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BE **MORE** THAN

The future of talent acquisition



A woman with brown hair and bangs, wearing a white polo shirt and a brown apron, is smiling while holding a bunch of green onions. She is standing in a grocery store, with shelves of other produce visible in the background. The image is partially obscured by a white diagonal shape that contains the text.

The last few years have seen unprecedented disruptions in when, where, how, and even why we work.

As we look to 2023, Korn Ferry talent acquisition experts from around the world offer their thoughts on what the coming year will bring to the job market, how changing market conditions will impact workforce planning, and what employers can do to evolve their strategy to attract—and retain—the best talent.



7 trends that will shape talent acquisition in 2023


01

Moving around —but not out.

Thanks to a dynamic job market, professionals are no longer thinking of career growth in traditional terms. Instead, they are ditching the ladder for the lattice, making moves to other areas within their current organization, signaling a growing internal mobility trend. In many cases, companies will use talent analytics and workforce planning to determine which new roles are needed to futureproof the business and which employees might be a good fit for those roles.

Going forward, employers will likely begin to put more emphasis on **developing their current workforce**, offering regular trainings and certification programs to reskill or upskill internal candidates. Increasingly, companies will utilize AI programs that use predictive analytics to audit employees' existing skillsets, shortlist promising internal candidates for difficult-to-fill roles, provide tailored career development content, and create personalized career pathways based on goals and interest areas. Investing in internal mobility—and creating roles to manage it—will not only help organizations motivate top talent and develop more diverse pipelines, experts say, but also to fill open roles and meet critical needs amid stalled hiring.



An aerial photograph of a dense, vibrant green forest. A narrow, light-colored path winds through the trees. In the lower-left quadrant, a person is walking away from the viewer along the path. The image is partially covered by a dark green, semi-transparent overlay on the left side, which contains white text.

Employees who feel overworked and undervalued, and see no room for growth, **will no longer stay in their roles.**

Consider it an antidote to the Great Resignation. Even with the COVID-19 pandemic in the rearview, experts say, professionals continue to re-evaluate their work and their purpose; employees who feel overworked and undervalued, and see no room for growth, **will no longer stay in their roles.** In 2023, companies dedicated to continuous employee empowerment—where talent is cross-trained and developed into other roles—will likely see an increase in engagement, commitment and loyalty among their workforces. personalized career pathways based on goals and interest areas. Investing in internal mobility—and creating roles to manage it—will not only help organizations motivate top talent and develop more diverse pipelines, experts say, but also to fill open roles and meet critical needs amid stalled hiring.

02

Talent Acquisition and Talent Management: From “it’s complicated” to “in a long-term relationship”

It doesn't pay to make a great hire if that person doesn't stick around for very long. That's why, going forward, talent acquisition and talent management teams will begin to work together more closely, from the start of the hiring process through career development and succession.

For so long, talent acquisition and talent management have operated as separate functions under the human resources (HR) umbrella. But with the pandemic upending everything we knew about the world of work, and companies seeing a record number of resignations, the last few years have underscored the need for a closer alliance between recruiters and talent managers.

By partnering, talent acquisition professionals and talent managers can create a connected journey that starts with the recruiting process and continues through the employee lifecycle,

leveraging insights gleaned from one point across to others to turn moments into momentum in their career. This will help new hires feel valued and respected, because it shows their personal and professional development is supported and signal that their employer is invested in their success. In turn, experts say, employees are more likely to stay on the job—for longer—and be more committed to their work.



What's more, experts say a more connected, integrated process will allow employers to better leverage and redeploy existing talent as business needs demand. In 2023, recruiters and talent managers should work together to ensure that the data collected during the recruitment process is used throughout the employee lifecycle, **making sure the employee is developing throughout their career.** Employers can strengthen the interconnectivity between their talent acquisition and talent management teams by investing in cloud-based talent platforms that allow recruiters and talent managers to share, capture, and leverage talent data to not only deliver a progressive employee experience, but to also help the business grow for internal mobility. And the benefit is two-fold: companies that develop their workers will retain more of its workforce diversity and become more agile and efficient in responding to changing market conditions.

