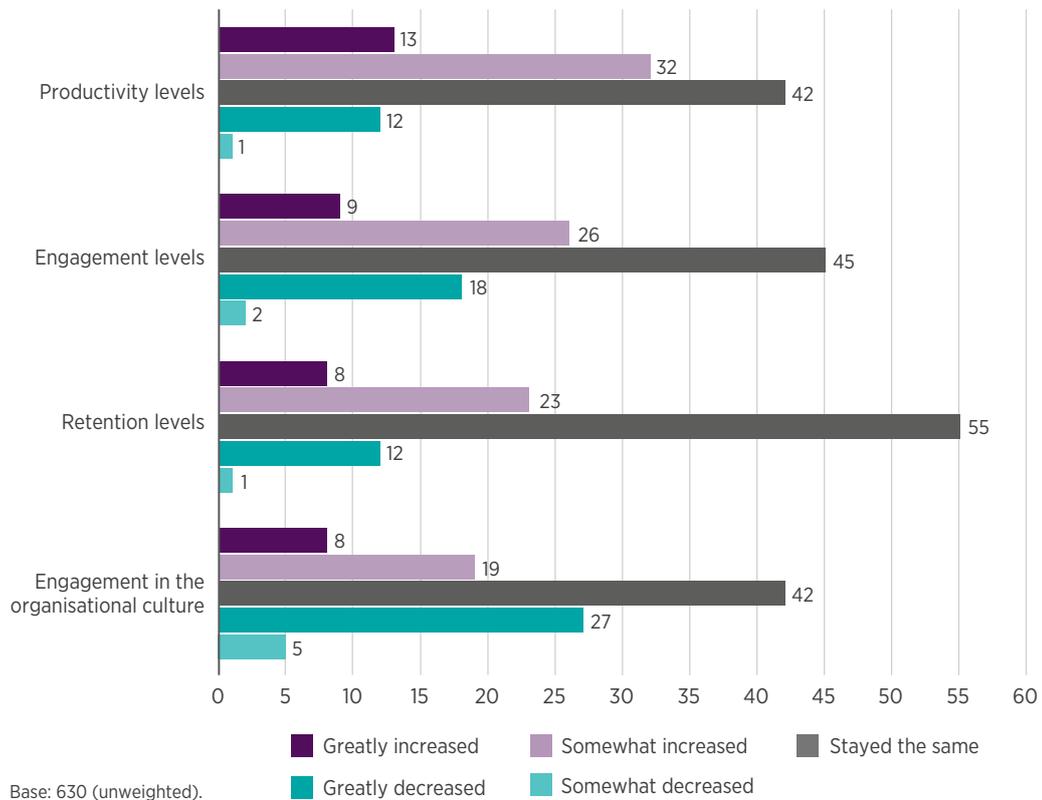
Figure 16: Does your organisation expect to increase or decrease its hybrid/remote working offering over the next 12 months?

- 6
- 18
- 64
- 10
- 3

■ Greatly increase
■ Somewhat increase
■ It will stay the same
■ Somewhat decrease
■ Greatly decrease

Base: 1,055.
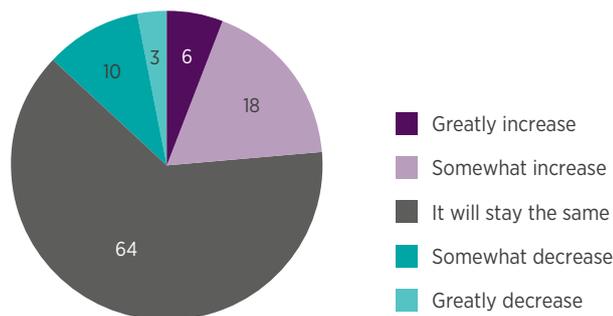
Most take some steps to attract diverse candidates

Our findings regarding diversity initiatives and strategies are very similar to last year. Overall, around three-fifths of organisations (61%) report they have a formal diversity strategy (2021: 62%; 2020: 52%) but they are considerably more common in larger organisations (Figure 17), the public sector and non-profits (public sector: 86%; non-profits: 72%; private sector: 54%).

Figure 17: Organisations with a diversity strategy, by size (number of employees)

Size	Value
Fewer than 10	22
10–49	35
50–249	44
250–999	66
1,000–4,999	90
5,000 or more	91
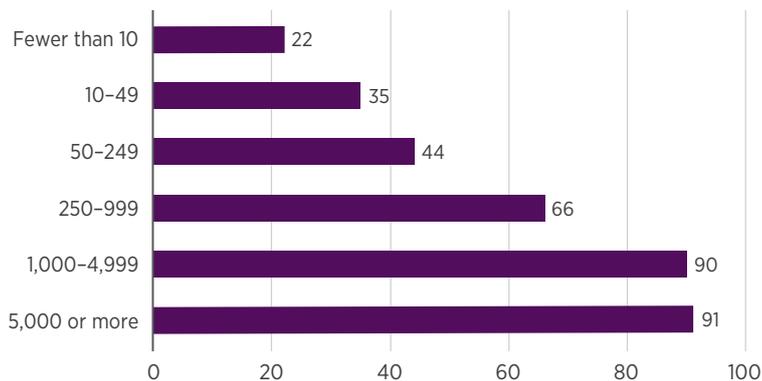
Base: 955 (unweighted).

Seventy per cent of organisations are taking some steps to attract diverse candidates (Figure 18) and 66% have measures to address diversity issues in their recruitment and selection processes. The public sector, non-profits and larger private sector organisations are most proactive. Non-profits are especially likely to make efforts to attract talent of all ages, including under-represented groups and the long-term unemployed, including through removing certain criteria from job requirements, such as a first-class degree. Along with the public sector, non-profits are also more likely to advertise jobs as open to flexible working, include an inclusion and diversity statement on job descriptions/career sites, adjust recruitment/selection processes to facilitate inclusion of neurodivergent candidates, disabled candidates and/or candidates with long-term health conditions, and ensure a diverse interview panel/hiring team.

