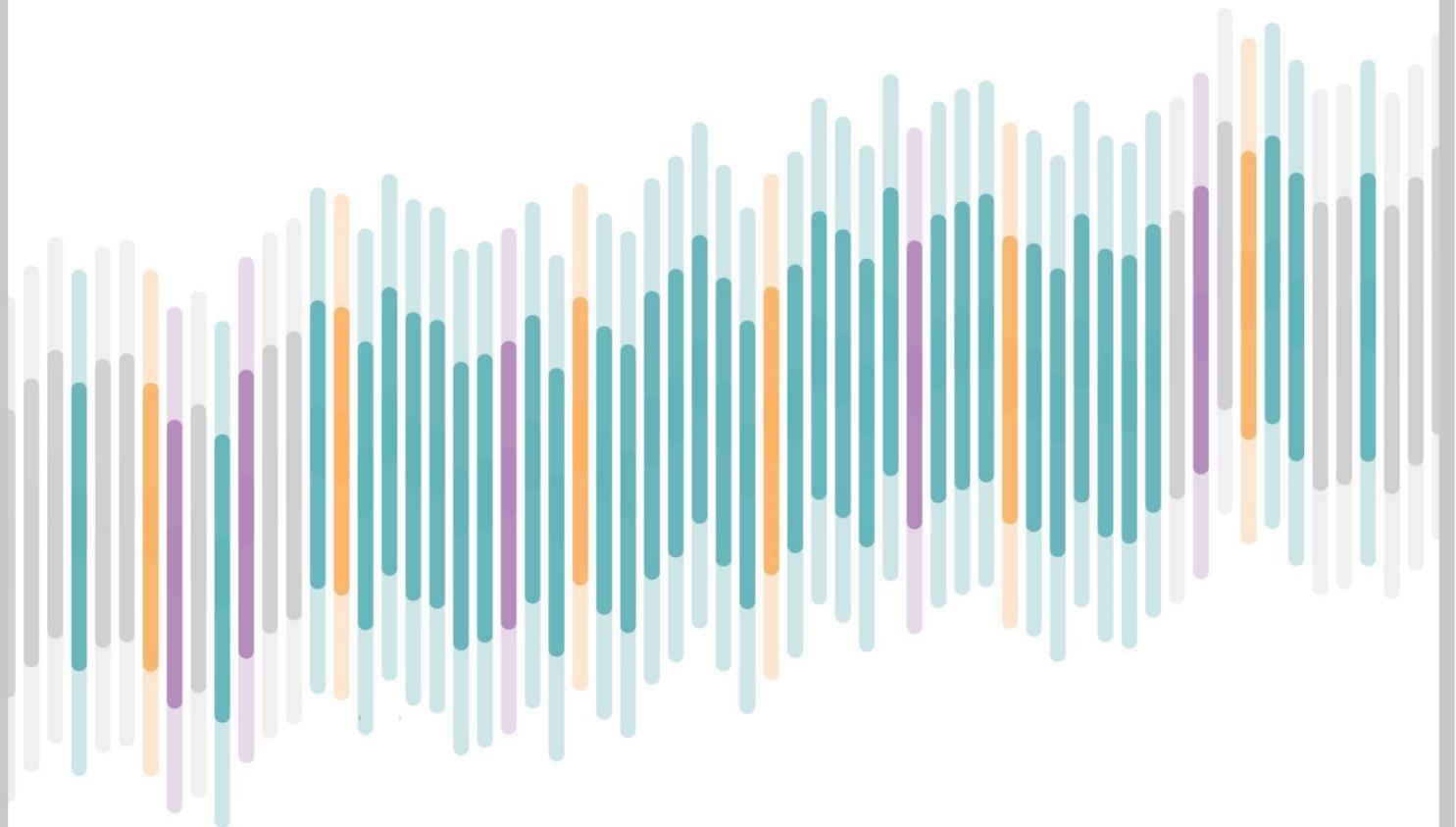




2021

Workforce Report

RESPOND | RECOVER | READAPT



icims® Insights



Fellow leaders,

The world was forever changed by the events of 2020. We have entered a new era of business and a new world of work.

2020 was one of the most transformative years in history. It fundamentally and permanently altered how we live, work, connect, and communicate.

The rise of the digital economy was already underway, but the pandemic forced digital acceleration and catalyzed new business models, making it critical to adapt and embrace virtual strategies and solutions.

