

A Candidate-Driven Job Market



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Insights for Talent
Leaders Hiring
Gen Z to Millennials

A Candidate-Driven Job Market: Insights for Talent Leaders Hiring Gen Z to Millennials

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Introduction



During the past 12 months, job seekers in the U.S. endured headwinds from social issues and domestic politics as well as the global pandemic. The all-encompassing nature of COVID-19 continues to impact every facet of American life. The workplace and job seekers were not spared. Organizational changes that would typically require several years of testing and analysis occurred in just a few months. Out of necessity, entire industries accelerated wide-scale digital and structural transformations, fundamentally changing the nature of how organizations work. Even now, talent leaders continue to adjust and pivot as new challenges arise. This pattern is likely to continue for the foreseeable future.

At the same time, candidates seeking employment changed too, and many experienced the rapid transformation and transition first-hand. Some fell victim to COVID-19 themselves. Others lost income due to furloughs and faced childcare or eldercare responsibilities.

Both talent leaders and candidates are navigating this period of ongoing disruptions. This has created a complex chasm and outright disconnect between the two.

Throughout the pandemic, Cappfinity interviewed and surveyed early career talent leaders. We published their best practices and recommendations for recruitment and development. Taking it a step further, Cappfinity commissioned YouGov to survey job seekers in the U.S. so that we could gain a better understanding of what candidates are facing.

In total, this robust report includes findings from the survey as well as external evidence-based research and U.S. workforce data. This report is designed to help talent leaders solve their immediate Gen Z to Millennial talent needs as they work to design a workforce that will thrive in the uncertain future.

Five Candidate Experience Insights That Might Surprise You



There were over 11 million open job postings in the U.S. as of December 2021. That number fluctuated throughout the previous 12 months. When asked, respondents shared that recruiters provided a slightly above average experience, earning a 6 out of 10 ranking on overall recruiting processes throughout the past 12 months. While many organizations successfully transitioned to virtual recruitment, most job seekers reported that they did not receive interview preparation resources.