Relatively few organisations make efforts to remove bias from their recruitment and selection processes through testing the words of job adverts (18%) or checking that tests used are valid, reliable and objective (17%). More, at least in the public and non-profit sectors, remove certain biographical details from initial selection processes (public sector: 56%; non-profit sector: 33%; private sector: 18%) and make efforts to ensure a diverse interview/hiring panel (public sector: 54%; non-profit sector: 49%; private sector: 19%). Public sector organisations are also more likely to train interviewers on legal obligations and objective interview practice (public sector: 54%; non-profit sector: 30%; private sector: 22%).

Figure 18: Methods used to attract diverse candidates (% of respondents)

Method	%
Including an inclusion and diversity statement in job descriptions or on career sites	39
Actively trying to attract talent of all ages	35
Advertising jobs as open to flexible working	35
Advertising vacancies in different sources to attract under-represented groups	24
Actively trying to attract talent of all backgrounds (eg visiting schools in disadvantaged areas)	23
Using specific images/words in your recruitment advertising to appeal to a wider audience	23
Providing recruitment documents in other formats (large print, audio, etc)	21
Updating the employee value proposition and employer brand to make it more attractive to minority groups	21
Testing the wording of job adverts to see how it affects who applies	18
Making attempts to employ the long-term unemployed	12
Other	2
None of the above	30

Base: 888 (unweighted).

Figure 19: Methods used to address diversity issues in recruitment and selection processes (% of respondents)

Method	%
Adjusting recruitment/selection processes to facilitate inclusion of neurodivergent candidates, disabled candidates and/or candidates with long-term health conditions	20
Checking that any tests used are valid, reliable and objective and were tested on diverse norm[7] groups	17
Determining selection criteria and approach in advance to ensure it is directly related to performance on the job	25
Ensuring a diverse interview panel/hiring team	27
Including people in hiring decisions who have not been involved in assessing candidates	16
Monitoring recruitment and/or candidate information to obtain data on protected characteristics	23
Operating policies that go beyond basic legislative requirements on protected characteristics	20
Removing certain criteria from job requirements, such as a first-class degree	23
Removing certain biographical details (ie name, gender, age, university) from initial selection processes	26
Setting development and promotion targets	12
Setting recruitment targets to correct a workforce imbalance	13
Training for all interviewers on legal obligations and objective interview practice	28
Other	1
None of the above	34

Base: 868 (unweighted).

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[7] The term 'diverse norm' refers to a diverse sample of test takers.

Attraction strategies

Considerable variation in efforts to recruit diverse candidates to the board

Just under a third (32%) of organisations are very or extremely active in their efforts to recruit more diverse candidates to the board, while a similar proportion (30%) are not at all active (Figure 20). Larger organisations are more active in their efforts, although 13% of organisations with more than 1,000 employees are not at all active, and a further 15% are only slightly active.

Figure 20: How active is your organisation in its efforts to recruit more diverse candidates to board level? (% of respondents)

Legend:
- Extremely active
- Very active
- Moderately active
- Slightly active
- Not at all active
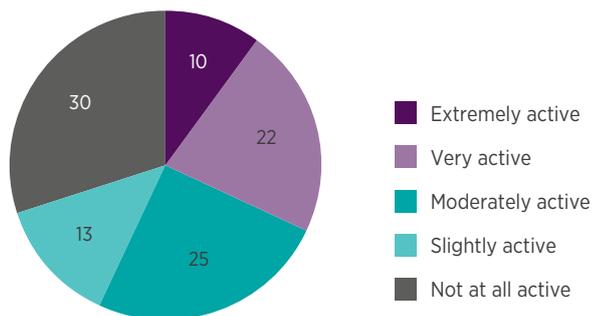
Base: 759 (unweighted).

Little change in entry-level or career-returner development programmes

ONS data for January to March 2022 shows that, for the first time, the number of vacancies was higher than the number of people unemployed.[8] In these tight labour market conditions, in-house talent development programmes to grow new talent and encourage the economically inactive into work can be particularly important for organisations to access and cultivate the skills they need.

Figure 21 shows that nearly half of organisations (46%) currently offer apprenticeships and around a third offer graduate programmes (35%) and/or post-A-Level entry routes (32%). A substantial proportion of organisations are also making efforts to access experienced individuals through career returner programmes (28%) and mid-career-change programmes (22%). These figures have not changed much since last year despite the tight labour market, although there has been a small increase in the proportions planning to introduce these initiatives in the next 12 months.

All of the initiatives listed in Figure 21 are more common in larger organisations. In addition, apprenticeships and graduate programmes are more common in the public sector.

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8 ONS. (2022) *Vacancies and jobs in the UK: May 2022*. London: Office for National Statistics. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/may2022