The labor market saw seismic shifts, and we ended the year with [nearly 10 million fewer jobs](#) than when it started. Though the loss in jobs was substantial, a strong rebound is underway, with 91% of organizations planning to hire in 2021. However, a full recovery will take years at the current pace of hiring. With the massive shifts in business needs, many of these jobs will look different and require new skills.

Life and business will not go back to “normal.” We must embrace this new world as we collectively respond, recover, and readapt to transform our workforces.

How can employers embrace these changes to emerge stronger?

The two biggest priorities for every CEO are:

- * Build a great customer base
- * Build a winning workforce

How do you do this? Talent. The quality of your workforce is the difference between being good and being great.

It is that simple. Talent powers transformation – the pandemic underscored this truth. Bringing together the best talent on the right teams, not only increases an organization’s growth and innovation, also it can change the world.

This report provides a comprehensive view of the labor market in 2020, including the peaks and valleys in hiring, job openings, and applicant activity across industries, as well as a forward-looking outlook into this year and beyond. The data-fueled report brings together billions of data points from the iCIMS Talent Cloud with insights from a third-party survey of HR leaders to reveal the latest hiring trends.

Everything has changed. Work post-pandemic won’t be like it is today, and it certainly won’t be like before. We are sharing these insights to empower leaders to make informed decisions, spark innovation, up level strategies, and develop a new standard for how business can be done.

Together, we will transform the world of work.



Steve Lucas
CEO of iCIMS



Overview of Findings

	Data & Insights	Employer Takeaways
<p>1.</p> <p>Openings, Applications, and Hires</p>	<p>Job openings are down 3%, job applications are up 13%, and hires are down 10% year over year (2020 v. 2019).</p> <p>91% of employers are hiring for new roles this year.</p>	<p>The right talent is critical as employers continue to recover and rebuild for the future.</p> <p>Determine how best to tap into your current workforce and where you'll need to consider opening new roles that will drive innovation and long-term business success. Reevaluate your tech stack and hiring processes to accommodate virtual hiring and hybrid work environments. Ensure your recruitment marketing efforts are dynamic, leverage mobile-first hiring technology, and tap into video, texting, and chatbot tools to create authentic, real-time communication between candidates and your recruiters.</p>
<p>2.</p> <p>Workforce Shifts</p>	<p>72% of human resource professionals report that up to half of their workforce was internally redeployed in 2020.</p> <p>In the first half of 2020, organizations relied on part-time and contingent employees; from February to May, full-time hiring declined by 33%.</p> <p>58% of organizations will significantly rely on contingent hires in 2021.</p>	<p>A strong workforce today looks different than it did a year ago. Competition is fierce for the most in-demand skills, and employers are in various states of restructuring from the pandemic.</p> <p>Cultivate a work environment that encourages internal mobility and advancement. Leverage technology and create an employee career site to make it easier for hiring managers to find internal candidates with in-demand skills and for employees to make their next move internally. Tap into the contingent workforce to maximize operational flexibility – doing so could benefit both parties.</p>



Overview of Findings

	Data & Insights	Employer Takeaways
<p>3.</p> <p>Diversity</p>	<p>Diverse hiring activity led the rebound with women in underrepresented racial and ethnic groups (30%) making up the largest portion of hires in 2020.</p> <p>Since April 2020, there has been a steady increase in underrepresented racial and ethnic candidates being hired into jobs with an annual salary of \$100,000+.</p> <p>More than 4 out of 5 (84%) HR professionals are concerned their organization’s current recruiting and hiring tools aren’t reaching diverse talent pools.</p>	<p>Diversity, equity, and inclusion efforts cannot be pushed to the side. Data proves that diverse teams perform better and achieve higher ROI.</p> <p>We know that having a diverse workforce will lead to business success, but we need to make it happen. Start by tapping into your employee resource groups, creating candidate nurture programs with your CRM to reach diverse audiences, and leverage AI solutions to reduce unconscious bias and automatically serve up candidates who may not have been considered previously.</p>
<p>4.</p> <p>Remote Work</p>	<p>23% of job applications submitted in 2020 came from out-of-state applicants.</p> <p>50% of organizations are loosening or removing location requirements with remote work, and 53% say they are providing stipends or hiring bonuses for home office set-ups.</p>	<p>Now that location is no longer a barrier for many roles – employers can truly hire the best-fit talent for open roles.</p> <p>Remove proximity to office locations from your job descriptions and eliminate zip code filters from your search criteria.</p> <p>Implement AI-powered technologies to surface the best candidates for jobs regardless of location and purposefully build pipelines at scale, enhancing recruiter efficiency and yielding quality hires.</p>