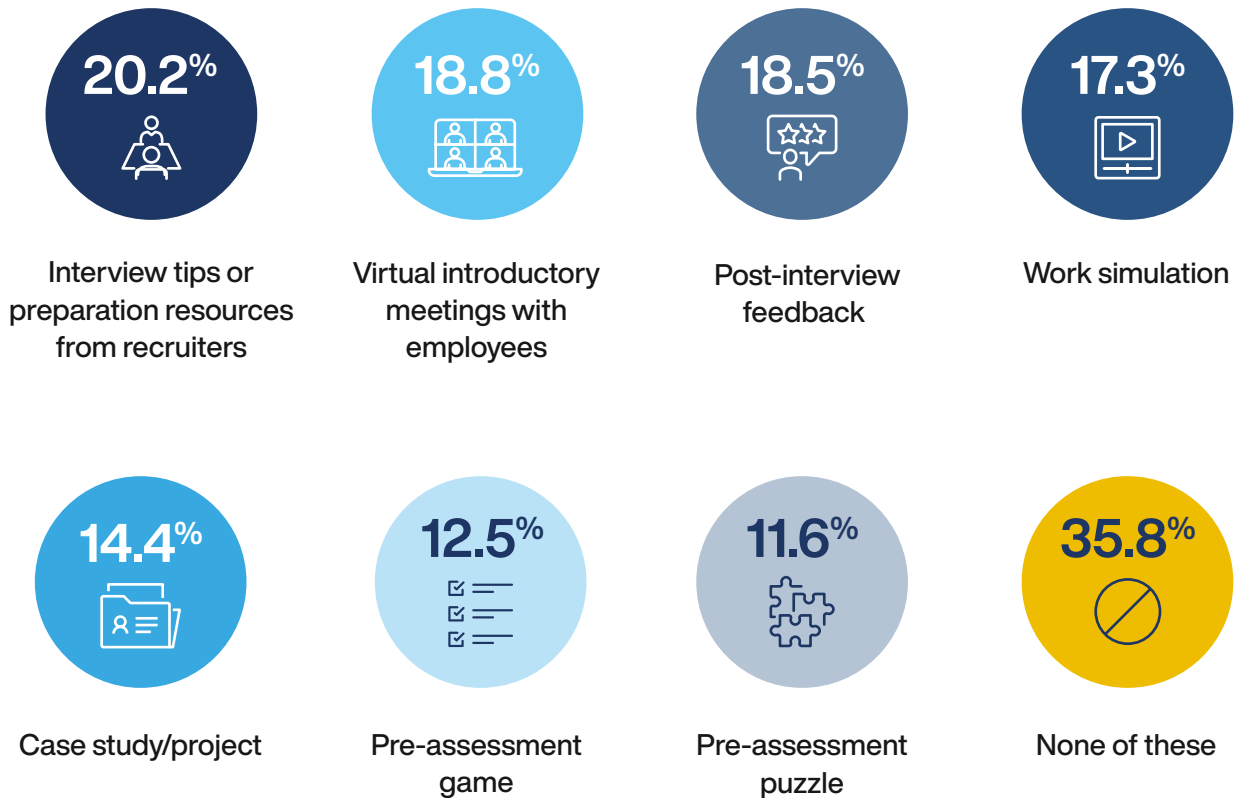
#Insight 1

Only **20%** of respondents reported that they received any interview preparation resources from recruiters and only **19%** received post-interview feedback

One could argue that the lack of interview preparation support and the absence of feedback after an initial interview was, and continues to be, common in talent recruitment processes. However, given the ‘talent shortages’ in the U.S. job market, perhaps now is the time to determine what a virtual or hybrid talent recruitment process **should** look like from end to end. Findings in the survey also suggest that hiring organizations did not give candidates opportunities to demonstrate their skills or the value they could bring to the organization during the interview process. More than half of job seekers did not have opportunities to showcase their critical thinking or problem-solving skills during a recruitment process, though employers overwhelmingly agree that both critical thinking and problem solving are skills they look for amongst potential new hires.

#Insight 2

Which, if any, of the following did you receive during the interview process in the past 12 months (i.e., since mid-November 2020)? Please select all that apply.



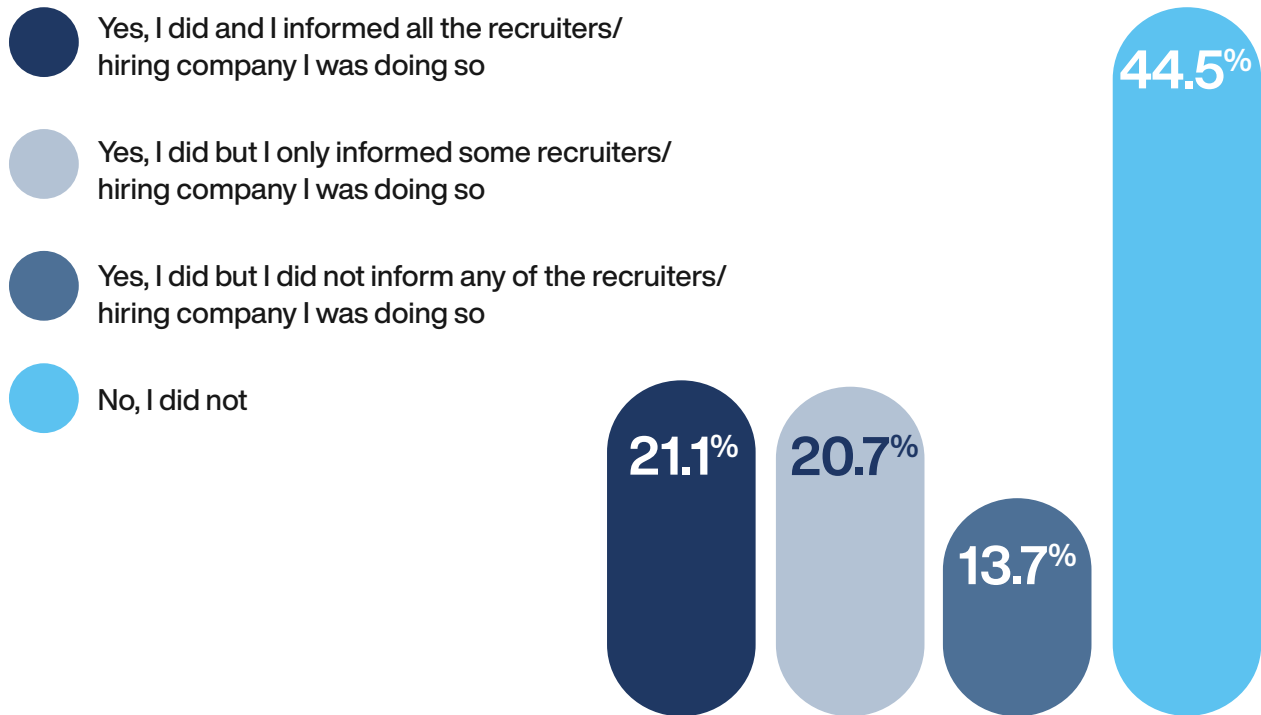
Source: Cappfinity Candidate Experience Survey conducted by YouGov

