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State of
Hiring

Insights into the challenges and opportunities more than 3,000 hiring managers are facing in a year unlike any other, and why the time for organizations to rebuild—better than before—is now.

# Crisis Creates Opportunity

In the midst of what continues to feel like a rollercoaster of social and economic upheavals, organizations are faced with a once-in-a-generation need to rebuild their systems and practices for the long-haul—in a way that even the 2008-09 Great Recession did not demand.

The COVID-19 pandemic and other events of 2020 have necessitated a complete reimagining of "business as usual," revealing existing inefficiencies, from workflows to supply chains; casting an unflattering spotlight on long-standing corporate practices that perpetuate inequalities; and forcing organizations to reckon with the need for rapid innovation and crisis management. And that's just the tip of the iceberg.

But if the stress-test of 2020 has taught us anything, it's that crisis creates opportunity. Rebuilding is necessary, but rebuilding better than before promises the prized long-term payoff. And this conscientious effort begins with organizations equipping themselves with the best talent on the market—sharp, innovative professionals ready to tackle today's big challenges and create a brighter tomorrow. So how can organizations accomplish this feat?

It Starts With Data and Consistency

Wiley Workplace Learning Solutions surveyed over 3,000 hiring managers[i] in October 2020[ii] to understand how hiring practices have been changed and challenged over the past year. Our results indicate that many organizations still take a "business as usual" approach to hiring, but not without grave consequence. Despite the fact that many organizations pride themselves on data-driven decision-making, hiring managers often introduce considerable variability into the process of assessing and selecting talent. This not only impacts their team in the short term; it also carries consequences for the organization's success in the long run and makes the goal of rebuilding better essentially unattainable.

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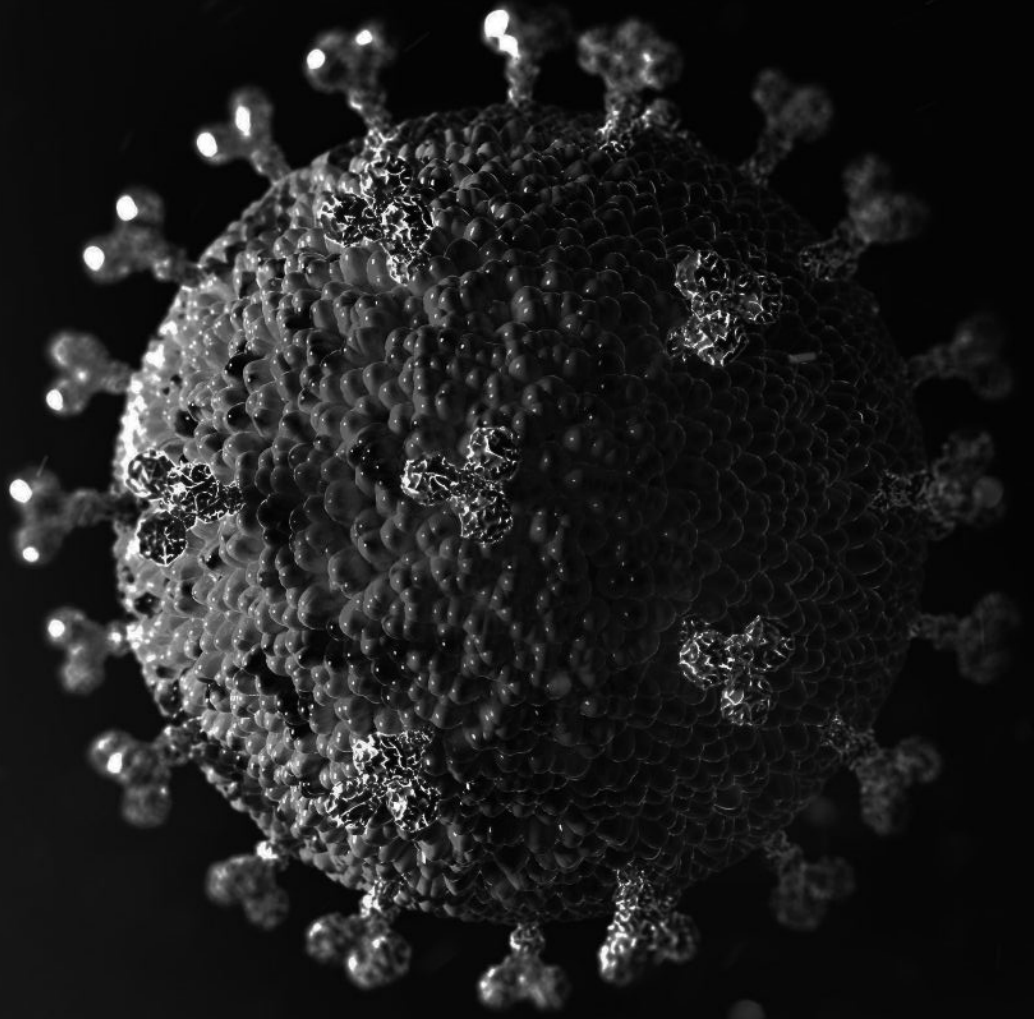
COVID-19
# Exacerbates Existing Hiring Challenges