Overview of Findings

	Data & Insights	Employer Takeaways
<p>5.</p> <p>Virtual Hiring</p>	<p>Texts sent from employers to candidates increased by 47% from 2019 to 2020, and texts from candidates to employers saw a 74% increase.</p> <p>49% of HR professionals say their organization is planning on specifically increasing investment in virtual methods of recruitment and/or candidate engagement in 2021.</p>	<p>Texting is the way people communicate in their everyday lives.</p> <p>If you want quick, convenient communication with candidates – either one-on-one or at scale – implement texting technology in your recruiting process <i>now</i>. Employers who are relying on outdated communication methods like email and phone are already behind. Top talent will get swooped up by innovative employers who are easy to communicate with.</p> <p>Texting technology can also be used for engaging current employees and sharing important updates.</p>
<p>6.</p> <p>Collaboration</p>	<p>86% HR leaders say their organization has started using new collaboration tools for HR to adjust to working during a pandemic.</p> <p>Additionally, those respondents at organizations hiring for many new roles in 2021 (53%) are more likely than those at organizations hiring for few new roles (30%) to have started using new collaboration tools specific for HR.</p>	<p>Streamline processes and integrated hiring into the flow of employees' work to enable efficiency and collaboration.</p> <p>For example, if your employees leverage Microsoft Teams or a similar tool to communicate and collaborate daily, find hiring solutions that integrate these tools with the solution. Empowering recruiters and hiring managers to easily schedule meetings, conduct interviews, and provide quick feedback in their workflow results in shorter times to fill open positions, less wait time, and less frustration for both recruiters and candidates.</p>



Overview of Findings

	Data & Insights	Employer Takeaways
<p>7.</p> <p>Digital Transformation</p>	<p>80% of organizations expanded or accelerated digital transformation plans in 2020.</p> <p>More than 2 out of 5 (43%) say the pandemic spurred their HR department's digital transformation in new ways and 37% say it accelerated their existing plans for digital transformation.</p>	<p>Most organizations took technological development to new heights in 2020.</p> <p>Take another look at the solutions you fast-tracked to survive the last year, assess which ones moved the needle, and determine how you can derive more value with increased investment or employee training.</p>
<p>8.</p> <p>Tech Talent</p>	<p>In-demand tech roles take 61 days to fill, while non-tech roles take only 42.</p>	<p>The acceleration of digital transformation has created additional demand for tech talent. To overcome shortages, tap into internal talent pools and reskill employees, remove location from your talent search, and consider the contingent workforce to fill those roles.</p>



Hiring is rebounding, but what are the new challenges?

Job openings and hires were down at the close of 2020, however, **91% of employers are hiring for new roles this year.**