YouGov verbiage: All figures, unless otherwise stated, were collected by YouGov

Also telling is that more than half of the respondents reported abandoning at least one recruiting process within the past year, with only 38% of them choosing to inform recruiters that they were opting out of the recruitment process. This pattern poses important implications for hiring organizations.

#Insight 3

Did you elect to stop participating/opt out of an interview/recruiting process in the past 12 months (i.e., since mid-November 2020)?

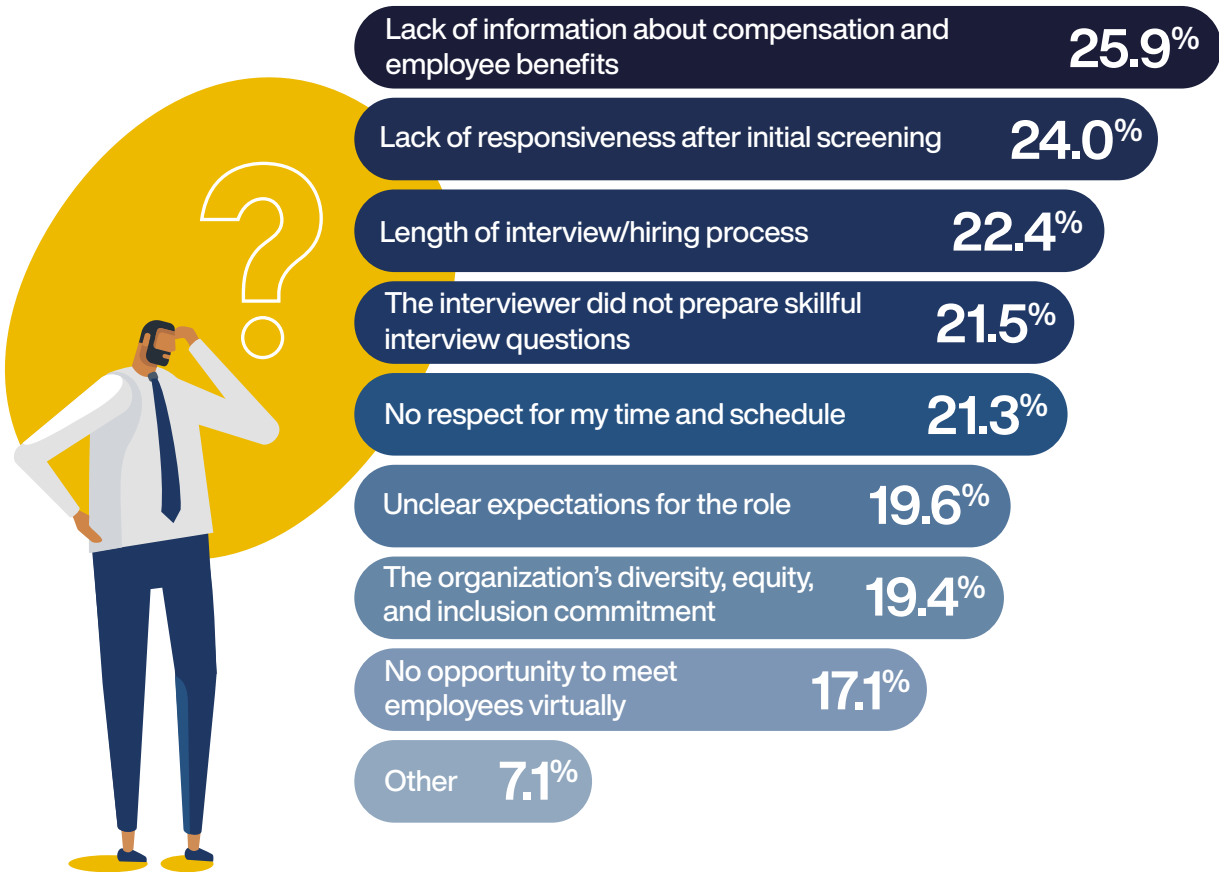


Source: Cappfinity Candidate Experience Survey conducted by YouGov

YouGov verbiage: All figures, unless otherwise stated, were collected by YouGov

#Insight 4

Which **THREE**, if any, of the following prompted you to stop participating in the interview/recruiting process in the past 12 months (i.e., since mid-November 2020)? Please select up to three options.