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03

Executives and professionals for (short-term) hire

The COVID-19 pandemic not only changed when, where and how people work, but also the type of work they do. Over the last three years, more and more professionals—of all ages and all job levels—have decided to leave their full-time jobs to pursue interim or contract work. And the number of global interim workers is only expected to grow in 2023: to roughly 78 million from about 43 million in 2018, according to one survey.

Why more professionals prefer short-term gigs to full-term work varies. In one Korn Ferry survey, 21% of interim professionals said they prefer the flexibility, 48% said they like using their skills to solve unique problems, and 26% said they want a break from the traditional corporate lifestyle. No matter the reason, companies are taking notice. Going forward, instead of relying only on full-time employee (FTE) hires, employers will also look to interim executives and professionals to meet scaling workforce needs. Indeed, in the same Korn Ferry survey, 52% of professionals said they see the client demand for interim employment growing in 2023. And other research shows that 80% of large organizations plan to increase their use of contract workers in the coming years.



There are several benefits to employing an interim employee approach. People who choose interim or contract work are often highly skilled, mission-oriented and project-based individuals who assimilate quickly into new environments. They can bring unique skill sets and experiences needed for finite projects, during mergers and acquisitions, or to temporarily fill roles during a leave of absence or while the company searches for a permanent employee.

In 2023, we will see an increase in people seeking flexible opportunities. In turn, experts say talent acquisition professionals will put more focus on nurturing relationships with candidates seeking interim or contract roles and work with clients to determine the most effective scenarios for filling positions. In such a dynamic landscape, experts recommend companies maintain a 70/30 FTE-to-interim worker mix.

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04

Productivity? Check. Now, what about culture?

The past three years have proven that workers can be just as, if not more, productive working from home. The problem is, how can organizations maintain—or even improve—their culture if everyone is still working at their kitchen table?

In 2023, companies will get the best of both worlds by **making hybrid workplaces the norm**. Experts say hybrid work models will allow employees to enjoy the freedom of remote work while reaping the benefits of being in the office—think better access to training and development or impromptu brainstorming sessions.



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This, of course, is not one size fits all: the hybrid environment will depend on an organization's needs, roles, industries, and people, and should be based on data, employee sentiment, and individual cases. Some employers may create "collaboration days," where teams meet in person on the same day each week (a Korn Ferry survey found that **88% of professionals would coordinate office days with their teammates to enhance collaboration**); others may ask employees to be in the office only a few times a month. Next year, talent acquisition professionals can expect many more companies to offer hybrid work arrangements to attract top talent, with some requiring remote-first candidates to live within a certain radius to visit the office when needed.

As working models change, experts say these businesses will continue to maintain highly productive outcomes. But they caution, some organizations that force everyone back to the office, despite what workers want or what roles require in-person interaction, will likely see a dip in productivity—if not more employees handing in resignation letters. After all, in the same Korn Ferry survey, 79% of professionals said they will work fewer hours when they return to office than they currently do while working remotely. In another, 64% of respondents said going back to the office **would impact their mental health negatively**. Going forward, talent acquisition professionals should conduct frequent pulse checks to not only gain visibility into the candidate experience, but to also better understand their shifting priorities in real time.



**88% of
professionals**
would
coordinate
office days
with their
teammates
to enhance
collaboration

05

We're migrating from work-life imbalance to work-life integration

The concept of work-life balance has long been a goal for millions of professionals. But the last few years of remote work have made it even more difficult to tune out the daily demands of the job when off the clock. Many employees have started taking a new approach, foregoing the traditional 9-to-5 in favor of a more fluid schedule.

In 2023, more candidates will look for companies that promote work-life integration: being able to put in hours during the day when it's most convenient to take care of personal responsibilities when needed (think working a few hours in the morning, taking an afternoon break for an appointment or to pick up kids, then back to work in the evening). And in some regions, experts say, companies that offer a more flexible working week—where 36 hours are spread across four days—will likely gain the upper hand among candidates who have in-demand skills, knowledge, and experience.