It should come as no surprise that hiring can be difficult. Three out of four respondents said the hiring process in general is challenging for their organization. For hiring managers in particular, it is a demanding, time-consuming, and high-stakes task. And, with growing demands on hiring managers' time and the ever-present stress of a global pandemic, **nearly half (44%) of those surveyed said they have found it difficult to dedicate time in recent months to the hiring process.** But if their attention to hiring has fallen by the wayside even a bit, that could create longer-term consequences for how capable, productive, and satisfied recent hires are.
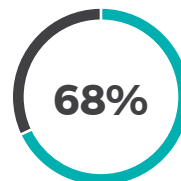
**3 out of 4 respondents said the hiring process in general is challenging for their organization**

When we consider the hiring process as a series of sequential steps, it's clear that each one poses challenges for an overwhelming majority of hiring managers.
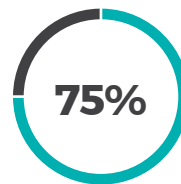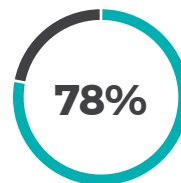
75% reported challenges with aligning with colleagues and/or recruiters on job requirements

68% reported challenges with knowing which topics to focus on during interviews
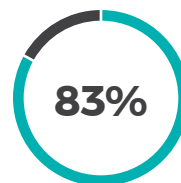
83% reported challenges with determining which candidate will be the best fit

**78%** reported challenges with onboarding new hires

It goes without saying that the pandemic has made many facets of life more difficult, and hiring is no exception. Indeed, nearly all respondents told us these steps in the hiring process have been just as—if not more—challenging as a result of the pandemic.
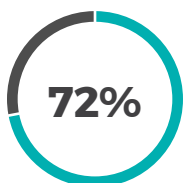
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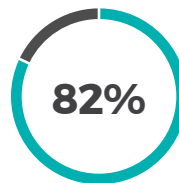# The Pandemic
Exposes New
Pain Points

The pandemic has spawned its own set of challenges for how hiring is done, demanding organizations be agile and adaptive. For the most part, organizations have responded accordingly.
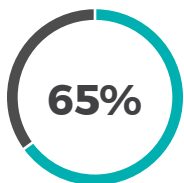
65% have adjusted their approach to how hiring managers align with colleagues and/or recruiters on job requirements

72% have adapted their process for how candidates are assessed through an interview process

82% have shifted how they onboard new hires

It is unlikely, if not impossible, that organizations will return to their pre-pandemic hiring practices. But most importantly, the pandemic required overnight transformation—a kind of triage in the emergency situation of COVID-19—which gave organizations little opportunity to consider these adjustments thoughtfully or thoroughly. Instead, change was haphazard, a simple bandage to address a pressing challenge rather than craft a longer-term, more permanent solution. And a closer look at the concerns hiring managers have had in recent months reveals the implications of this crisis-driven conversion.