Figure 21: Initiatives that organisations currently offer, plan to introduce or plan to stop in the next 12 months (% of respondents)
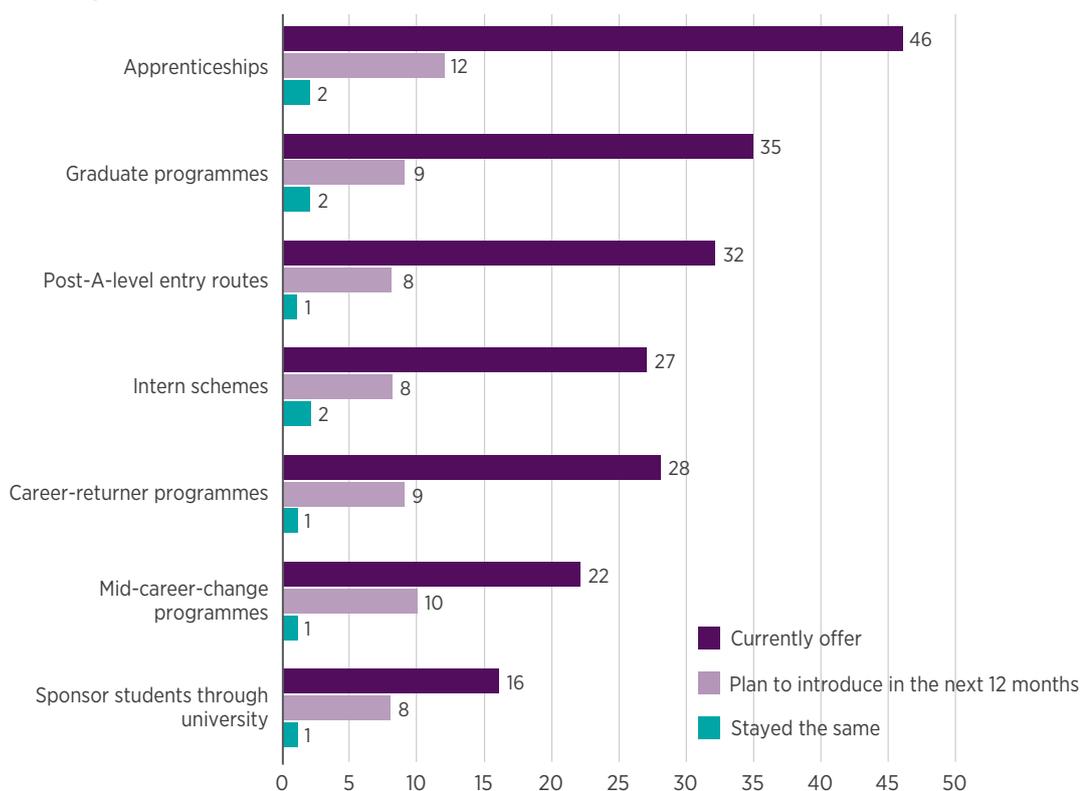
Base: 1,055.

(7) Selection processes

Key findings

- The majority of organisations use previous work history/experience, CV/application screening and educational qualifications in their selection processes. Competency-based interviews remain the most popular, although fewer report using these this year.

- 80% report their use of technology in the recruitment process has increased as a consequence of the COVID-19 pandemic, although just a fifth use online induction processes, online tests/assessments and applicant tracking systems, and just 8% use AI/machine learning. Organisations are reporting increasing benefits from their use of technology. However, the majority feel they have been limited by lack of resources, skills and knowledge.

- 58% report that candidates accepted offers and then subsequently declined at least 'sometimes', and around half say that candidates renegotiated offer terms at least some of the time. One in ten report that selected candidates 'always' or 'mostly' did not arrive to work on their first day.

Most organisations use a range of selection methods

The majority of organisations use a combination of methods in their selection process, with larger organisations most likely to use all the methods listed in Figure 22. As in previous years, most organisations consider previous work history/experience (77%) and conduct some form of interview (77%), while around three-fifths consider educational qualifications (59%). Sixty-one per cent say they conduct thorough CV/application screening.

Fewer organisations report using competency-based interviews compared with previous years (2022: 51%, 2021: 60%; 2020: 76%), although they remain the most common form of interview used, followed closely by interviews using CVs/application forms. Around three in ten use values-based interviews and a similar proportion use strengths-based interviews.

Around three-fifths of organisations use some form of test or assessment in their selection process. But our findings show a small decline in the use of all the tests and assessments (listed in Figure 22) compared with previous years. In little change from previous years, just 15% use tools to enable self-selection.

Figure 22: Methods used to select applicants (%)

Method	Value
Previous work history/experience	77
Thorough CV/application screening	61
Educational qualifications	59
Competency-based interviews	51
Interviews following contents of CV/application form	46
Values-based interviews	32
Pre-application assessments (ie situational job tests)	30
Strengths-based interviews	29
Verbal and/or numerical reasoning tests	22
Other aptitude assessments	20
Work-sample tests	17
Personality/psychological questionnaires	17
Assessment centres	16
Tools to enable self-selection (ie realistic job preview or values preview)	15
Group exercises	14
Other	3

Base: 1,055.

Scope for greater use of recruitment technologies

Most organisations that use some form of technology in the recruitment and onboarding process report they have increased their use as a consequence of the pandemic (Figure 23). Overall, however, Figure 24 shows a small decrease in the use of many technologies compared with last year, possibly partly down to the ending of social distancing requirements and/or a lack of investment in technologies, particularly in smaller organisations.

Use of technology for interviewing candidates remains most common, with nearly half using video interviews. Around a fifth use online induction processes, online tests/assessments and applicant tracking systems. All of these technologies are more commonly used by larger organisations.

In very similar findings to last year, just 6% of SMEs and 24% of larger organisations use any AI or machine learning technologies in their recruitment processes (Figure 25). We have, however, seen a small increase in the proportion using AI or machine learning in sourcing candidates (2022: 8%, 2021: 5%).

Figure 23: To what extent has your use of technology in the recruitment process increased as a consequence of the COVID-19 pandemic? (% of those that use technology)

- To a great extent — 24
- To some extent — 38
- To a small extent — 19
- Not at all — 20
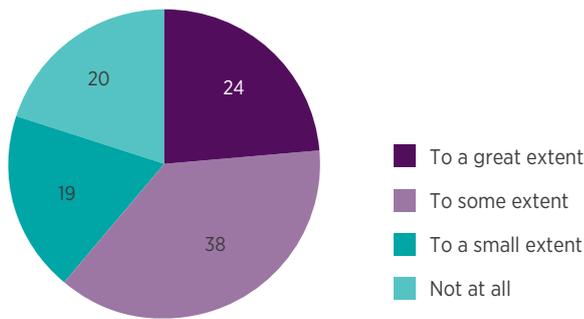
Base: 673 (unweighted).