Source: Cappfinity Candidate Experience Survey conducted by YouGov

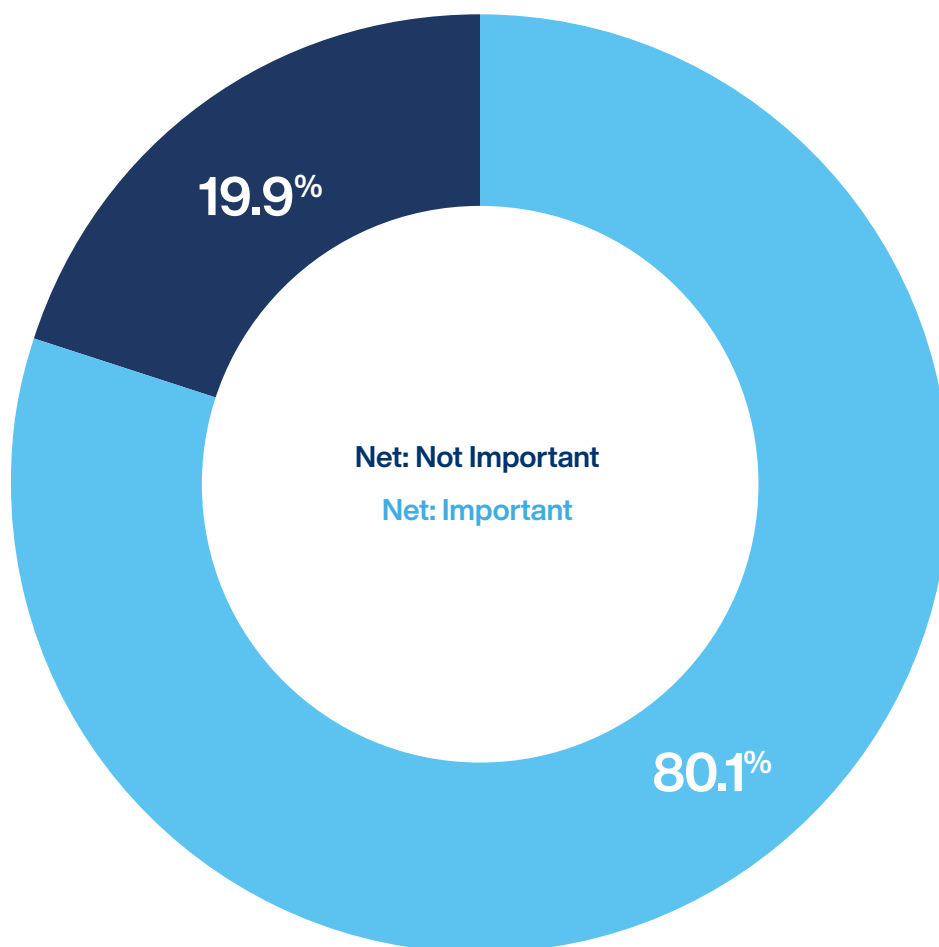
YouGov verbiage: All figures, unless otherwise stated, were collected by YouGov

Finally, during the past 12 months job seekers in the U.S. increasingly wanted to know more about prospective employers, including their positions on social issues. In fact, 80% of respondents reported that they wanted to understand company culture before accepting an offer.

This period of rapid change has significantly impacted what prospective and existing employees want from employers. Perhaps 'cultural fit' has become a two-way street during the recruitment process?

#Insight 5

How important, if at all, is it for you to understand a company's culture before you're willing to accept an offer to join an organization?



Source: Cappfinity Candidate Experience Survey conducted by YouGov

YouGov verbiage: All figures, unless otherwise stated, were collected by YouGov

Three Trends in the U.S. Job Market



The five candidate insights outlined in this report should serve as guideposts for hiring managers and organizations aiming to hire strong talent. Candidates have experienced how quickly the marketplace can shift. While candidates navigate this period of uncertainty, talent leaders are facing several challenges too. The interdependent relationship between a candidate and potential employer has never been more complex.