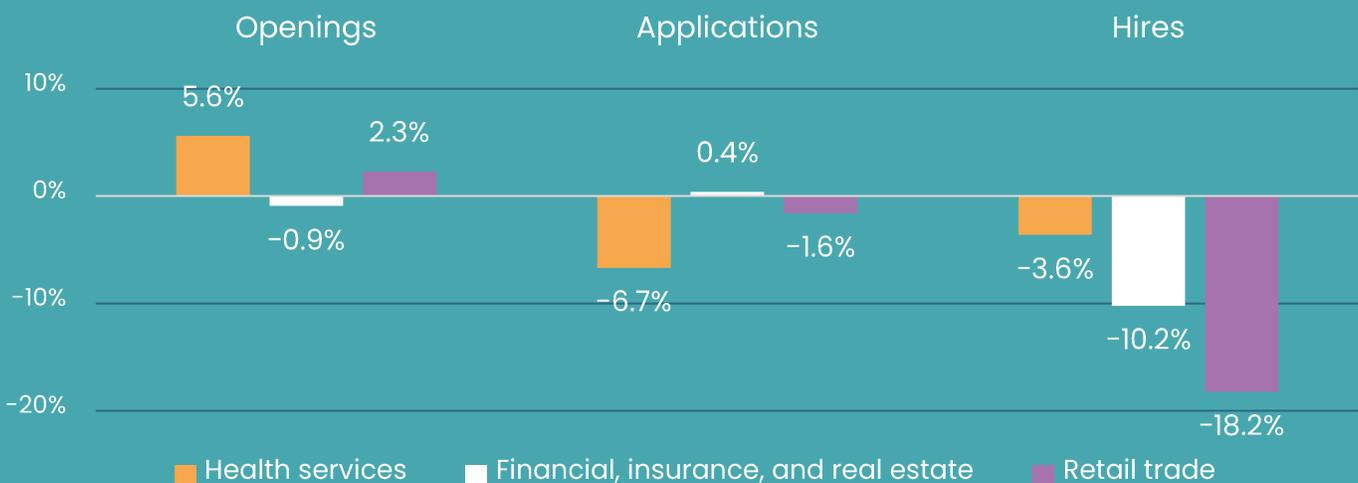


The pandemic was a hugely disruptive force for business and hiring in 2020. The Bureau of Labor Statistics reported a loss of more than 22 million jobs in March and April 2020. Blue-collar workers deemed nonessential were sent home, furloughed, and laid off during the spring of 2020 at higher rates. By contrast, knowledge workers' jobs were less impacted by the pandemic (at least directly) and they were more likely to work from home. However, this does not tell the whole story.

Over the course of the last year, there were varied reactions by employers and job seekers. Some industries, like healthcare, saw increased openings and applications. Others, like retail, saw fewer applications and dramatic decreases in hires.

At the close of 2020, there were positive signs of recovery, with overall job openings down only 3% and hires down only 10% year over year. This is a significant uptick from early 2020, when those numbers were down more than 35%.

YoY Change in Openings, Applications, and Hires





Organizations are optimistic about hiring this year; **91% are hiring** for new roles and responsibilities today and in the future.

As employers look to fill these roles, one might reasonably assume employers would benefit from the increased supply of labor – **job applications were up 13% year over year**. However, the opposite has been true in many cases.

The flood of applicants has been overwhelming. The volume is too high for most employers to give the same level of consideration to every candidate that they gave pre-pandemic. This reality is compounded by hopeful job seekers applying to as many jobs as possible to increase their chances of being hired.



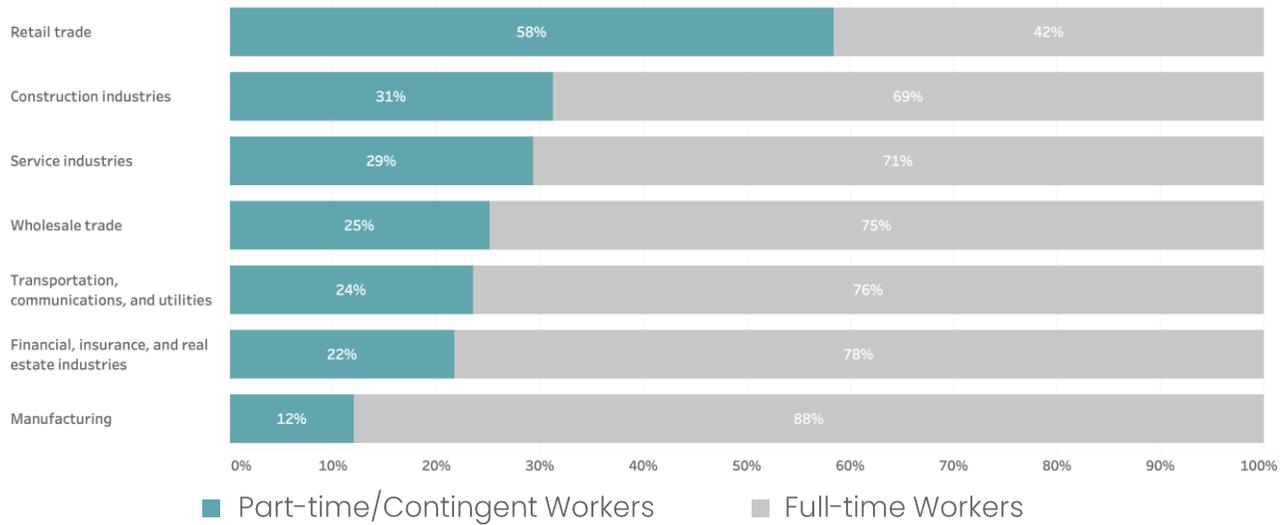
Hiring is more competitive than ever. Creating a solid starting lineup of qualified candidates can help support efforts to find best-fit candidates, diversify, build new skills in your organization, and create a community of brand ambassadors. But, diversifying pipelines in this environment requires new thinking. It is critical to create authentic, dynamic experiences and then apply smart analysis to build out and broaden talent pools strategically."