Figure 24: Use of technologies in the recruitment process (% of respondents)

Technology	2022	2021
Video interviews	47	54
Telephone interviews	35	44
Online induction processes	22	28
Online tests/assessments	22	27
Applicant tracking systems	19	24
Online videos to promote the company brand	18	20
Onboarding platforms	17	20
Email marketing	14	15
SMS for communications	11	9
Job videos alongside job postings	9	9
Candidate-matching technology to help source passive jobseekers	8	9
Recorded video clips for screening candidates	5	6
Video CVs	4	6
Other type of technology	3	4
None of the above	29	27

Base: 2022: 1,055; 2021: 1,018.

Figure 25: Use of artificial intelligence (AI) or machine learning in recruitment processes (%)

Category	Value
Workforce planning, ie predictive analytics for workforce analysis	6
Attraction, ie AI to write job descriptions that appeal to candidates	4
Sourcing, ie AI to interpret job requirements and scan databases or the open web for relevant candidates	8
Communications, ie chatbots to respond to jobseekers' questions	4
Screening, ie AI to shortlist candidates based on a job description	5
Selection, ie AI analysis of interview responses to see how applicants fit hiring criteria; chatbots for first-stage interviews	5
Scheduling, ie automatically aligning candidate and hiring team schedules for available connection	5
Talent pool management, ie AI to search databases for relevant past applicants to re-engage	5
Onboarding, ie document-generation, AI to build relationships through networking analysis, feedback analysis	4
Management information: predictive analysis for resourcing effectiveness	3

Base: 1,055.

## Organisations are reporting greater benefits from their use of technology

Most organisations that use technology in the recruitment process report a number of benefits, many of which are related and reinforcing (Figure 26). The most common benefit is increased accessibility for candidates, with nearly three-quarters reporting it has expanded their pool of suitable candidates and nearly two-thirds that it has increased applications from unsuitable candidates (at least to a small extent). Currently, just over half (51%) report their use of technology has enabled them to screen out unsuitable applicants to some or a great extent, an improvement on last year (40%).

More organisations this year report their use of technology has improved candidates' experience, at least to a small extent (2022: 78%; 2021: 68%) and sped up the recruitment process (2022: 72%; 2021: 64%).

We have also seen smaller improvements in the proportion reporting that their use of technology has helped reduce unconscious bias, increased the diversity and quality of their hires, and improved their understanding of jobseeker behaviour.

Nevertheless, it is clear that there is considerable scope for more effective use of technologies in the recruitment process. Figures 24 and 25 show relatively limited adoption of technologies available, and Figure 26 shows that the majority of respondents feel their use of technology in the recruitment process has been limited by lack of resources and internal skills and knowledge.

Selection processes

Figure 26: To what extent has your organisation's use of technology in the recruitment process...? (% of those that use technology)

Category	To a great extent	To some extent	To a small extent	Not at all
Increased accessibility for candidates	13	46	21	19
Helped screen out unsuitable applicants	12	39	27	22
Improved candidates' experience	10	40	28	22
Sped up our recruitment process	12	38	23	28
Expanded our pool of suitable candidates	9	35	28	28
Reduced unconscious bias in the recruitment process	10	32	23	35
Improved our understanding of jobseeker behaviour	10	31	24	36
Improved the quality of our hires	7	32	27	34
Increased the diversity of our hires	9	29	22	40
Increased applications from unsuitable candidates	11	27	27	36
Been limited by lack of resources	12	27	25	36
Been limited by lack of internal technical skills/knowledge	8	27	26	39

Legend: ■ To a great extent ■ To some extent ■ To a small extent ■ Not at all

Base: 673 (unweighted).

### Room for improvement in communications with candidates

Most respondents (who were able to give an opinion) report that candidates' behaviour is generally positive (Figure 27), as in previous years. Four-fifths believe that candidates always or mostly behaved with sincerity and 86% say that they always or mostly arrived promptly for interviews. In other areas the experience is more mixed. Around a quarter of respondents report that candidates only sometimes or rarely provided accurate CVs/application forms or responded promptly to communications.

Nearly three-fifths (58%) report that candidates accepted offers and then subsequently declined at least 'sometimes' and one in ten report that selected candidates did not arrive to work on their first day always or mostly. The latter has increased considerably since this was last asked in 2020 (2022: 10%; 2020: 1% always or mostly did not arrive to work on their first day). With high demand for talent, candidates have more options, although it is possible that the high levels of COVID-related absence over the last year may be partly responsible.

Private sector respondents were more likely to report that candidates renegotiated offer terms at least some of the time. Only 42% report this is rarely or never the case, compared with 66% of the public sector and 60% of non-profits. The public sector, which mostly has specific pay bands, were more likely to report that candidates had realistic salary expectations (79% always or mostly compared with 59% of the private sector and 65% of non-profits).

The more vacancies organisations had tried to fill, the more likely they were to have experienced some negative candidate behaviour.

Figure 27: Candidates' behaviour over the last 12 months (% of respondents who attempted to recruit)

Behaviour	Always	Mostly	Sometimes	Rarely	Never
Candidates behaved with sincerity	11	68	18	2	
Candidates provided accurate CVs/application forms	13	63	20	4	1
Candidates responded promptly to communications	9	63	23	3	1
Candidates arrived promptly for interviews	25	62	11	2	
Candidates cancelled interviews with little or no notice	5	9	48	29	9
Candidates had realistic salary expectations	10	54	29	6	1
Candidates renegotiated offer terms	4	11	37	28	20
Candidates accepted offers and then subsequently declined	2	9	47	29	13
Selected candidates did not arrive to work on their first day	4	6	16	29	45

Base: 746 ('don't know' responses excluded).

⑧ **Recruitment difficulties**

Key findings

- 77% experienced difficulties attracting candidates – up from 49% last year. Recruiting for senior and skilled roles was most challenging, although 26% had difficulties attracting low-skilled candidates.

