



OF

STATE

RECRUITMENT

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INTRO

DUCTION

HIRING IN 2023... HOW'S IT GOING FOR YOU & YOUR BUSINESS?

With layoffs in the tech industry, rising inflation rates, increased cost of living pressures, recessionary fears, geopolitical instability and more – 2023 has certainly been a year filled with great uncertainty and volatility.

In the UK, unemployment rates have [dipped to 3.8%](#) while wages have surged by 7.2% – although they are still not keeping pace with inflation. It's positive news seeing the unemployment rate remain historically low, but businesses are constantly struggling with difficulties in finding staff, rising costs and the pressure to help staff survive in this cost-of-living crisis. Figures for long-term ill-health are also particularly worrying, rising again to a [new peak of over 2.5 million](#). This is being driven in particular by people staying out of work for longer, rather than people leaving work.

When there's a talent shortage, hiring processes have to be efficient – it can't be too long or too arduous, or else businesses risk losing good talent. Some businesses, like UK pub chain Fuller's, have even turned to [hiring those above 50](#) to help fill staffing gaps.

With so much going on, it's clear that businesses are facing some big challenges at the moment. So, how can employers improve their hiring processes to better attract good talent? To help you better understand the hiring landscape in the UK, we polled 514 business leaders in June 2023.

A snapshot of our findings? Hiring costs are increasing – in large part due to the rising cost of living – but also because of labour shortages and increased commissions from recruitment agencies or job boards hiking up their posting prices. SMEs are also struggling greatly in the competition against MNCs for good talent, and have difficulties accessing job boards due to their small budgets. All this is just the tip of the iceberg.

The findings might surprise you or strongly resonate with you. But above all, we hope you gain valuable insights from this report that will help shape your recruitment and retention strategy for the future.



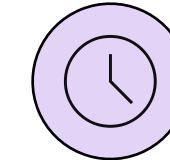
The Team at Employment Hero

KEY

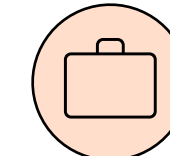
FINDINGS



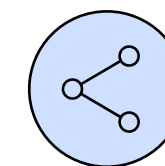
It takes hiring leaders **31 days** to fill a role in the UK, and on average they receive **41 applications** for a role.



Hiring leaders spend around **35 hours** per week on hiring activities – the most time consuming activities are candidate interviewing (**6 hours** per week), candidate screening (**5 hours** per week) and candidate checks (**4 hours** per week).

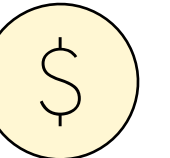


14% of new hires do not pass probation or leave within the first 6 months of employment, and for **6%** of hiring leaders, their new hire turnover is **51%** or more.

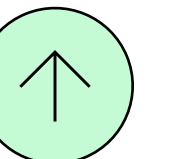


- The increase in salaries due to the rising cost of living (**48%**)
- Increased job board posting costs (**34%**)
- Labour shortages and increased commissions from recruitment agencies (**both 31%**)

It costs an average of **£3,089** to advertise a role in the UK, but **15%** of hiring leaders pay nothing.

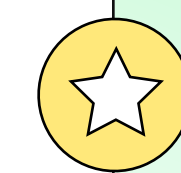


The top 3 reasons for the rise in hiring costs are:



MORE CANDIDATES DOESN'T MEAN

Across the UK, hiring leaders receive an average of 41 candidates per open role. Having more candidates to choose from should mean more options for hiring leaders and a greater talent pool to choose from, right? From our findings, however, we've learned that when it comes to hiring, it isn't exactly 'the more the merrier'.