But before we can arrive at solutions that appeal to both, we must highlight three trends in the U.S. job market that underpin the elevated importance of candidate experiences.



Trend #1: I Quit!

Hiring managers must evolve their definition of, and point of view on, talent. Now more than ever, they must leverage data and processes that predict success in a role. Doing so will significantly support their talent needs.

Not convinced? Consider this: the Bureau of Labor Statistics offered a steady series of sobering highlights for hiring managers throughout the past 12 months. For example, [nearly 20 million workers resigned between April and August in 2021](#). This is “60% higher than the resignations handed in during the same period last year, and 12% above the spring and summer of 2019 when the job market was the hottest it had been in almost 50 years.” Even more alarming is that these stats did not include workers that voluntarily retired. Additional data showed a “steady rise in the employed-to-employed rate, indicating that many people are switching jobs.”

Certain industries and regions experienced more turnover than others. Workers resigned in droves in healthcare, retail, and food services at especially high rates by the end of the summer. According to LinkedIn research, there was a 20% increase in searches related to ‘quitting’ compared with a year earlier. Hashtags such as #greatresignation, #newjob, #jobhunt, and #burnout have accrued tens of thousands of followers on LinkedIn. Long recruitment processes alongside numerous unfilled jobs mean that organizations may not meet their business goals. Their customers may suffer as well.



Trend #2: Do you have these skills?

Next, according to the World Economic Forum, skills will continue to evolve throughout the next five years, and current skills gaps will expand further. Even for workers who stay in their roles, the share of core skills will change by as much as 40%. Critical thinking and problem-solving top the list of skills employers believe will grow in prominence. Across LinkedIn’s 800 million members, skills for the same job changed by about 25% from 2015 to 2021. At this pace, LinkedIn research suggests members’ skills may change by as much as 40% by 2025.

The competition for talent will be fiercer than ever as an organization’s internal business units or departments, partners, and industry competitors aim to attract and retain talent. Mass resignations coupled with the demand for certain skills demonstrates the importance of the candidate experience now more than ever.



Trend #3: Outdated Processes

While there has been a lot of discussion on talent shortages, there have been significantly fewer discussions on what might be fueling this trend. The National Association of Colleges and Employers (NACE) Job Outlook 2022 report reflects member sentiment from mid-size to large employers. Their research provides some process related clues.

According to the report, 46.3% of respondents indicated they would screen candidates from the Class of 2022 by GPA. Employers in the utilities industry overwhelmingly endorsed this approach at 100%, with the Southwest region (64.3%) and large employers—those with 10,001 to 20,000 employees—(68.2%) being the most likely to screen candidates by GPA. Also important, these employers plan to use a median GPA cutoff of 3.0.



Also important, the NACE Job Outlook 2022 research suggests that a candidate's major is still influential. A leadership position, general work experience, and extracurricular activities were also desirable. Respondents also indicated that internship experience is the deciding factor between two otherwise equally qualified candidates. Many organizations still leverage what might be best described as pre-pandemic early career recruiting criteria.

But does this help or hurt early career talent attraction? Due to the swift transition to virtual school, many students were unable to complete internships and had limited extracurricular activities. Others moved home and had to work.

Screen Candidates by GPA, by Industry

Industry	% of Respondents	GPA Cutoff (Reported Median)
Utilities	100.0%	3.00
Accounting Services	80.0%	3.00
Engineering Services	71.4%	3.25
Misc. Mfg.	55.6%	3.00
Finance, Insurance & Real Estate	44.4%	3.00
Misc. Prof. Services	37.5%	3.00
Computer & Electronic Mfg.	33.3%	3.00
Retail Trade	33.3%	2.90
Construction	12.5%	Not Provided
Information	8.3%	3.00

Source: NACE Job Outlook 2022

Screen Candidates by GPA, Company Size

Number of Employees	% of Respondents	GPA Cutoff (Reported Median)
10,001 - 20,000	68.2%	3.00
More than 20,000	61.5%	3.00
500 or less	44.4%	3.00
2,501 - 5,000	42.1%	3.00
5,001 - 10,000	35.7%	2.90
501 - 1,000	33.3%	3.25
1,001 - 2,500	18.2%	2.90

Source: NACE Job Outlook 2022

For the first time since the Great Depression era, **52%** of young adults in the U.S. are living with their parents

Grades, limited opportunities to showcase skills, and other outdated processes may prematurely screen out Gen Z and Millennial talent. Together, these trends narrow an organization's talent pool and significantly impact talent attraction.