- Many organisations are turning to training and development to address their recruitment difficulties, most commonly through upskilling existing employees (60%). 54% are offering greater work flexibility.

- An increased proportion of organisations are offering better pay and/or benefits to address recruitment difficulties (36%, up from 29% last year).

Over three-quarters experienced challenges attracting suitable candidates

In our 2021 survey, just under half of respondents (49%) that attempted to recruit experienced challenges attracting 'suitable candidates'. This year we explored this further. Overall, 77% experienced difficulties attracting candidates. Senior or skilled roles were the most difficult to recruit, although around one in four also report challenges attracting low-skilled candidates (Figure 28). There has been a corresponding drop in the proportion reporting they have an excessive number of applicants to process (17%, down from 31% in 2021).

Around one in four (26%) experienced challenges onboarding new hires, a small improvement on last year (2021: 32%) possibly due to the lifting of coronavirus restrictions. Flexible and hybrid working practices can pose additional challenges for onboarding, and organisations need to ensure that their processes are adapted to ensure new recruits are fully supported and integrated.

Figure 28: Recruitment challenges experienced in the last year (% of those who attempted to recruit)

Challenge	%
Challenges in attracting senior/strategic or skilled/technical candidates	58
Challenges attracting operational candidates	39
Challenges attracting low-skilled candidates	26
Challenges onboarding new hires	26
An excessive number of applicants to process	17
Challenges hiring diverse talent	16
Logistical challenges in facilitating socially distanced recruitment processes	15
Challenges in adopting new recruitment/selection technologies	10
Other	3
No difficulties experienced	14

Base: 778 (unweighted).

## Firms addressing recruitment challenges through training, flexible working and pay increases

Many organisations are attempting to address their recruitment difficulties and the skill shortages in the labour market through training and development (Figure 29). The most common response is to upskill existing employees to fill hard-to-recruit for positions. While nearly half use apprenticeship schemes or sponsor relevant professional qualifications, 37% are developing graduate programmes and 28% are creating mid-career/career-returner programmes. The public sector and larger organisations across all sectors are most likely to use these approaches.

Offering greater work flexibility is the second most common approach to addressing recruitment challenges (particularly common in the non-profit sector). As noted above, this can be helpful in both attracting and retaining talent, not least through opening opportunities to a wider segment of the labour market.

In line with our findings above (see 'Attracting candidates'), more organisations this year are offering better pay and/or benefits to address recruitment difficulties (36%, up from 29% last year). This is most common in the private sector (45%; public sector: 13%; non-profits: 28%). The CIPD's Good Work Index also finds pay and benefits to be a key reason why people leave jobs.

Just 27% are currently targeting passive candidates, showing a lack of maturity in recruitment processes and a need to invest further in training and technology in this area.

Figure 29: Practices undertaken to reduce recruitment difficulties (% of those that experienced difficulties in the past year)

Practice	Existing practice	Would consider	Would not consider
Upskilling existing employees to fill hard-to-recruit-for positions	60	34	6
Offering greater work flexibility	54	34	12
Developing apprenticeship schemes	47	34	19
Sponsoring relevant professional qualifications	46	36	18
Recruiting candidates from a different industry/sector	42	48	11
Developing graduate programmes	37	37	26
Offering better pay and/or benefits	36	42	21
Recruiting candidates with potential but without technical experience	36	48	17
Recruiting candidates from overseas	29	38	33
Developing mid-career/career-returner programmes	28	57	14
Targeting passive candidates (those not actively looking for jobs)	27	49	24
Increasing investment in recruitment/selection technologies	23	51	26

Base: 653 (unweighted).

## ⑨ Talent management and retention

Key findings

- 38% of respondents report that their CEO has had talent management as a key priority over the last 12 months, up from 30% in 2021 but lower than pre-pandemic.

- 17% calculate the cost of labour turnover.

- 37% undertook initiatives to improve employee retention over the last year, up from 29% in 2021. Increasing pay was the most common step taken (2022: 54%; 2021: 32%), followed by improving support for employee wellbeing (45%), although there are considerable sector differences.

Less than two-fifths of CEOs prioritise talent management

Just 38% of respondents report their CEO has had talent management as a key priority over the last 12 months (Figure 30). While this represents an increase compared with last year, it remains lower than pre-pandemic (2021: 30%; 2020: 48%; 2017: 54%). CEOs are clearly facing many pressing challenges, exacerbated by the pandemic and economic climate, but the importance of effective talent management in underpinning recovery and progress should not be underestimated.

**Figure 30: Over the last 12 months, our CEO has had talent management as a key priority (% of respondents)**

- Strongly agree — 11
- Agree — 26
- Neither agree nor disagree — 37
- Disagree — 18
- Strongly disagree — 8
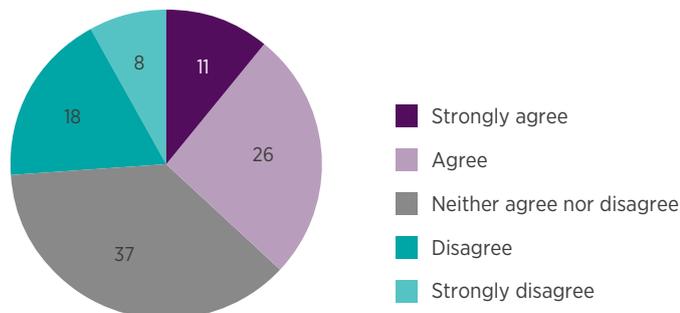
Base: 1,055.

Low rate of labour turnover

301 respondents gave complete figures for calculating their labour turnover. There is considerable variation across organisations, but the median rate of labour turnover in 2021 (6%) is considerably lower than in previous years (Figure 31).

As in previous years, the majority of turnover is attributed to employees leaving voluntarily. However, caution must be applied here, as the findings are based on a small sample of organisations and there is considerable variation between them.