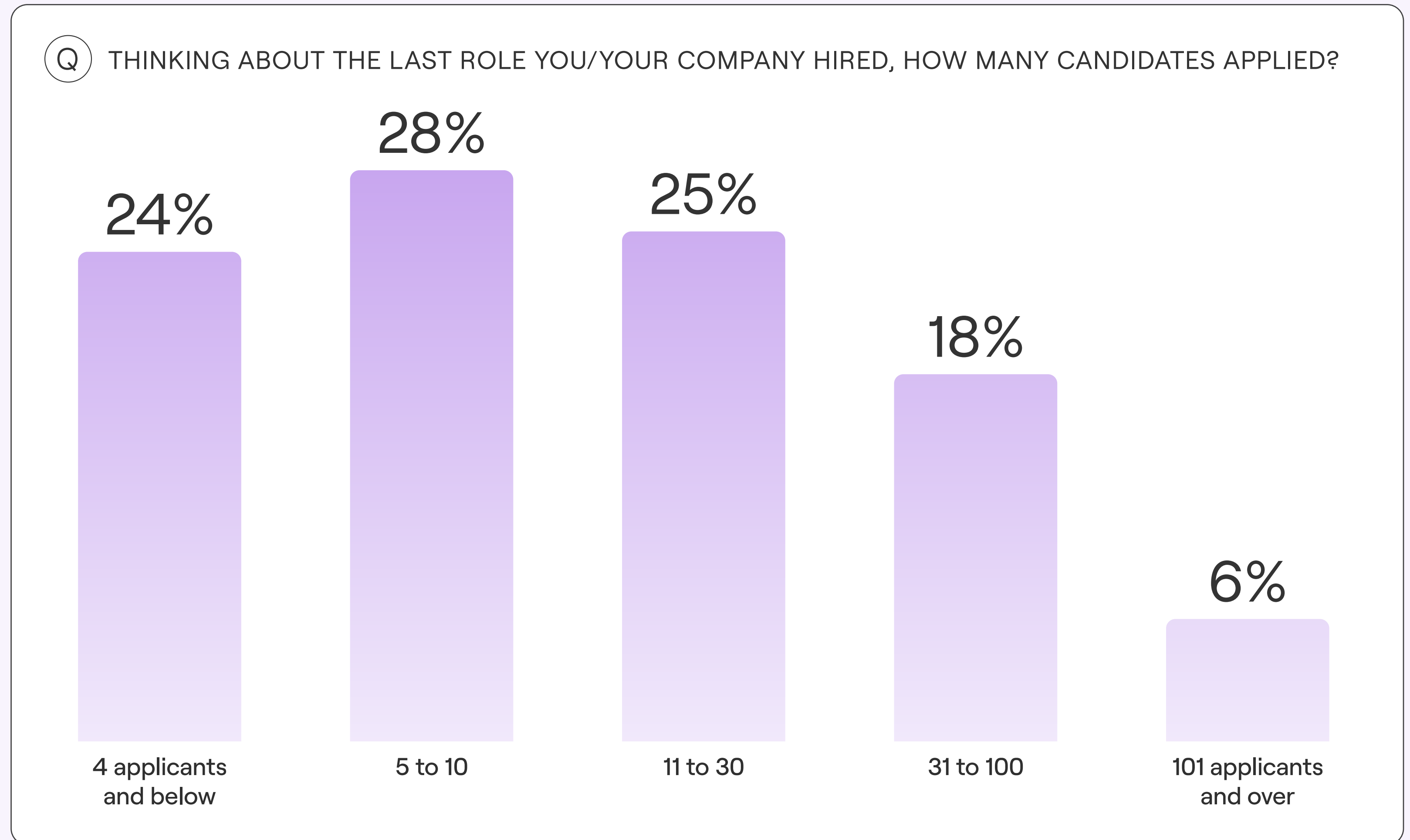
BETTER OUTCOMES

SLIM PICKINGS FOR SMALLER ORGANISATIONS

Almost a quarter (**24%**) of hiring leaders surveyed received 4 or fewer applications for their last open role, and another **28%** received 5-10 applications. This means slim pickings for more than half of those surveyed. In fact, only **6%** of hiring leaders received more than 101 applications.

The number of candidates varies across the size of the organisations too. Microbusinesses (1-9 employees) received the least number of applications, with an average of 15 – and almost half (**49%**) of them said they received 4 applications and below.

Larger organisations on the other hand, receive more applications – organisations with 100-200 employees tend to receive the most, with **11%** of hiring leaders saying they received 101 applicants and over, while another **30%** said they receive between 31 to 100 applicants.



HOW LONG DOES IT TAKE TO FILL A ROLE?

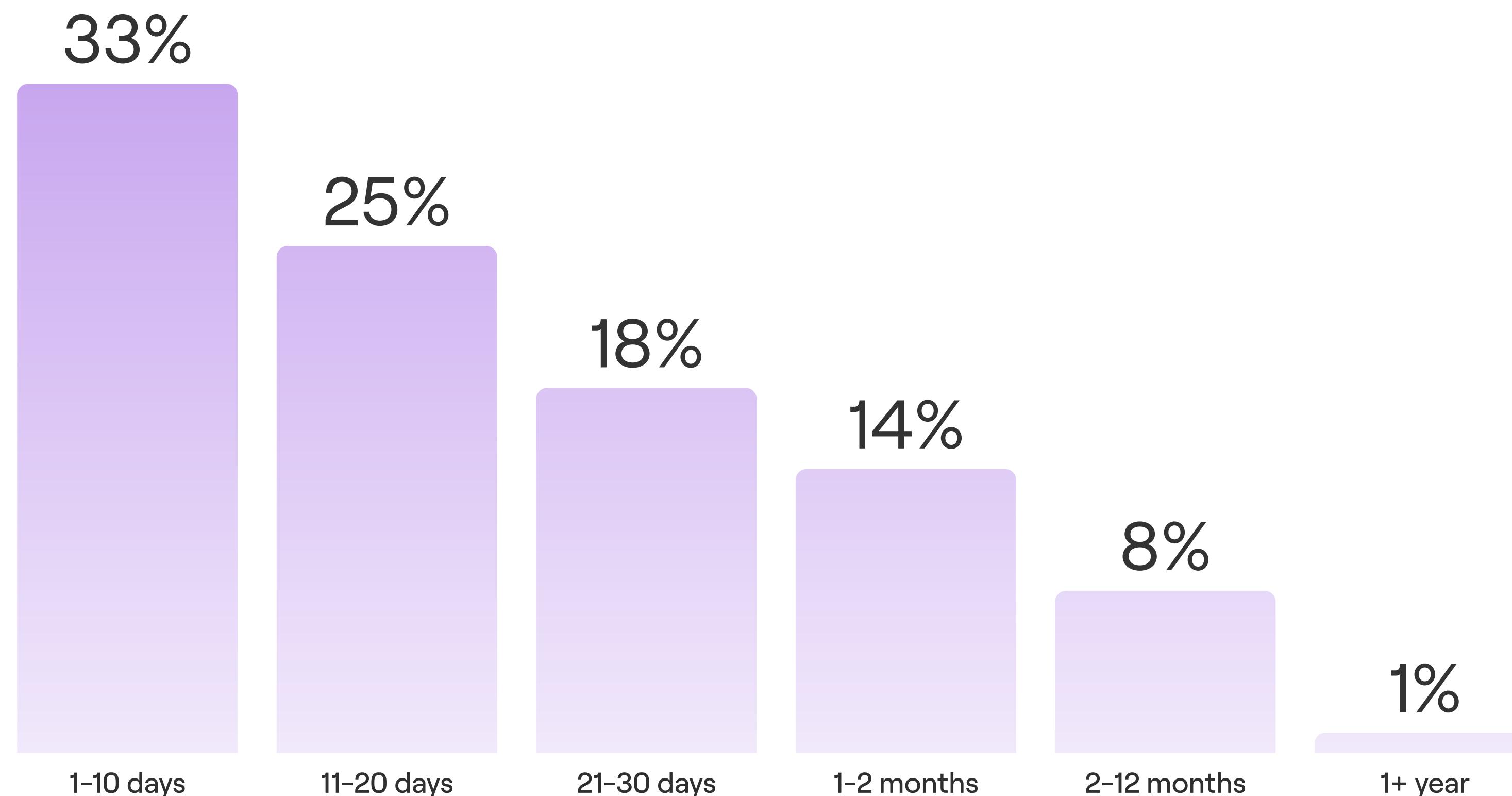
On average, it takes 31 days for hiring leaders to fill a role. A large majority (**76%**) of hiring leaders surveyed say it takes a month or less to fill a position. However, for a minority of 1%, it takes longer than a year.