Charles Mah
Chief Evangelist, iCIMS

Employers are now looking at alternate workforces to circumvent hiring challenges and get work done. **More than half (58%) of organizations will significantly rely on contingent hires such as freelancers, independent contractors, or gig workers.** This trend is a [continuation of behavior](#) seen at the onset of the pandemic, with job seekers and employers opting for temporary employment opportunities as they reassessed business needs.



Percentage of Part-time/Contingent and Full-time Hires By Industry, 2020



Remote work spurs new competition

Nearly 1 out of 4 job applications submitted in 2020 came from an out-of-state applicant.

The pandemic yielded increased opportunity for remote work. In fact, the number of out-of-state applications rose 34% year over year.

Remote work isn't exactly new, but it has never been tried at this scale. In this new world of work, job seekers are no longer anchored to the city they live in or near. Without commutes to consider, the 'greater metropolitan area' now includes the suburbs, exurbs, and rural areas, down the road or even across the country from a potential employer.

The number of out-of-state applications increased by 34% from 2019



Changes in the work environment during the pandemic will carry over during recovery and beyond.

Flexible work arrangements are broadly in demand now. **A vast majority of HR professionals say a flexible work schedule (69%) and remote work capabilities (66%) are among the top flexible work arrangements that candidates expect and prioritize.**

Many organizations are also offering creative incentives to appeal to candidates' desires. **Half (50%) of HR professionals say their organization is loosening or removing location requirements with remote work, and 53% say they are providing stipends or hiring bonuses for home office set-ups.**



Flexible work arrangements and remote work were a way for businesses to endure in 2020. The forced embrace showed us that not only are these ways of working possible, but they are possible on large scales, long-term, and are beneficial to both employers and employees. This year, and as we move forward, flexible work arrangements will become key tenets of resilient, modern businesses."

Jewell Parkinson
Chief People Officer, iCIMS

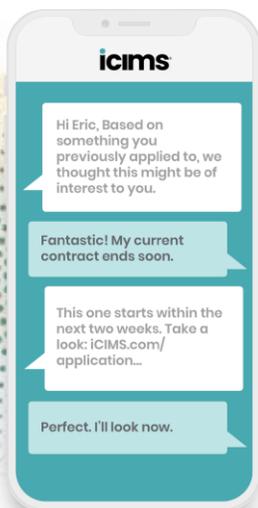
The shift to more remote work has opened the door to larger job candidate pools offering employers increased access to talent. However, with job seekers from around the world potentially knocking on their doors, the right hiring technology is essential to identify, communicate with, and bring in the best-fit talent at scale.



Talent acquisition and hiring goes virtual to meet remote demands

More than 2.7 million people used text messaging to apply for a job in 2020. Interviews set up by chatbots more than tripled.

Both labor demand and supply in the post-pandemic environment will be staggering, so much so that the volume may render more hands-on recruiting and hiring processes obsolete.

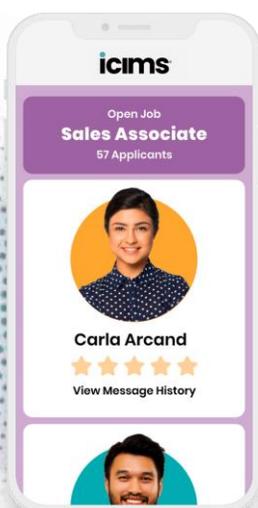


Text + chat

Digital assistants became more popular than ever to manage high volume tasks and accommodate virtual work in 2020. In fact, **iCIMS data shows customer use of the AI-powered chatbot more than tripled over the past year, with it fielding hundreds of thousands of applicant questions.**

We have also seen a steady increase in the use of text as a means for two-way communication over the last several years; **the number of texts employers sent increased 47% from 2019 to 2020, and texts from candidates to employers jumped 74%.**

We anticipate text and chat will remain valuable tools and expect to see a continued increase in usage in 2021.



Collaboration

The pandemic highlighted the need to eliminate operational silos.

86% of HR leaders say their organization started using new collaboration tools to adjust to working during a pandemic, including 40% using new tools specific for HR and 46% using new tools for the entire company. This is in line with the [2021 Deloitte Global Human Capital Trends](#) survey that identified digital collaboration platforms as the top factor in making remote work sustainable.

Additionally, respondents at **organizations hiring for many new roles in 2021 (53%) are more likely than those at organizations hiring for few new roles (30%) to have started using new collaboration tools specific for HR.**



Video

Since the launch of YouTube in 2005, video has been increasingly popular. The pandemic made it a part of everyday life, accelerating its use in our personal and business lives to connect with our families, coworkers, and even our doctors.