Indeed, flexibility is a top priority for candidates. In a recent Korn Ferry survey, **76% of professionals said they would prefer their workweeks shift to non-traditional hours**; in another, 88% surveyed said returning to the office will make home duties more difficult to handle.

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This calls to another growing trend among today's workers: establishing stronger boundaries to **protect their personal energy**. In response, recruiters will likely see greater focus on employee well-being, with more and more companies offering work flexibility and inclusive benefits, such as mental health support and childcare assistance.

If nothing else, experts say, the pandemic has shown employers that workers can be considerably more productive and efficient when working on their own time. And going forward, watching the clock will become less important, as managers assess success by the output of employees, and not the timeframe of their workday.

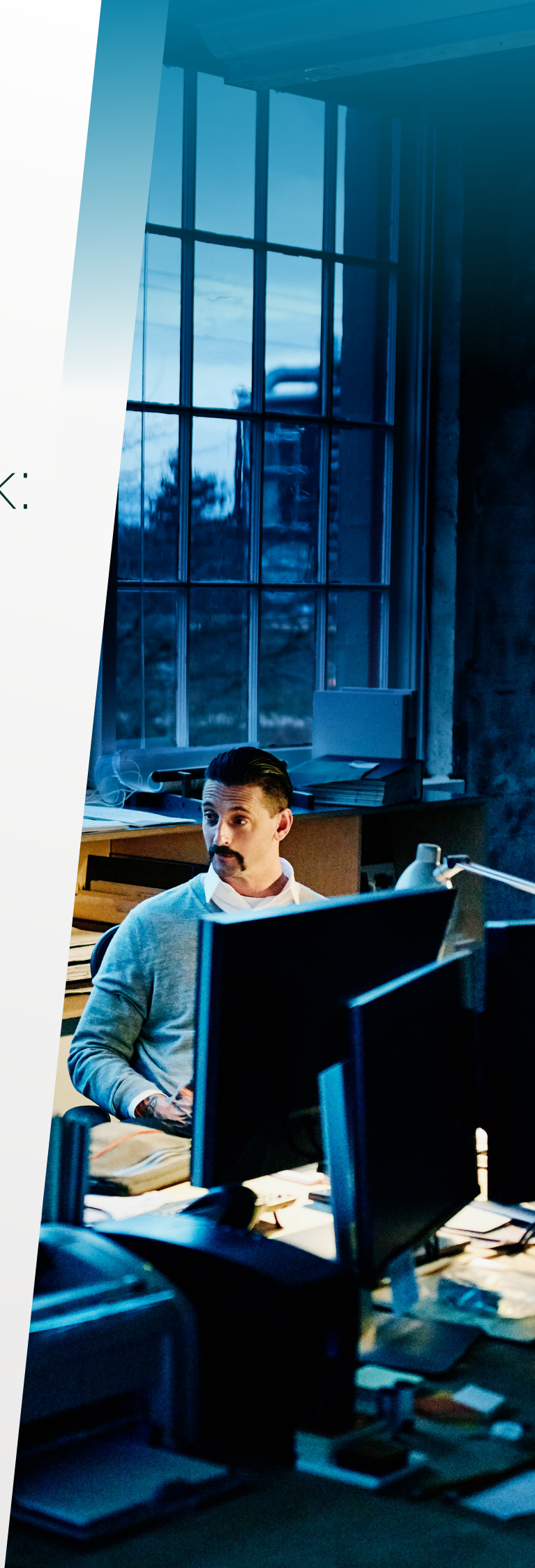


06

Bouncing back: boomerang employees inbound

It sounded like a good idea at the time. When business was booming and nest eggs were growing, many professionals decided to retire early. Others took the big leap to switch jobs—or even professions. Now, with an uncertain economy and shrinking retirement accounts, many retirees are knocking at their former employer's door, as are professionals who realize the grass isn't always greener on the other side.