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Recruiting

54% of hiring managers reported facing concerns about recruiting, whether this includes having to sort through more applications than usual—given the additional talent on the labor market following earlier waves of layoffs—or simply not having enough candidates apply (for instance, in industries suddenly in high demand). It can also be difficult to communicate virtually with colleagues and/or recruiters about what hiring managers want in a new employee.

As a result, there may be vital information lost in translation between human resources professionals and hiring managers. That lack of alignment on job requirements—which 15% of

hiring managers said has become more difficult to achieve during the pandemic—can make properly assessing candidates difficult if the criteria for evaluating them are ill-defined or ambiguous.
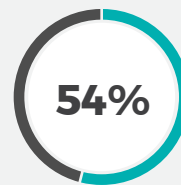
**54%** **of hiring managers reported facing concerns about recruiting**

Interviewing

The vast majority of organizations can no longer offer in-person interviews. 87% said they've conducted virtual interviews since March 2020, and hiring managers told us it's more difficult to really get to know someone virtually. Without the ability to observe candidates' body language or easily build rapport with them—processes that rely heavily on non-verbal cues, including our posture and even how we breathe[iii]—it's no surprise that **just over 60% of hiring managers reported having interview-related concerns** while hiring in recent months. These concerns entail challenges getting to know a candidate without meeting them in person, difficulty assessing if they'll succeed in a virtual environment (for example, whether they can be productive with limited supervision), and even just adapting to virtual
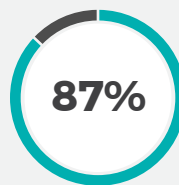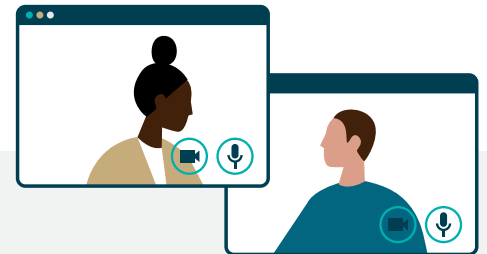
87% of organizations said they've conducted virtual interviews since March 2020

interviews. Although knowing candidates well is absolutely essential to hiring managers' ability to assess their pool of candidates, very few seem to recognize their conundrum: Only 8% of hiring managers said knowing what to focus on during interviews is more challenging since the pandemic. This suggests they're not adapting to their new environment or using virtual interviews to their fullest potential.

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Selecting

The challenges of interviewing mean hiring managers face a bigger, more consequential, and longer-lasting problem: selecting the right candidate.

In fact, nearly one-third (30%) of respondents felt that determining which candidate is the best fit has become even more challenging during the pandemic. Without truly getting to know someone, it seems impossible to identify the candidate who will be most successful in the long run.

That level of uncertainty is not only unsettling (*"Did I make the right decision?" "Who did I miss out on?"*), but also costly: The Department of Labor estimates a bad hire can cost an organization up to 30% of the employee's first-year salary[iv]. With heightened budgetary scrutiny, mistakes of this magnitude now have an outsized impact on the bottom line in ways they did not before.

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30% **of respondents felt that determining which candidate is the best fit has become more challenging**

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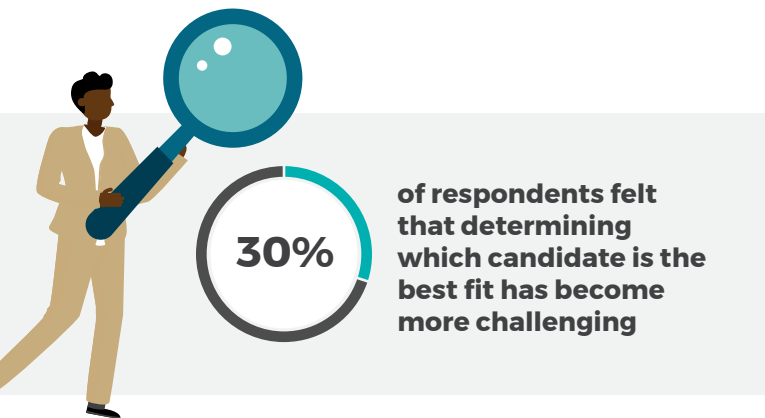
Onboarding