For **51%** of microbusinesses (1-9 employees), it takes just 1-10 days to fill a role, which suggests that talent movement is very quick amongst them. Larger organisations with 201-300 employees were more likely to take 1-2 months to fill a role, with **26%** in this group citing so.

In terms of industries, the Hospitality, Retail and Tourism industries were the quickest in filling up roles, with an average of just 20 days. This is likely due to their reliance on casual, part-time labour which can be hired quickly.

The Finance, Insurance, Technology, Business and Professional Services industries took the longest to fill a role with an average of 46 days – this is likely due to a more stringent recruitment process and the need to find a good fit for full-time roles. White collar professions also tend to have more restrictive employment contracts with longer notice periods, while casual employees in the Hospitality, Retail and Tourism industries have shorter notice periods.

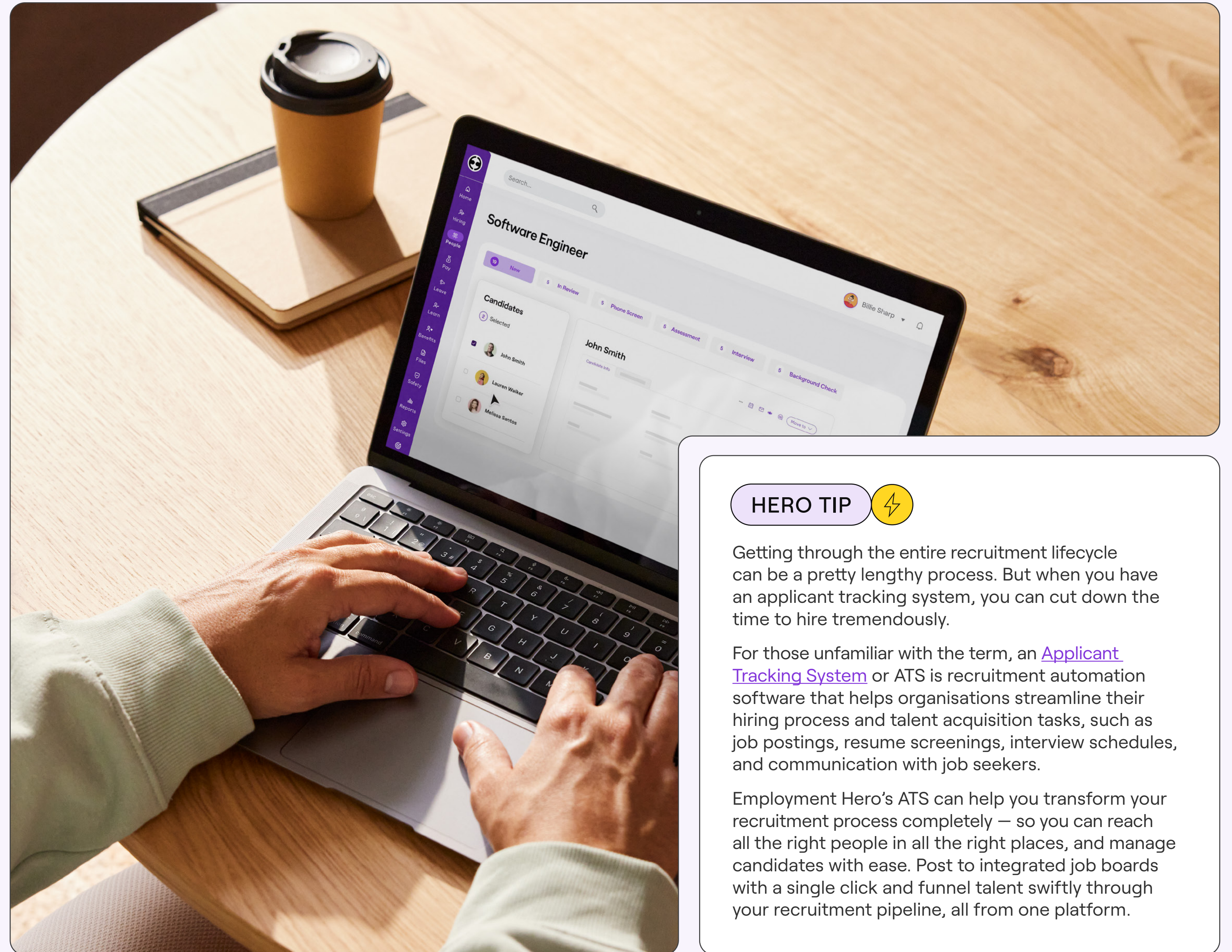
Q THINKING ABOUT THE LAST ROLE YOU/YOUR COMPANY HIRED, HOW LONG DID IT TAKE FOR THE POSITION TO BE FILLED?