Timing couldn't be worse. According to Pew Research Center, for the first time since the Great Depression era, 52% of young adults in the U.S. are living with their parents. This is key to understanding what is motivating a large swath of Gen Z and Millennial job seekers. Many faced significant financial constraints as inflation increased and led to higher costs for food and consumer goods. Amid the ongoing uncertainty, candidates are carefully evaluating their professional and personal needs prior to accepting a job. Their top priorities are in stark contrast to job seekers in previous generations. Job seekers in the past 12 months were more motivated to secure employment with organizations that addressed typical financial requirements as well as professional and personal values. As a result, some candidates likely accepted roles as hiring managers weighed their options.

In summary, with a rash of resignations, talent shortages, and candidate ghosting, it might be time for talent leaders to reimagine their recruitment processes. Doing so may require talent leaders to determine who their best recruits could be now and in the future.




Ten Questions for Talent Leaders



The U.S. job market is currently candidate-driven. We expect Gen Z and Millennial job seekers to continue to wield their power to choose employers with compensation and work-life balance in mind. Here are a few questions to help talent leaders reset and reprioritize candidate experiences to attract and retain Gen Z to Millennial talent:

1. Has my team analyzed our recruitment processes to ensure candidates are appropriately considered and not screened out prematurely?
2. Does our organization provide guidance to help candidates prepare for our recruitment process?
3. Are we confident that we are assessing behavior that will predict success in role?
4. Where could pre-hire assessments drive efficiency and reduce bias in our recruitment process?
5. Would job simulations and case studies help us keep interviews productive, meaningful, and unbiased?
6. Can we provide opportunities for candidates to meet future team members during the recruitment process?
7. Do we provide robust interview training and candidate evaluation to help hiring managers?
8. What do we need to do so that we can be transparent and communicate a cost-of-living adjusted salary and benefits information?
9. What are some ways to demonstrate corporate culture during the recruitment process?
10. How do we 'sell' new recruitment processes to senior decision makers or hiring managers who are wedded to existing processes?

Best Practices and Resources



**Read more
here!**

In closing, many talent leaders took the challenges of the past 12 months head on and made significant, innovative strides to pivot as needed. This unofficial community of innovators built on existing talent attraction success, and were willing to disrupt and transform new recruitment methods.

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LinkedIn Live Learning



[Gemma Elsen, Fidelity International](#) explored apprenticeships, and resume less recruiting



[Jada Green, Candidate Lead at Accenture](#) expanded their talent pool and allowed prospective candidates to complete work simulations before they even enter our recruiting process



[Ruth Northcott, former Group Global Lead Emerging Talent Selection at HSBC](#) hosted a World Youth Skills Day and launched Cappfinity's Virtual Experience and Engagement Platform to help early career job seekers understand careers in global banking



[James Boyle, Director of Recruitment at Latham and Watkins](#) explored a new global framework alongside a pre-hire assessment



[Maura Quinn, Liberty Mutual and RayVion Collins, Liberty Mutual](#) explored new partnerships to increase diverse hiring