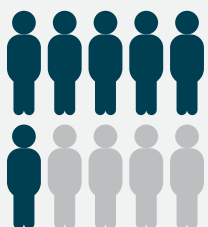**Onboarding in a virtual environment has emerged as a concern among 56% of respondents.** This includes working to effectively onboard new hires in a virtual environment, as well as keeping them engaged while working remotely. In fact, 6 in 10 hiring managers reported that onboarding has become more challenging in recent months. After all, it is difficult enough to ensure that existing employees are sufficiently engaged, productive, and satisfied in our remote world; achieving the key goals of onboarding now requires wading through added layers of complexity.

Consider, for example, the task of training someone new in the workflow, processes, and systems of the team and organization. Sharing such knowledge

virtually can be tricky, especially when the absence of shared office space means managers and employees have difficulty identifying and rectifying points of misunderstanding or confusion. And what about helping new employees feel like a part of the organization? With limited opportunities to "meet" colleagues or connect across teams—and no more casual conversations in the hallway—new hires may struggle to find their place and develop a sense of loyalty. This may, ultimately, jeopardize their retention.

56% of respondents say that onboarding in a virtual environment has emerged as a concern

6 in 10 hiring managers reported that onboarding has become more challenging in recent months

Instinct and Inconsistency
Hinder Key Goals of Hiring

Given that these challenges are relatively widespread—and reasonable in the context of a global pandemic—it begs the question: What do hiring managers *actually want* their organizations' hiring process to look like?

When asked the first word that comes to mind from the phrase "good hiring process," the two most common words offered were **"structure"** and **"fair."**

But those descriptors are contradicted by what hiring managers reported really characterizes their organizations' hiring processes. Consider these findings:

Roughly two-thirds (65%) of hiring managers told us they rely **more on their instinct than data** when deciding who to hire. This is certainly understandable—we're often told to "go with our gut" when it comes to big decisions—**but it also makes fairness more elusive.** Often without realizing it, we may be inclined to select candidates who share our interests or backgrounds[v] or who resemble what we think an employee *should* look like[vi]. Though certainly

65% of hiring managers told us they rely more on their instinct than data when deciding who to hire

not our intent, relying on our intuition in making quick decisions—which is often the case, given demands on managers' time—means we fall back on our biases[vii]. And *this* can result in organizations losing out on the most qualified candidate.

Furthermore, the reality is that relying on our instinct now—in a virtual setting—is even **more difficult and less reliable** than before. Our inability to fully pick up on and decipher a candidate's non-verbal cues, such as body language (and, by the same token, their inability to do the same), means we simply have less information with which to make decisions. But if we don't substitute in data—which is, after all, heavily relied upon in all other aspects of decision-making—on what basis are hiring managers really making consequential talent decisions?[viii]

Our findings show that organizations have failed to implement consistent hiring practices. This may not seem critical, but it is actually very consequential.

54% said hiring managers do not always align with colleagues and/or recruiters on job requirements