THE MORE CANDIDATES THERE ARE, THE LONGER IT TAKES TO HIRE

There is a strong correlation between the number of candidates and the time taken to hire. **41%** of hiring leaders who received 4 applications and below took the least amount of time (1 to 10 days) to hire. On the other hand, for the **10%** of hiring leaders who received 101 applicants and over, they took more than a year to fill the position. For any business – fast-paced or not, that’s a significant amount of time for a role to be left empty.

With a larger volume of candidates, more time is needed to screen them, conduct interviews, do reference checks and more – hence contributing to the increased time to hire. While having a larger talent pool can be seen as beneficial with more candidates to choose from, it also comes with its disadvantages. If you don’t have a streamlined recruitment process and relevant tools to help you deal with a large volume of candidates efficiently, you’ll be losing all your best candidates to other organisations who manage to hire them faster.



HERO TIP

Getting through the entire recruitment lifecycle can be a pretty lengthy process. But when you have an applicant tracking system, you can cut down the time to hire tremendously.

For those unfamiliar with the term, an [Applicant Tracking System](#) or ATS is recruitment automation software that helps organisations streamline their hiring process and talent acquisition tasks, such as job postings, resume screenings, interview schedules, and communication with job seekers.

Employment Hero’s ATS can help you transform your recruitment process completely – so you can reach all the right people in all the right places, and manage candidates with ease. Post to integrated job boards with a single click and funnel talent swiftly through your recruitment pipeline, all from one platform.

THE GROWING COST OF

Rising cost pressures have become a key concern for businesses in the UK over the past year, and hiring costs are no exception. What are the key factors contributing to the increase in hiring costs and what can businesses do to help alleviate it? Let's dive into the findings.



HIRING

THE RISING COST OF LIVING IS HIKING UP RECRUITMENT COSTS

The top 3 reasons for the rise in hiring costs are: the increase in salaries due to the rising cost of living (**48%**), increased job board posting costs (**34%**), as well as labour shortages and increased commissions from recruitment agencies (**both 31%**).

With [inflation rates](#) at an all-time high alongside rising food, energy and fuel prices, it's no wonder businesses in the UK are feeling the pinch. The higher the cost of living, the more emphasis is placed on salaries, with talent asking for higher wages – thus raising the bar for hiring costs.