Leading employers like L'Oreal, Box, Target, PwC, and Intuit are leveraging video storytelling tools across the entire employee and candidate lifecycle to build relationships, share their brand story and culture, host virtual events, and interview candidates.



Authenticity is critical in successful recruitment; job seekers and candidates demand it. With video, we can now be more authentic and transparent with our candidates through the voice of our own employees. The video content is unscripted, honest, and real. Research shows that video can drive engagement and the amount of time spent on websites. It's game-changing, and every organization should be thinking about it as part of their talent strategy."

Brandie Dawson
Director of Global Talent Acquisition and Candidate Experience, Valvoline

As the workplace continues to evolve, we must learn to collaborate on a higher level and leverage technology to enhance the way teams work. Joe Essinfeld, vice president of strategy at iCIMS, notes that while the pandemic fueled the adoption of virtual hiring and collaboration tools, we expect business leaders to continue to prioritize resources that enable workforce efficiency and achieve better business outcomes with greater speed at scale.

Nearly half (49%) of HR professionals say their organization plans to increase investment in 2021 in virtual methods of recruitment and/or candidate engagement, and 47% plan to increase investment in hiring and processing offers. And, IDC found that a whopping 96% of North American businesses will be spending more and investing more on team collaboration solutions this year.



Tech talent is in short supply and employers are turning to internal hires to fill critical shortages

The pandemic drove 72% of companies to redeploy up to half of their workers.

Four out of five (80%) of organizations expanded or accelerated digital transformation plans in 2020. Nearly every industry is experiencing some form of digitization. Transport providers and retailers are shifting to low-touch or no-touch experiences. Restaurants and grocers are redesigning online experiences to make it easier to order food online. New safety protocols have manufacturers and healthcare providers rethinking how to build and serve their communities.

These shifts in business models increase the demand for specialized talent. This is particularly concerning as the skills gap had already been a major issue causing critical labor force shortages. In 2020, non-tech roles were filled faster than in 2019 while tech roles held steady. **According to iCIMS data, it takes 61 days to fill an in-demand tech role, while a non-tech role takes just 42 days to fill.**



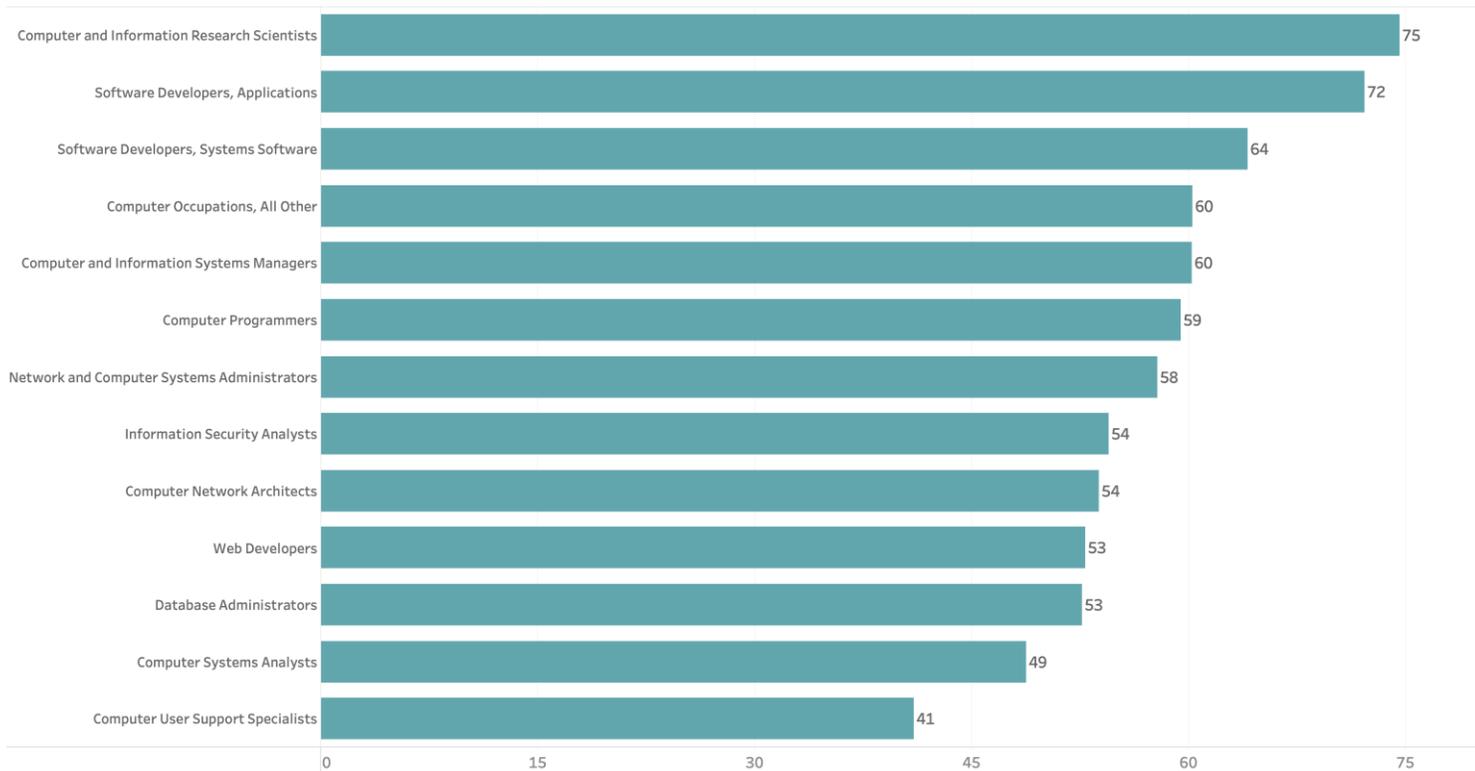
Companies have been becoming increasingly tech-savvy for years, driving the need for digitally-skilled talent. The pandemic's impact on digital transformation intensified the demand. There is a huge opportunity to tap into AI to be more strategic when it comes to tech talent. AI can help us think outside the box, allowing us to look more deeply at our existing workforce's skills to tackle current business needs. We're also able to use it to help us hire for future potential, proactively solving for digital skills gaps."