39% said candidates are not always assessed with a structured interview process

70% said new hires are not always onboarded effectively
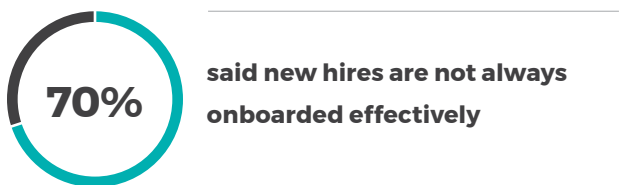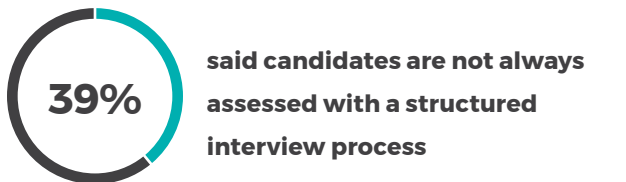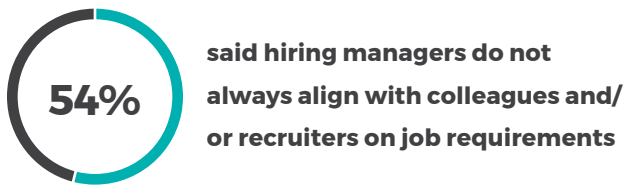
In fact, 18% of organizations—fewer than 1 in 5—always perform these three steps in their hiring process. This lack of consistency can produce discrepancies in both hiring managers' and candidates' experiences with the hiring process, and it can lead to substantial variability in how candidates are assessed (some more rigorously than others). It seems that although organizations have adapted their hiring processes in light of the pandemic, there is still **little consistency— and even less structure**—in the way hiring is done. But again, we must ask ourselves: On what basis are human resources professionals and hiring managers deciding who to assess and how to assess them? If all candidates are not assessed with the same rigor, there is considerable opportunity for uncertainty—as well as intuition and bias—to seep into hiring decisions and cost organizations the best person for the job.

18% of organizations always perform these three steps in their hiring process

1. **Align on Job Requirements**

2. **Assess Candidates in a Structured Interview Process**

3. **Effectively Onboard New Hires**

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Undermining Confidence
in the Hiring
Process

Our survey results reveal a major consequence of hiring managers' reliance on instinct over data and, more generally, organizations' inconsistent practices: Hiring managers have less confidence in the hiring process.

Only 31% of hiring managers reported being very confident in their organization's ability to consistently hire the right people for the job. That leaves nearly 7 in 10 with some trepidation. If this is the case, how can hiring managers be sure they're selecting the candidates with the best fit?

We shared above that nearly two-thirds of hiring managers rely more on instinct than data when making hiring decisions, a paradox given organizations' reliance on data to drive most other decisions. As the chart to the right illustrates, those managers who **rely more on data reported the most confidence** in their organization's ability to consistently hire the right people. As hiring managers increasingly rely on data, their confidence in the hiring process rises.
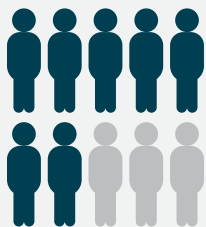
7 in 10 hiring managers reported lacking confidence in the hiring process

Confidence in Hiring Process is Highest when Relying on Data

% confident in organization's hiring process

Data

91%	
91%	
86%	
87%	
83%	
82%	
79%	
69%	

Instinct

Now consider the impact of inconsistent practices on hiring managers' confidence in their organization's hiring process. The chart below shows that **greater consistency in hiring practices is correlated to greater confidence** in the hiring process.

Confidence in Hiring Process Is Highest When Process Is Consistent

% confident in organization's hiring process

Alignment on Job Fit
- 86%
- 65%
- 52%

Structured Interview Process
- 85%
- 64%
- 59%

Effective Onboarding
- 90%
- 68%
- 37%

■ Always Consistent   ■ Sometimes Consistent   ■ Rarely or Never Consistent

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For example, only 52% of hiring managers who said their organization rarely or never aligns on job fit (the requirements for a given position) reported being confident in their organization's ability to consistently hire the right people. However, when organizations always or usually have alignment, 86% of hiring managers reported confidence. What may not seem like a necessary step actually bears significantly on hiring managers' confidence.

The contrast in confidence is even starker when it comes to onboarding: Only 37% of hiring managers reported confidence when new hires are rarely or never onboarded effectively, compared to 90% when effective onboarding always or usually takes place. In other words, a haphazard approach to onboarding—one that often varies significantly across managers and departments—can result in tremendous uncertainty about who is hired and how.

Why Hiring Managers?

Hiring managers often approach the hiring process differently from human resources professionals. After all, they're among those most impacted by new hires, so may feel the stakes are higher. While hiring managers' primary focus remains on achieving business objectives, they have the **added responsibility of hiring** and are therefore likely to face their own set of challenges.