Figure 31: Median rate of labour turnover (%)

Values (left to right):
- 2006 (2007 survey): 18
- 2007 (2008 survey): 17
- 2008 (2009 survey): 16
- 2009 (2010 survey): 14
- 2010 (2011 survey): 13
- 2011 (2012 survey): 13
- 2012 (2013 survey): 12
- 2013 (2014 survey): 10
- 2014 (2015 survey): 14
- 2015 (no data collected): 0
- 2016 (2017 survey): 16.50
- 2017 (no data collected): 0
- 2018 (no data collected): 0
- 2019 (2020 survey): 16
- 2020 (no data collected): 0
- 2021 (2022 survey): 6
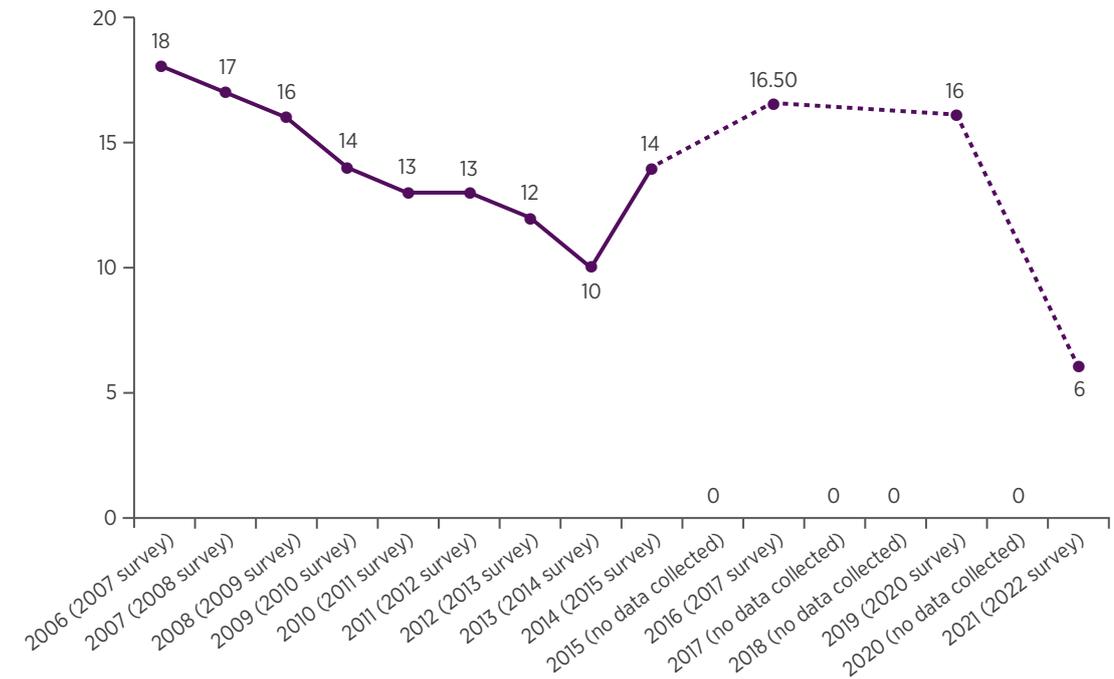
Base: 301 (2021: 2022 survey); 104 (2019: 2020 survey); 157 (2016: 2017 survey); 77 (2014: 2015 survey); 72 (2013: 2015 survey); 95 (2012: 2013 survey): 143 (2011: 2012 survey); 175 (2010: 2011 survey); 165 (2009: 2010 survey); 307 (2008: 2009 survey).

Table 3: Median labour turnover rates, by reason for leaving

	2021 (2022 survey)	2019 (2020 survey)	2016 (2017 survey)	2014 (2015 survey)	2013 (2015 survey)	2012 (2013 survey)	2011 (2012 survey)	2010 (2011 survey)	2009 (2010 survey)	2009 (2010 survey)
Non-profit redundancies	0	0	0	0	0	0	0	0	0	0
Compulsory redundancies	0	0	0	0	0	0	0	0	1	0.5
Dismissed/left involuntarily (including death in service)	0	1.2	1.2	0.7	0.2	1.3	0.6	0.7	0.9	1.4
Fixed-/short-term contracts	0	0	0.7	0	0	0.4	1.7	0	0	0.7
Retired	0	0	0	0	0	0.1	0.5	0	0.4	0.7
Left voluntarily	6.2	10.1	10	5.5	5.6	7.3	7.8	6.6	8.4	9

Base: 181 (2021: 2022 survey); 101 (2019: 2020 survey); 135 (2016: 2017 survey); 48 (2014: 2015 survey); 50 (2013: 2015 survey); 82 (2013 survey); 138 (2012 survey); 154 (2011 survey); 274 (2010 survey); 153 (2009 survey).

Most organisations don't calculate the cost of labour turnover

Nearly three-quarters of respondents (72%) report they don't calculate the cost of labour turnover. Just 17% of respondents report they do (11% don't know). Larger organisations and those in the private sector are somewhat more likely to calculate the cost. These findings are concerning, and organisations should look to step up their efforts here. Calculating labour turnover costings can help organisations to be much more strategic in their recruitment and retention strategies and create business plans to remedy high attrition.

Small increase in retention initiatives

This year's findings show a small increase in the proportion of organisations that are undertaking initiatives to improve employee retention (2022: 37%; 2021: 29%).

Most, however, have not taken any steps, despite our findings above that three-fifths of respondents (60%) are finding talent more difficult to retain (Figure 2). Even among this group, just 47% had taken steps to improve retention.

Retention initiatives focused on improving pay and wellbeing

In our 2021 survey, looking back on the preceding year of COVID-19 lockdowns, retention initiatives were most focused on improving support for employee wellbeing, work–life balance and flexible working. This year's findings show that, over the last 12 months, more organisations addressed retention issues through increasing pay (2022: 54%; 2021: 32%), although this was far more common in the private sector than the public (private sector: 61%; public sector: 14%; non-profits: 61%[9]). In the public and non-profit sectors, improving support for employee wellbeing remained the most common focus of retention initiatives (private sector: 40%; public sector: 56%; non-profits: 79%[10]).