Al Smith
Chief Technology Officer, iCIMS



Time-to-Fill by Tech Role [in days]

2020



Internal mobility

Employers are looking within to fill specialized roles. Having the right talent in the right seat helps increase an organization’s adaptability and success.

In response to the pandemic, **nearly 3 out of 4 (72%) human resource professionals report that up to half of their workforce has been internally redeployed.** This means that their role or responsibility was adjusted to meet a need on either a temporary or permanent basis.

Experience has taught older companies the benefits of implementing internal realignment to cover staffing deficiencies before making other moves. **Those at organizations 25+ years old (39%) are more likely than those at organizations less than 25 years old (19%) to have over half their workforce internally redeployed.**





Aggressive redeployment places an onus on organizations to reskill and upskill the workforce. With so many new workers in new roles, working in new departments, under new managers, and having new teammates, there is a potential for a lot of institutional knowledge to be shifted or lost.

More than half (55%) of organizations will offer on-the-job-training to keep a continuity of operations and effect.

When looking at tech roles specifically, STEM backgrounds are required for tech role including software developers and computer programmers. However, as reported in the [November Insights Snapshot](#), there are opportunities for organizations to use internal reskilling programs for tech occupations like computer systems analysts to bridge critical skills gaps and stay ahead of tech hiring challenges.



How Bristol-Meyers Squibb supports internal talent

Robert Carruthers, executive director of talent strategy and innovation, shares [5 tips to get more from internal talent](#).

- 1. Hire talent** with the skills your business will need for the future.
- 2. Build a culture** that encourages internal mobility and advancement.
- 3. Think about sourcing internally** first before externally.
- 4. Leverage technology that makes it easier** for internal candidates to move around.
- 5. Tap into collaboration tools** to enhance internal communication and increase hiring efficiencies.