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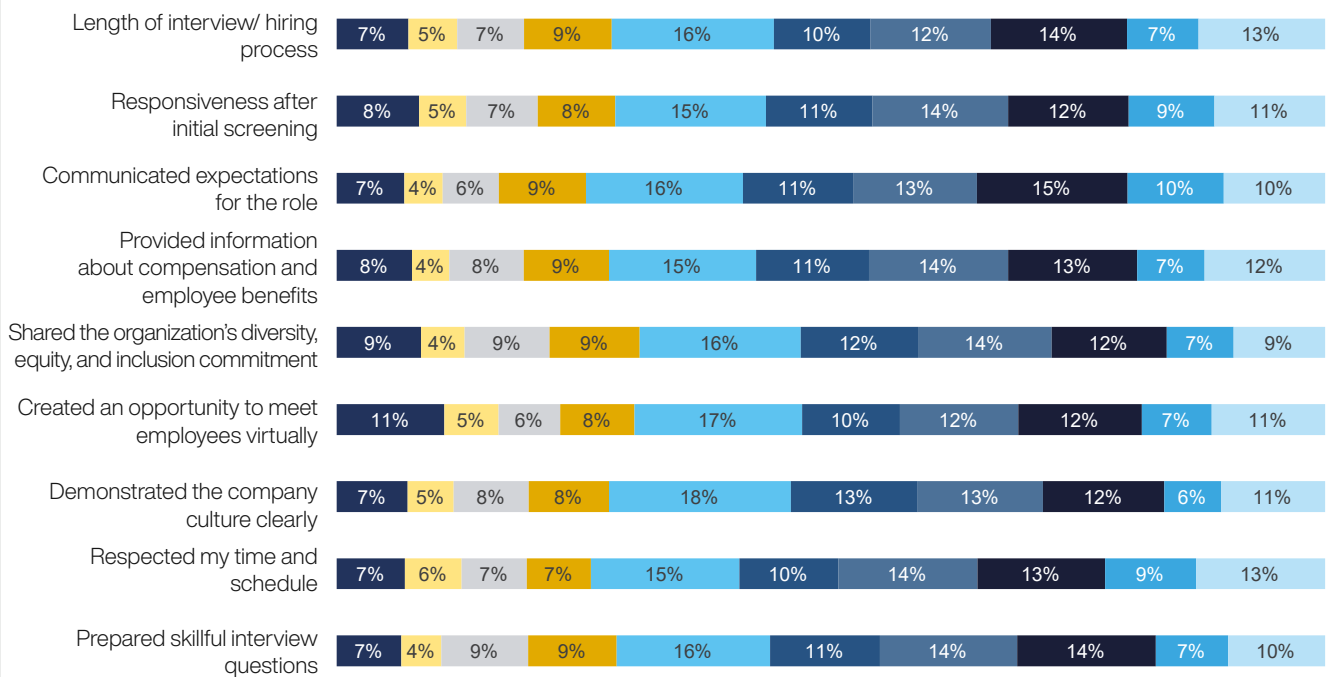
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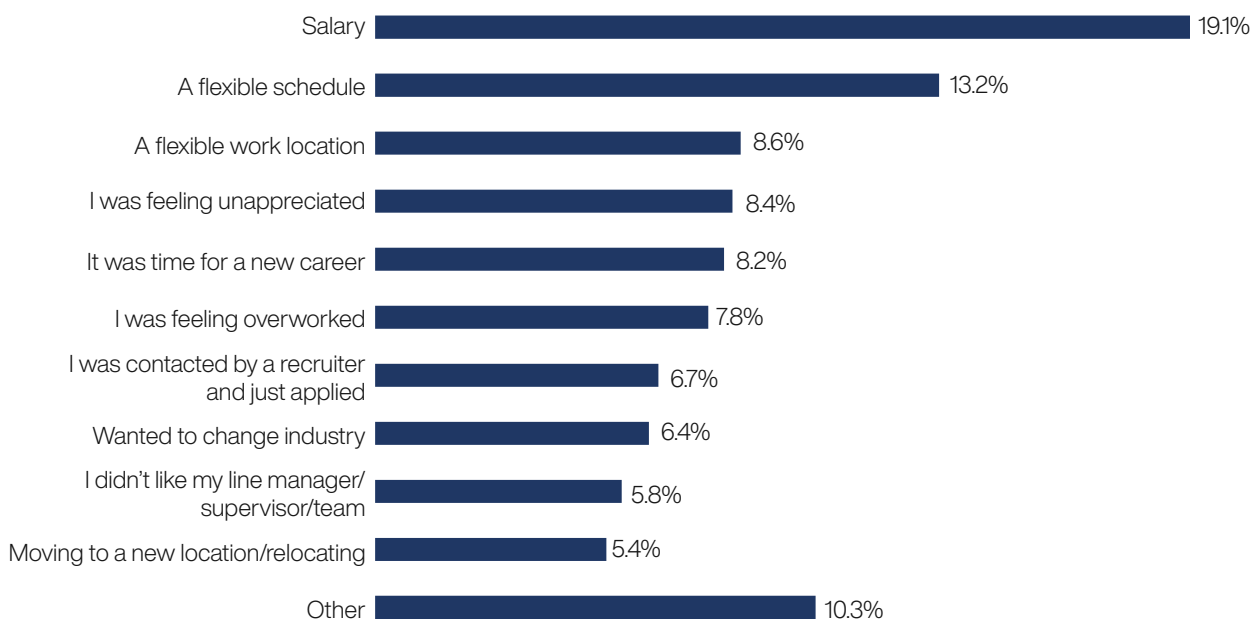
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Appendix

On a scale of 1 to 10, where 1 is “Terrible” and 10 is “Excellent”, overall how would you rate the recruiter(s) / hiring organization(s) you interviewed with in the past 12 months(i.e., since mid-November 2020) in each of the following areas.