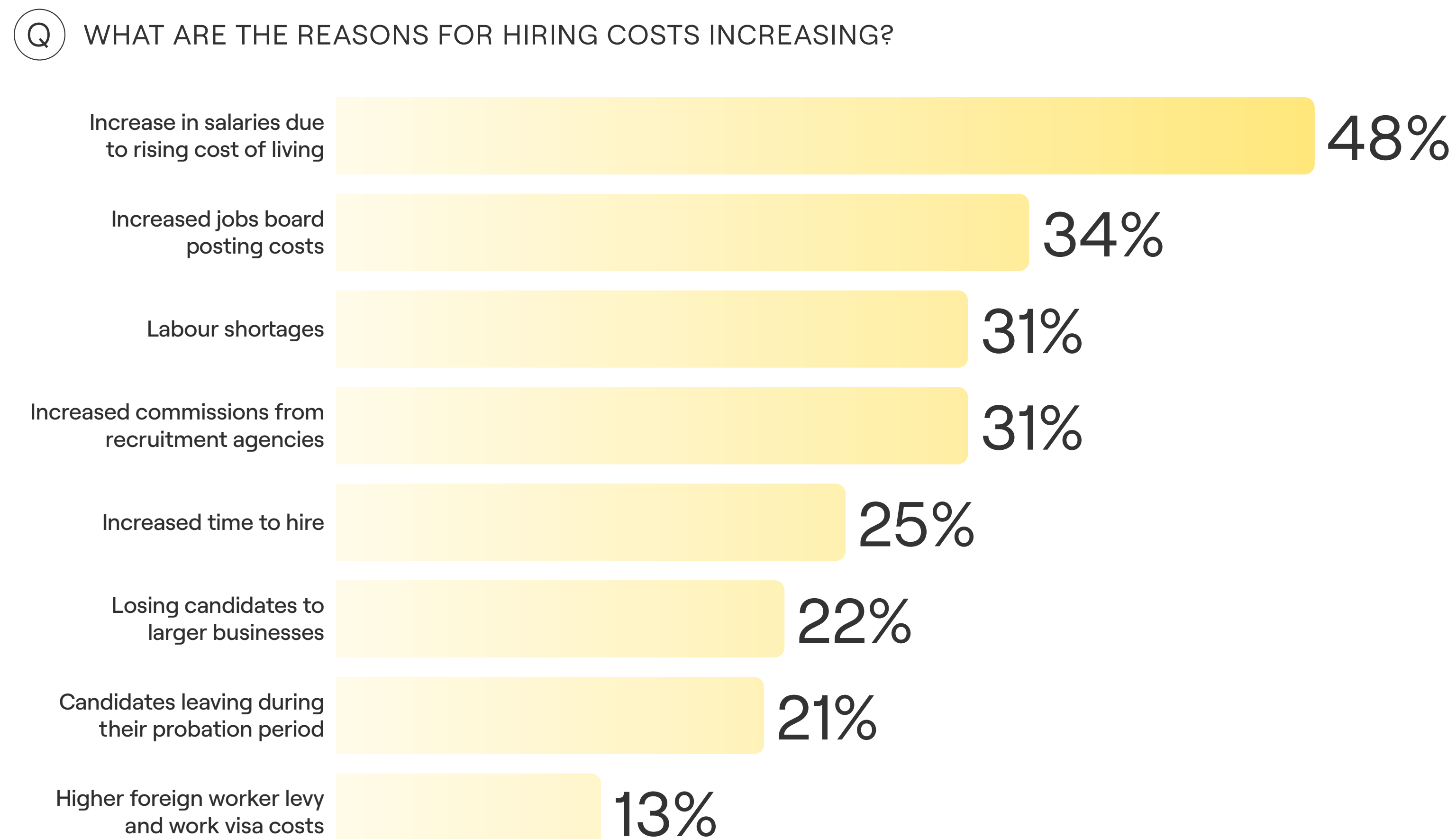


LEADING FACTORS FOR INCREASING HIRING COSTS VARY BY BUSINESS TYPES

Hiring leaders in small businesses with 10–30 employees were more likely to cite increased salaries due to inflation as the leading factor for increasing hiring costs than all the other organisational sizes — **57%** of hiring leaders in this group did.

Mid-sized SMEs, with 31–99 employees, were impacted the most by increased jobs board posting costs (**44%**), increased commissions from recruitment agencies and labour shortages (both **40%**). This is likely due to their reliance on recruitment agencies for hiring. Smaller businesses usually handle the recruitment process themselves and larger organisations have dedicated in-house recruitment teams. **19%** of hiring leaders in this group also cited higher foreign workers levies and work visa costs as a contributing factor — the highest out of all organisational sizes surveyed.

In terms of industry comparisons, hiring leaders in the Finance, Insurance, Technology, Business and Professional Services industries were the most likely to be impacted by increased time to hire (**33%**) and losing candidates to larger businesses (**28%**). This is likely due to the intense competition in finding the right talent and offering competitive salaries and benefits packages to woo good applicants. Despite the global layoffs in the tech sector, the UK is still [investing heavily](#) in these key industries.



HOW MUCH DOES IT COST TO ADVERTISE A ROLE?

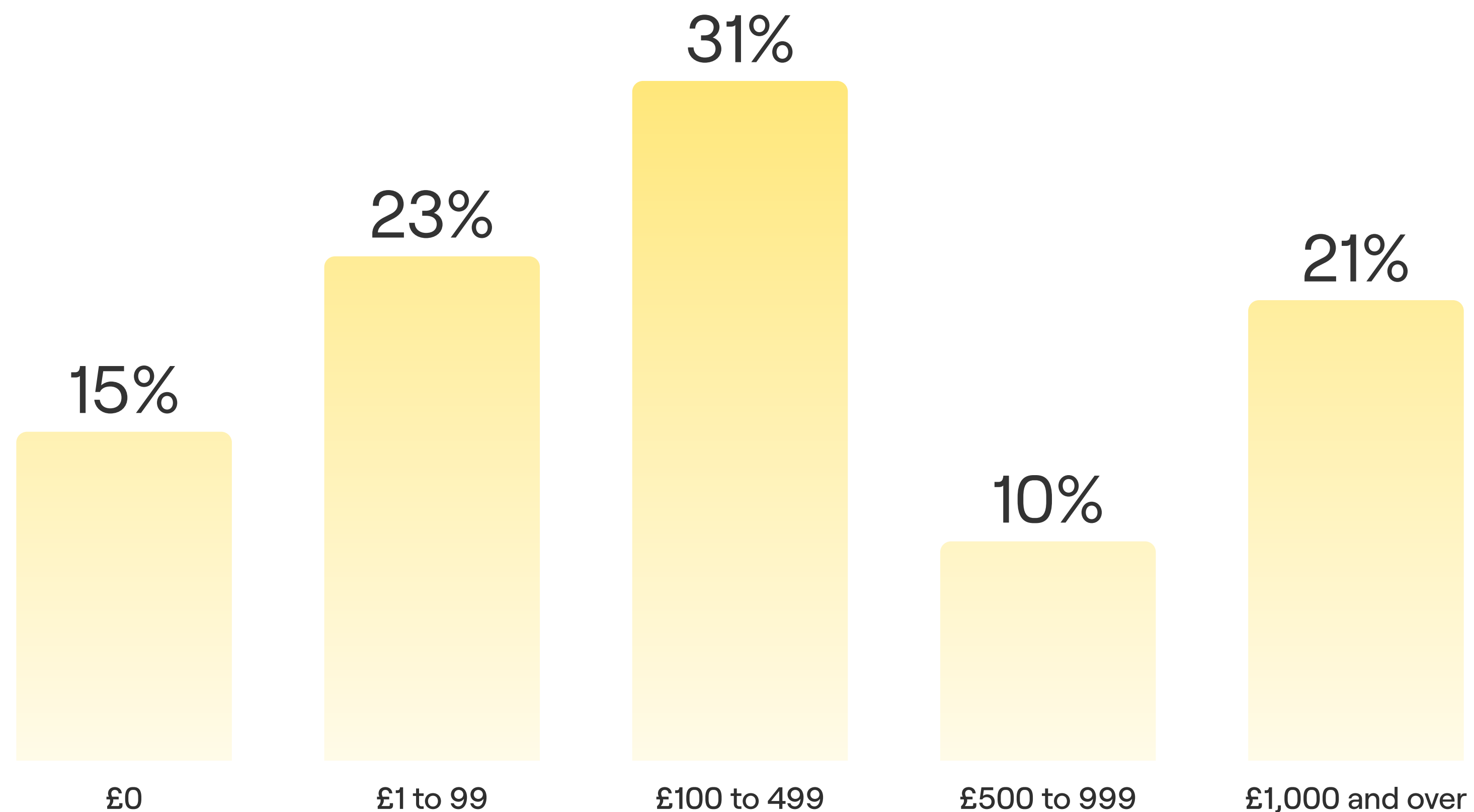
It costs an average of £3,089 to advertise a role in the UK, but **15%** of hiring leaders actually pay nothing. **23%** of hiring leaders pay between £1-99, while another **31%** pay between £100-499.