The individuals we surveyed have all been involved in the hiring process within the last two years, and nearly three-quarters (72%) hired or helped hire someone since March 2020. Respondents reported high levels of involvement in all aspects of the hiring process:

64%
involved in determining recruitment criteria

94%
involved in conducting interviews

71%
involved in making final hiring decisions

69%
involved in onboarding new hires

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Consistency
Leads to Better Outcomes

Fortunately, implementing consistent hiring practices yields additional benefits beyond increasing hiring managers' confidence in selection decisions. Consider the following set of objectives that nearly every hiring manager said they wanted from their hiring process, but that the majority struggle to achieve:

98%

98% of hiring managers said hiring top performers is important...

60%

but 60% find it difficult to achieve

95%

95% said increasing employee satisfaction is important...

but 51% find it difficult to achieve

51%

94%

94% said increasing employee retention is important...

57%

but 57% find it difficult to achieve
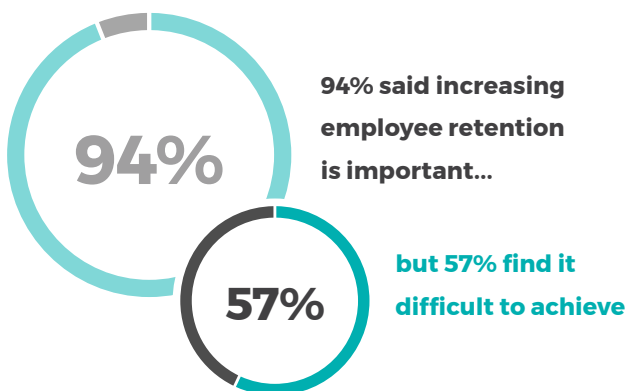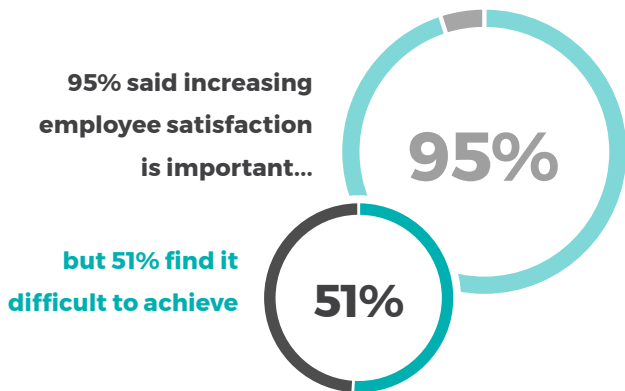
These are near-universal goals for organizations— *what organization doesn't want to hire the best people and retain their existing talent?—yet they remain stubbornly elusive.* For organizations seeking to improve in these areas, our findings again point to the importance of a consistent hiring process. Simply put, **a lack of consistent hiring practices makes these outcomes even more difficult to achieve.**

For example, roughly a quarter (27%) of organizations that don't typically assess candidates through a structured interview process find it easy to hire top performers. But that number increases to 40% when interviewing practices are consistent across an organization. Intuitively, this makes sense: It *should* be easier to hire the most qualified candidates if the process for doing so shows little variability across instances of hiring.

Now take the practice of onboarding new hires: Only 21% of organizations that don't usually onboard new hires find it easy to hire top performers. However, when organizations always or usually onboard effectively, the percentage that finds hiring top performers easy doubles to 42%. **In other words, a consistent onboarding process makes it twice as easy for organizations to bring on the best talent.** And once these hires are onboarded, it is considerably easier for organizations to retain them and ensure their satisfaction. That means less turnover and, ultimately, less time engaged in the hiring process so everyone can focus on driving the bottom line.

In fact, our survey results show that it is roughly 20 percentage points easier for organizations to achieve each desired outcome when new hires are consistently onboarded effectively. And though effective onboarding may not be a silver bullet to solving every problem, organizations with consistent hiring practices experience far greater ease in readily achieving important organizational outcomes.