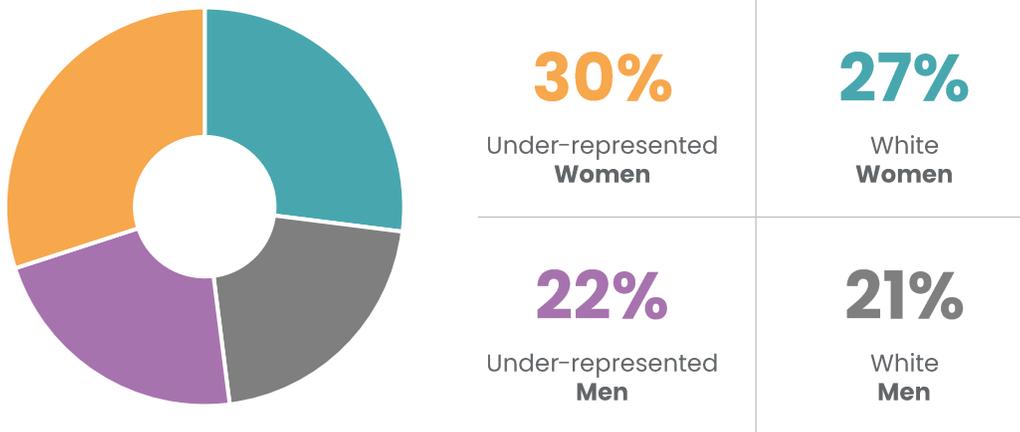
Diversity and inclusion efforts are gaining momentum, but there's still work to do

Female and racially and ethnically diverse candidates led the rebound in 2020.

The past year put an increased focus on social equality, prompting businesses and HR leaders to reflect on and reassess diversity and inclusion efforts. Diverse workforces are winning workforces, leading to more innovation and revenue.

In 2020, companies prioritized a workforce that better reflects their growing marketplaces. **Diverse hiring activity led the rebound with women in underrepresented racial and ethnic groups making up the largest portion of hires in 2020 (30%), followed by white women (27%), men in underrepresented racial and ethnic groups (22%), and white men (21%).**

Percentage of 2020 Hires by Gender and Ethnicity



A diverse workforce is not nice to have. It's a must. I am pleased to say we see early signs of progress in our data. Over the last six months, there have been steady increases in diverse hires across the spectrum. Simply put, this is good for business."

Rhea Moss
Director of Data Insights, iCIMS





To build on this momentum, talent acquisition teams need practical ways to find, hire, and retain diverse talent. Dallas Mavericks' CEO, Cynthia Marshall, recommends creating a [100-day plan leading with intent, inclusion, insight, and inspiration](#) to help shape a diverse workplace.

Unfortunately, **more than 4 out of 5 (84%) HR professionals are concerned their organization's current recruiting and hiring tools aren't reaching diverse talent pools.**

Start-up organizations (0-10 years old) are significantly more concerned than others about not reaching diverse talent pools, 74% compared to just 43% at legacy companies (20+ years old). Despite start-up organizations' concerns, **less than a third (31%) have made technological investments** to address this.



How Memorial Sloan Kettering Cancer Center prioritizes candidate experience to make an immediate impact on D&I efforts

Jenna Sandker, director of talent acquisition and candidate experience, offers this advice:

- 1. Put forth an authentic representation** of your organization in candidate marketing
- 2. Ensure career sites are accessible**
- 3. Optimize job descriptions**, consider using technology to help remove potential bias
- 4. Create inclusivity** with communication, not all candidates have access to a desktop or email
- 5. Use technology to accent and extend recruiting strategies** beyond geographic location or traditional talent pools



We're not going back

Nearly all organizations have made investments in HR and talent acquisition tools since the start of the pandemic, and 97% plan to make more investment in 2021.

The data shows that successful organizations prioritize diversity, create flexible, virtual cultures, and focus on digitization. Almost all organizations (97%) are investing in HR and talent acquisition technology this year.

Talent is the driving force behind business and having the right team now will power your company's success. As we continue to respond, recover, and readapt to this new world of work, organizations focused on building winning workforces of diverse, digitally-skilled, mission-driven talent will be the ones that lead the pack.

Drive your business forward

Stay ahead of today's hiring challenges with data and insights to prepare you for what's next.

Visit iCIMS [Insights](#) for a monthly infusion of hiring activity and trends.

Survey Methodology

This survey was conducted among 500 U.S. human resources professionals between November 25 and December 10, 2020, using an email invitation and an online survey.

About iCIMS' Proprietary Platform Data

iCIMS' platform data is drawn from our proprietary database of 3 million jobs posted, ~75 million applications, and ~4 million hires annually by more than 4,000 customers and its network of 30 million workers. iCIMS customers represent a broad swath of the U.S. economy, with expansive geographic, industry, and occupational representation.



About iCIMS

iCIMS is the talent cloud company that empowers organizations to attract, engage, hire, and advance the right talent that builds a diverse, winning workforce. iCIMS accelerates transformation for a community of approximately 4,500 customers, including nearly half of the Fortune 100, that employ more than 35 million people worldwide. For more information, visit www.icims.com.

For more insights and perspectives, visit www.icims.com/insights.