Around a third of those that took steps to improve retention made efforts to improve employee involvement, increase learning and development opportunities, introduce/enhance flexible and/or hybrid working options or make other changes to improve work–life balance (Figure 32). Three in ten took steps to improve line management's people skills or support employees through coaching/mentoring/buddy systems.

Figure 32: Steps taken to improve employee retention in the last 12 months (% of respondents whose organisations have undertaken specific initiatives)

Base: 337 (unweighted).

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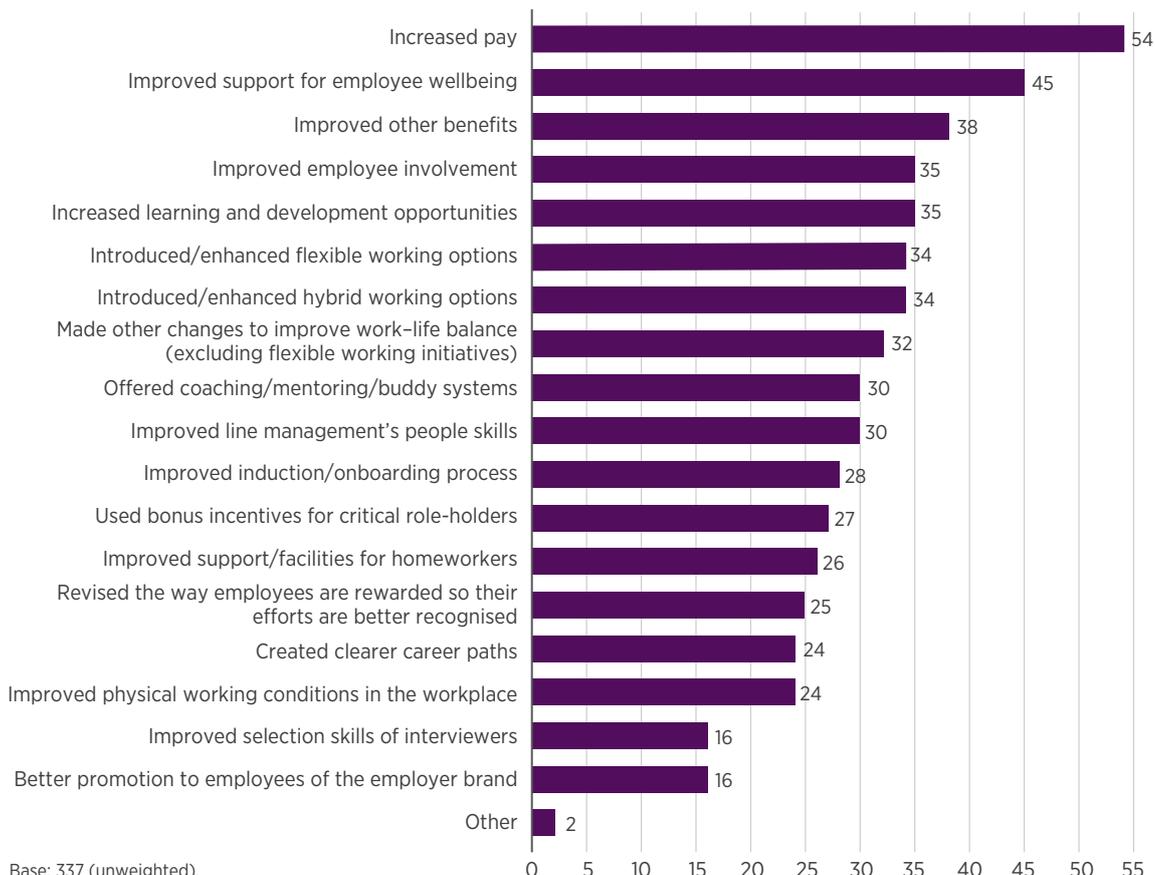
[9] The base for public sector organisations is low (41 respondents) so comparison should be treated with caution.

[10] The base for non-profit organisations is low (22 respondents) so comparison should be treated with caution.

Talent management and retention

# ⑩ **Workforce planning**

> **Key findings**
>
> - Organisations vary considerably in how far ahead they look when planning and taking action on current and future workforce requirements. 30% don't look beyond six months, while 17% are planning for over three years into the future.
>
> - Just 31% collect data to identify skills gaps and 28% to identify retention issues within the organisation. Fewer collect data to forecast hiring demands (21%) or to assess the availability/supply of talent in the market (16%).
>
> - A minority compare the costs of developing versus recruiting talent, internal versus external recruitment, or the cost of investing in technology to automate.

Considerable variation in workforce planning timeframes

Organisations vary considerably in how far ahead they look when planning and taking action on current and future workforce requirements (Figure 33). In little change from last year, 30% of organisations take a short-term approach (up to six months), while 11% are planning over three years ahead. Larger organisations are more likely to have a longer-term outlook.

Figure 33: How far ahead does your organisation look when planning and taking action on current and future workforce requirements? (%)

Base: 1,055.