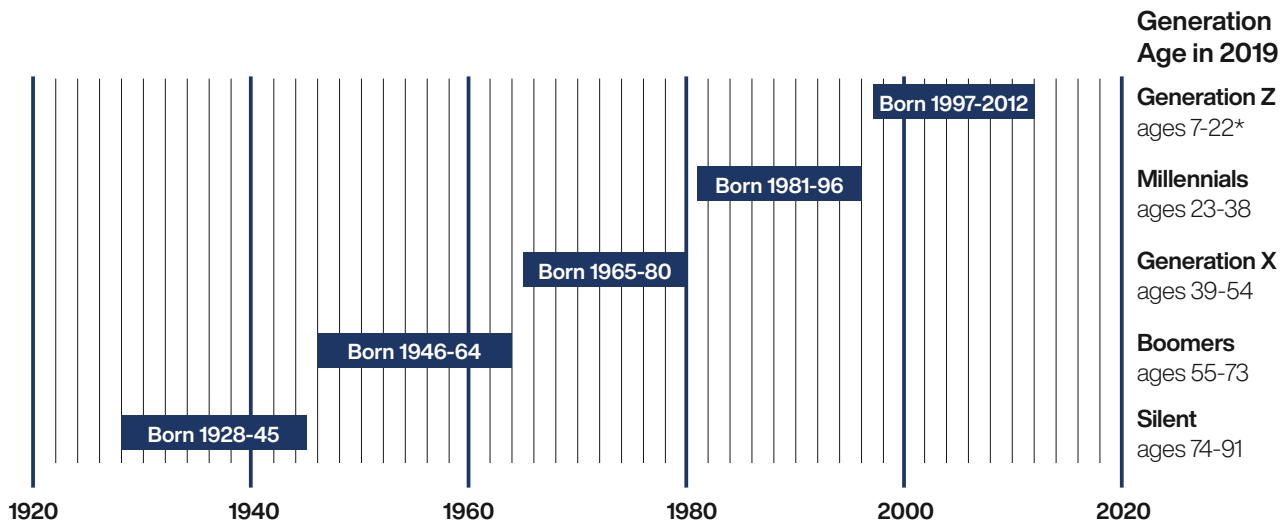
Which ONE of the following factors motivated you the most to look for a new job in the past 12 months (i.e., since mid-November 2020)?



Source: Cappfinity Candidate Experience Survey conducted by YouGov

Appendix

The generations defined



* No chronological endpoint has been set for this group. For this analysis, Generation Z is defined as those ages 7 to 22 in 2019.

Source: PEW Research Center, Defining generations: Where Millennials end and Generation Z begins

Influence of Attributes

Attribute	2021 Average Influence Rating*	2020 Average Influence Rating*	2019 Average Influence Rating*
Has completed an internship with your organization	4.5	4.6	4.6
Has internship experience in your industry	4.3	4.4	4.5
Major	3.8	3.9	4.0
Has held leadership position	3.6	3.9	3.8
Has general work experience	3.6	3.6	3.7
Has been involved in extracurricular activities (clubs, sports, student government, etc.)	3.4	3.6	3.5
High GPA (3.0 or above)	3.2	3.5	3.3
Has no work experience	3.2	3.4	3.4
Has done volunteer work	2.8	2.7	2.7
School attended	2.5	2.7	2.8
Is fluent in a foreign language	2.1	2.2	2.2
Has studied abroad	1.8	2.0	2.2
Other	3.9	2.1	2.2

* 5-point scale, where 1=No influence at all, 2=Not much influence, 3=Somewhat of an influence, 4=Very much influence, and 5=Extreme influence.

Source: NACE Job Outlook 2022

Contact Us

Contact Cappfinity to discuss your recruiting, hiring, and talent development needs.

www.cappfinity.com