In terms of industry differences, hiring leaders in the Construction, Manufacturing, Agriculture, Transportation and Wholesale industries pay the least advertising costs with an average of £1,718, while those in the Finance, Insurance, Technology, Business and Professional Services industries pay the most to advertise a role with an average of £5,316.

The amount spent on job advertising also generally increases as the organisation size gets larger. **30%** of hiring leaders in microbusinesses pay nothing to advertise a role, while **32%** of hiring leaders in small businesses (10-30 employees) pay between £1-99, **39%** of hiring leaders in medium-sized businesses (31-99 employees) pay between £100-499 and **31%** of hiring leaders in businesses with 200-500 employees pay £1,000 and over. This is likely due to larger organisations being able to afford a larger budget for recruitment and advertising.

For **15%** of hiring leaders who paid nothing at all to advertise their roles, it's likely that they gained suitable candidates from referrals, platforms with free job postings like Adzuna or SimplyHired, hiring notices on their windows, walk-in candidates and more.

Q HOW MUCH DO YOU CURRENTLY PAY TO ADVERTISE FOR A ROLE?



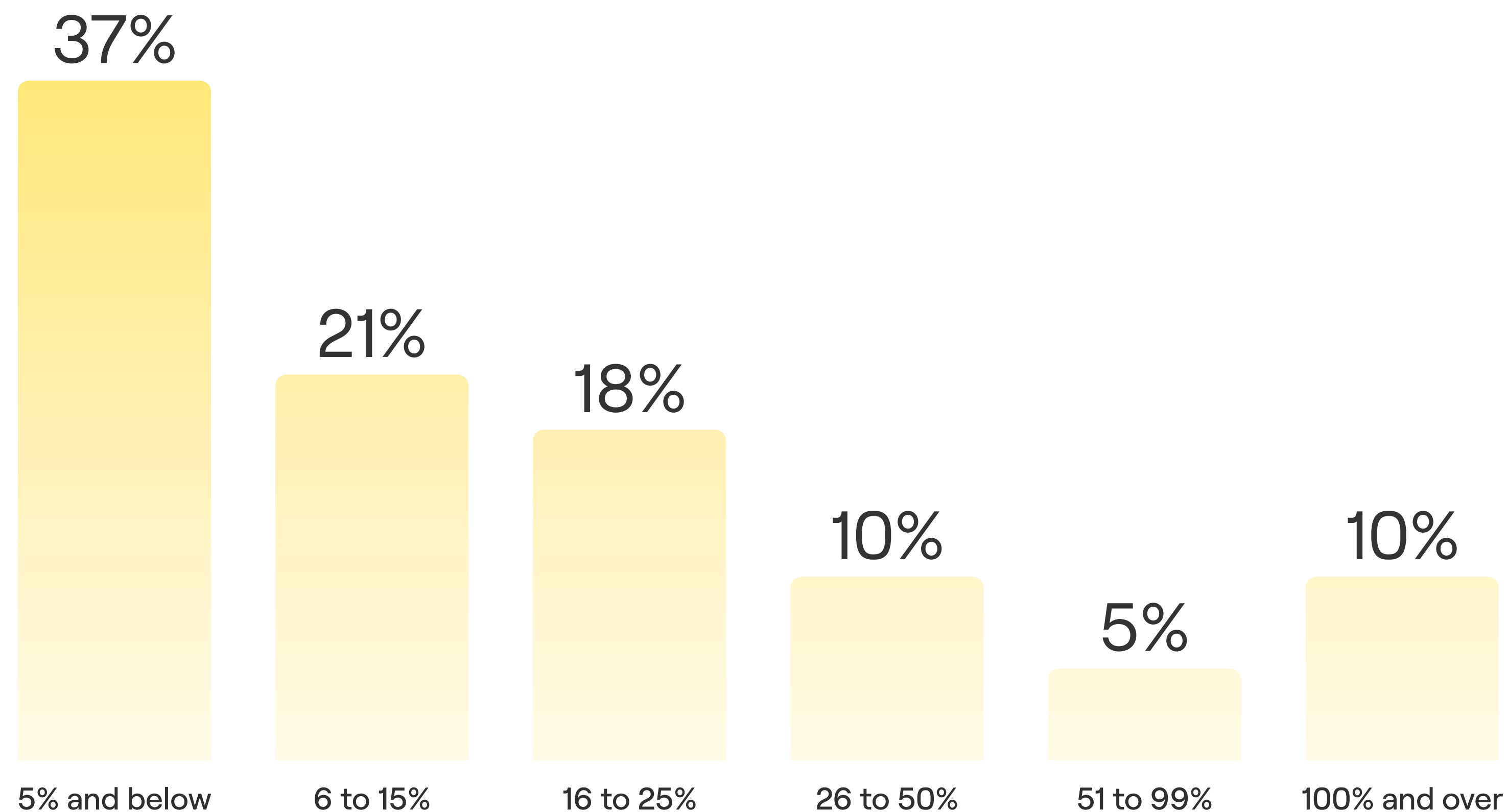
ADVERTISING RATES HAVE INCREASED BY 68% OVER THE PAST YEAR

When asked how much advertising costs have increased compared to the previous year, hiring leaders said they increased by **68%** on average. The majority (**37%**) said it had increased by **5%** or less. However, for **10%** of hiring leaders, advertising costs have doubled or more.