Legend: 0–3 months, 4–6 months, 6–12 months, Up to 2 years, Up to 3 years, Up to 5 years, More than 5 years

	0–3 months	4–6 months	6–12 months	Up to 2 years	Up to 3 years	Up to 5 years	More than 5 years
All respondents	15	14	34	19	6	7	4
SMEs	23	19	33	14	4	4	3
Larger organisations	10	11	34	23	8	9	5
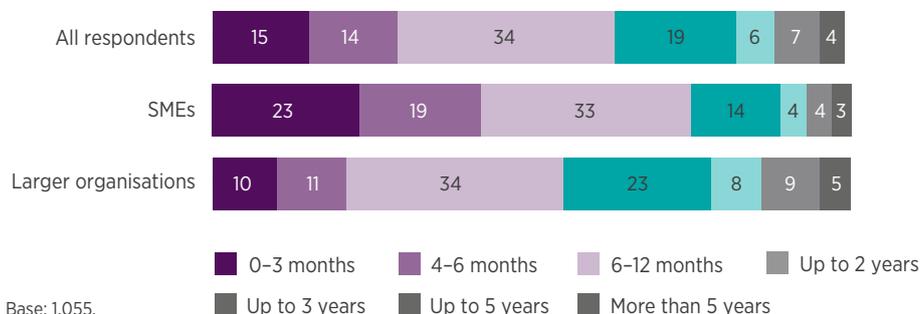
Around three in ten collect data to identify internal skills gaps or future skill requirements

Effective planning requires good-quality data. Nevertheless, as we found last year, many organisations could take a more evidence-based approach to inform resourcing decisions. Nearly half of respondents (46%) report their organisation is not collecting data in any of the areas shown in Figure 34.

Just 31% collect data to identify skills gaps within their organisation, while 28% identify future skill requirements or retention issues within the organisation. Around one in six assess the availability/supply of talent in the market, and fewer compare the costs of developing versus recruiting talent, internal versus external recruitment, or the cost of investing in technology to automate.

Larger organisations are somewhat more likely than smaller ones to collect data in all of these areas, although, even in large organisations, the figures are disappointingly low. For example, just 41% of organisations with more than 1,000 employees collect data to identify skills gaps within their organisation or to identify retention issues, and fewer collect data

in the other areas listed. Just over a third (34%) of organisations with more than 1,000 employees do not collect data in any of the areas in Figure 34.

Figure 34: Does your organisation collect data in any of the following areas to inform decisions?

Identify skills gaps within the organisation	31	
Identify future skills requirements	28	
Identify retention issues within the organisation	28	
Forecast hiring demands	21	
Identify skills gaps within your sector	20	

Assess availability/supply of talent in market	16	
The cost of developing talent in-house vs external recruitment	15	
The cost of replacing talent internally vs externally	14	
The cost of investing in technology to automate	14	

Base: 1,055.

(11) **Background to the survey**

This survey was conducted online 6–24 April 2022 by YouGov UK plc. In total, 1,055 UK-based HR/people professionals responded to the survey.

The CIPD *Resourcing and Talent Planning* report in partnership with Omni RMS (formerly known as the CIPD *Recruitment and Retention* survey) has been exploring organisations' resourcing and talent planning strategies and practices and the key challenges and issues they face since 1997.

The survey attempts to capture trends and developments in resourcing practices and challenges while providing useful benchmarking data. This year we also examine the ongoing impact of COVID-19 on resourcing, with new questions exploring changes in hybrid or remote working offerings.

Sample profile
This survey has been conducted using an online interview administered to members of the YouGov Plc UK panel of 800,000+ individuals who have agreed to take part in surveys.

The responding sample is weighted to the profile of the sample definition to provide a representative reporting sample. The profile is normally derived from census data or, if not available from the census, from industry-accepted data.

1,055 UK-based HR/people professionals responded to the survey. The figures have been weighted to be representative of the UK business population by size and sector (Table 4).

Table 4: Profile of respondents

Size of organisation (number of permanent staff)	Unweighted base	Unweighted base %	Weighted base	Weighted base %
Fewer than 10 (excluding sole traders)	267	25	168	16
10–49	219	21	138	13
50–249	174	16	137	13
250–999	146	14	228	22
1,000–4,999	103	10	160	15
5,000 or more	146	14	224	21
Total	*1,055*	*100*	*1,055*	*100*

Sector				
Private	825	78	791	75
Public	154	15	190	18
Non-profit	76	7	74	7
Total	*1,055*	*100*	*1,055*	*100*

Industry				
Primary industries	32	3	28	3
Manufacturing and construction	149	14	145	14
Wholesale and retail	122	12	108	10
Information and communications	105	10	115	11
Hospitality and leisure	67	6	66	6
Finance and insurance	80	8	91	9
Business services	105	10	96	9
Professional services	29	3	26	3
Public administration	51	5	68	6
Education and health	168	16	181	17
Third sector	41	4	38	4
Other	100	10	87	8
Total	*1,049*	*100*	*1,049*	*100*

Region	Unweighted base	Unweighted base %	Weighted base	Weighted base %
Scotland	70	7	63	6
Wales	52	5	47	4
Northern Ireland	15	1	13	1
North-west England	85	8	87	8
North-east England	35	3	36	3
Yorkshire and Humberside	52	5	47	4
West Midlands	64	6	66	6
East Midlands	63	6	60	6
Channel Islands	0	0	0	0
Eastern England	55	5	50	5
London	138	13	150	14
South-west England	83	8	68	6
South-east England	153	15	135	13
All of the UK	180	17	220	21
Abroad	10	1	12	1
Total	*1,055*	*100*	*1,054*	*100*

Background to the survey

Note on abbreviations, statistics and figures used

Voluntary, community and not-for-profit organisations are referred to throughout the report as 'non- profit organisations'.

'SMEs' (small and medium-sized enterprises) refers to organisations with up to 249 permanent employees (excluding sole traders, who did not take part in the survey due to relevance). 'Larger organisations' refers to organisations with 250 or more permanent employees unless otherwise stated.

The median is used instead of the statistical mean in cases where the distribution is significantly skewed or there are extreme outliers.

With the exception of labour turnover rates, all figures in tables have been rounded to the nearest percentage point. Because of rounding, percentages shown may not always total 100.

Appropriate statistical tests are used to examine whether differences or relationships between groups (such as sector or organisation size) are significant or due to chance. These include Chi-Square ($X2$) tests, Spearman's Rho correlation (p) and Kendals' Tau (T).

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