Of course, boomerang employees have always existed. In fact, one study found that 15% of professionals who quit their jobs return to their former company. But experts expect to see an uptick in this trend over the coming year—especially with such a dynamic market as the backdrop. Indeed, according to one recent survey, boomerangs accounted for **4.2% of all US hires from jobs posted on LinkedIn; in 2019, that number was 3.3%.**



A full-page background image of a snowy mountain. In the upper right, a small building sits atop a peak. In the lower right, a line of skiers descends a slope. The entire image is overlaid with a semi-transparent blue filter and several diagonal blue bands of varying opacity.

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This can actually be a bonus for companies as they welcome back former workers who have institutional knowledge and proven skill sets. A widely cited study out of Cornell University found that, in one large healthcare organization, boomerang employees outperformed new external hires overall, particularly in people-centered or administrative roles (think HR specialists, IT project managers, lawyers).

In 2023, organizations will start to put more effort into the offboarding process, maintaining professional relationships with employees who leave and making sure those employees know the door is open if they choose to return. And by investing in digital workforce performance technology, talent acquisition professionals can keep track of former workers to discover who may have the right skills and experiences to fill high-demand roles.

To be fair, not all former employees will want or need to boomerang back to full-time roles. According to one Korn Ferry survey, 68% of professionals said they had or would put off retirement for a contract or interim role. Going forward, recruiters can also tap into their alumni talent pool to find former high performers who may be interested in coming out of retirement to contribute to temporary projects.

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07

Workforce planning is getting smarter

The Great Recession of 2008/2009 saw many employers drastically cutting their workforces just to stay afloat, and when the global economy did start to pick up, those same companies scrambled to hire back enough people to help with the recovery. During that time, the remaining employees had to pick up the slack, leaving them stressed and burned out, often to the point of quitting—a pattern, **Korn Ferry research shows**, that's repeated itself right after the start of the COVID pandemic and lockdowns. And burnout has a huge impact on the bottom line: employee burnout accounts for 40% of staff turnover, and the average cost of replacement for these workers is 120% to 200% of their original salary.




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If there is a market downturn in 2023, companies will need to take a much more measured approach to right-sizing their workforce. Talent acquisition professionals should conduct scenario-based demand planning to prepare for the worst, average, and best-case economic conditions. Lay out all possible scenarios likely to unfold and make flexible, long-term workforce plans that seize new opportunities and manage risk effectively. In each case, recruiters will need to focus not only on the downturn, but also on the recovery, so organizations can respond and adapt quickly to an economy in flux.

Still, if the last few years have taught us anything, it's that even when things seem stable, we need to be ready for anything—which means talent acquisition

professionals will need to get smarter about forecasting. After all, just because your workforce plans worked last year, there's no guarantee those same plans will succeed in the next one. Going forward, recruiters will need to be more deliberate in their demand planning, removing silos and collaborating with business leaders across all functions to truly understand their needs for the coming year. The use of artificial intelligence (AI) and predictive analytics will become more prolific in forecasting to help identify the right roles, skills, experiences, and geographies to focus on the changing business. Most talent acquisition professionals can also expect a slow-down in hiring as many employers start to make more calculated decisions that have lasting impact, rather than knee-jerk hires to fill seats.



The future of talent acquisition is focused on personal development and enhancing the employee experience, from the start of the hiring process through the entire career cycle. This means in 2023, talent acquisition professionals will need to take a step back, look at the full talent journey, and collaborate cross-functionally—with talent managers, finance leaders, and other teams—to empower both candidates and employees, and enable business success. After all, engaged employees are happy employees—and happy employees perform well. If companies hope to thrive in the next 10 years, then they need to maximize the potential of their people today.

It is an exciting time for talent acquisition leaders to take bold action to help future-proof their organizations.

Want to learn more about how
we can help with your talent
acquisition in 2023?

Contact us today.

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capabilities/talent-acquisition**](https://www.kornferry.com/capabilities/talent-acquisition)

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