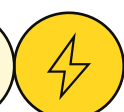
Across organisation sizes, microbusinesses had the lowest increase in advertising fees, with **50%** of hiring leaders in this group citing that advertising fees have only increased by **5%** or less. Hiring leaders in larger organisations (with 100–200 employees) were the most impacted by increased advertising costs, with **13%** saying costs have doubled or more.

Interestingly, there is a strong correlation between the number of candidates received and the increase in advertising costs. More than half (**54%**) of hiring leaders who had 4 applicants or less for their last role said advertising costs have only increased by **5%** and below, while **14%** of hiring leaders who had more than 101 applicants for their last role said advertising costs have increased by **51–99%**. In essence, those who received a higher number of applications were more likely to say their advertising costs increased.

Q COMPARED TO LAST YEAR, BY HOW MUCH HAVE YOUR TALENT ADVERTISING COSTS INCREASED?

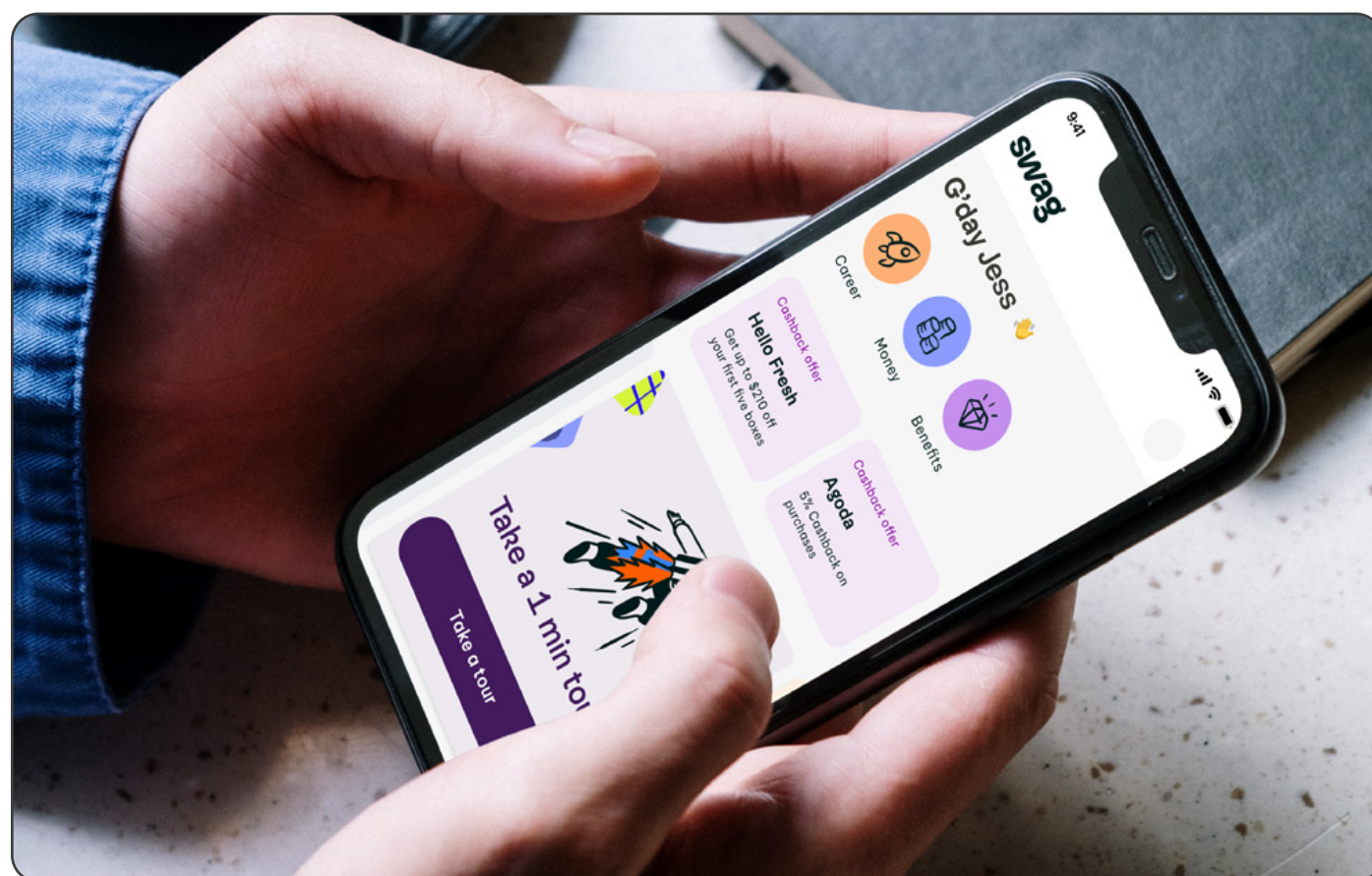


HERO TIP



Keen to lower your hiring costs? Employment Hero can help. [Swag](#) is the world's first employment superapp, created by the Employment Hero team. You can find and retain great talent while also supercharging your employer brand.