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A Better Way
Forward

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In a year of considerable uncertainty and profound change for organizations and their employees, one thing is clear: the opportunity to rebuild better structures and processes today will determine the victors of 2021 and beyond. **Hiring processes that enable organizations to acquire the best talent lay the foundation for a sustained and successful economic recovery, so now is the time to reflect on and revamp how hiring is done.**

As our survey results showed, organizations faced myriad talent challenges pre-pandemic that have only been magnified in the months since. Yet in a world of data-driven decision-making, hiring managers have placed far more emphasis on their gut instinct, yielding an incomplete and likely biased picture of their pool of candidates. It is therefore critical to increase reliance on data for crucial information about candidates that may not otherwise be apparent. Further, organizations must work to promote consistency across managers and departments in the way candidates are assessed, selected, and onboarded. Failure to do so emboldens our biases, undermines hiring managers' confidence, and renders vital talent outcomes more burdensome than need be.

These are the steps hiring managers and organizations can take to **improve their decision-making and bolster their confidence** in their ability to find the right people for the job every time; the stakes are simply too high—in the short- and long-term—to do otherwise. Objective, data-driven hiring managers, along with consistent hiring practices across organizations, can yield **the fairness and structure hiring managers want and the confidence and outcomes organizations need to recover faster and thrive in the year ahead.**

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Meet PXT Select™

The PXT Select™ assessment provides organizations with **objective, reliable, and accurate data** about candidates so they can confidently hire, manage, and retain talent. Comprehensive and holistic, the assessment measures the three areas that impact an individual's approach to situations in the workplace:

Cognitive Ability
Can they do the job?

Behavioral Skills
How will they do the job?

Interest
Will they enjoy the job?

Versatile and applicable across the employee lifecycle, PXT Select helps organizations establish efficient and effective hiring and selection processes, effectively onboard and develop new hires, and improve employee satisfaction and productivity—ultimately avoiding costly hiring mistakes and reducing employee turnover. With the right people working in the right roles—and developing to their full potential—your organization can build and engage a high-performing workforce that consistently drives results.

Stay Connected

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Study Notes and References

[i] Based primarily in the United States and representing a wide variety of industries (see chart on next page).

[ii] Respondents were asked a range of questions aimed at understanding their organization's hiring process and the challenges of hiring both before and during the COVID-19 pandemic. This included questions about the frequency of hiring practices, the level of difficulty posed by steps in the hiring process, and if and how COVID-19 has affected hiring for their organization.

[iii] https://hbr.org/2017/01/when-giving-critical-feedback-focus-on-your-nonverbal-cues

[iv] https://www.hrexchangenetwork.com/hr-talent-acquisition/articles/poor-hiring-costs-by-the-numbers

[v] See Lauren Rivera's 2012 article "Hiring as Cultural Matching: The Case of Elite Professional Service Firms" in the American Sociological Review: https://www.asanet.org/sites/default/files/savvy/journals/ASR/Dec12ASRFeature.pdf

[vi] Zhiyu Feng, Yukun Liu, Zhen Wang, and Krishna Savani describe this phenomenon—and how to counteract it—in a 2020 Harvard Business Review article "Research: A Method for Overcoming Implicit Bias When Considering Job Candidates." https://hbr.org/2020/07/research-a-method-for-overcoming-implicit-bias-when-considering-job-candidates

[vii] See Daniel Kahneman's 2011 book Thinking, Fast and Slow.

[viii] PXT™ Select recommends that its assessment serve as no more than one-third of the overall placement decision for a candidate.

Industries Represented by Survey Respondents

Other 15%

10% Healthcare

8% Finance/Accounting

8% Technology

8% Government

7% Manufacturing

4% Construction

3% Retail

3% Not For Profit

3% Pharmaceutical

3% Insurance

3% Banking

3% Education/Academia

3% Engineering

3% Business Services

2% Utilities

Real Estate 2%

Consulting 2%

Transportation 2%

Consumer Packaged Goods 2%

Agriculture 2%

Educational Services 1%

Hospitality/Tourism/Travel 1%

Communications 1%

Legal 1%

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