[SmartMatch](#) gives you access to a marketplace of work-ready candidates, where you can take your pick of talent and manage the end to end hiring process easily. With a FREE applicant tracking system and FREE job postings, you'll be reducing your cost per hire and time to hire significantly.



NEW HIRE TURNOVER AND

One of the main reasons contributing to the increase in hiring costs was candidates leaving during their probationary period (21%), as shown in the previous section. Our survey found that on average, 14% of candidates do not pass probation or remain in their role after the first 6 months.

Having new hire turnover brings about more costs because you have to restart the entire recruitment cycle again. How does this statistic compare to your organisation? And are you currently doing anything about it?



TALENT SHORTAGES

NOT ALL NEW HIRES STAY

The majority (**51%**) of hiring leaders say only **5%** or less of their new hires leave within the first six months. However, for **6%** of hiring leaders, their new hire turnover rate is **51%** and over.

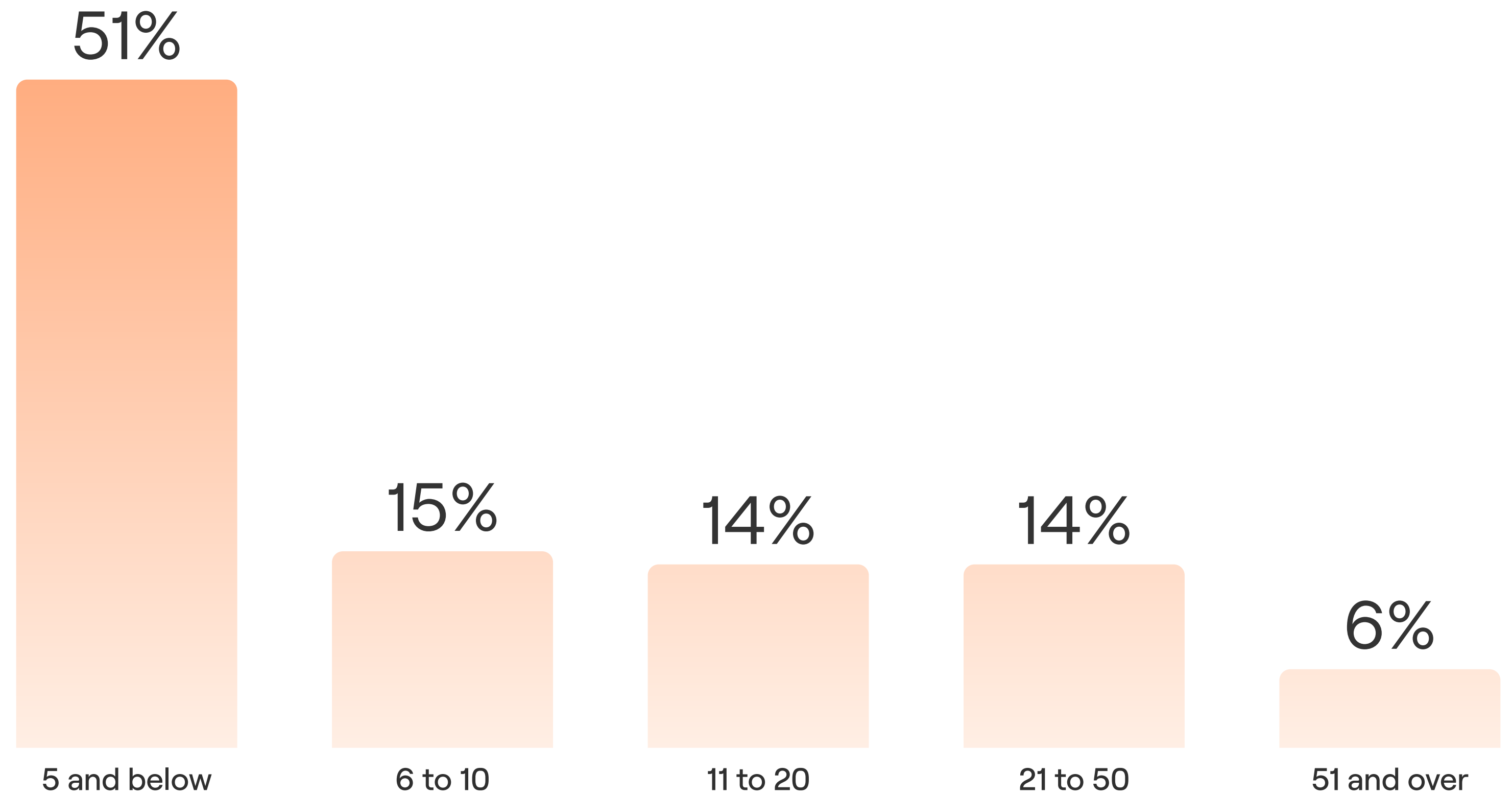
New hire turnover rates are the lowest for microbusinesses – **65%** of hiring leaders say only **5%** or less of their new hires leave. It is higher in larger organisations however – **19%** of hiring leaders in businesses with 31-99 employees have a turnover rate of **11-20%**, while **23%** of hiring leaders in businesses with 100-200 employees have a turnover rate of **21-50%**.

As for the difference between industries, hiring leaders in the Finance, Insurance, Technology, Business and Professional Services were **13%** less likely to say their new hire turnover was **5%** or below. In fact, their average was the highest among all industries surveyed at **17%**, while the Hospitality, Retail and Tourism industries had the lowest average turnover rate at **12%**.

Unsurprisingly, new hire turnover rates are a direct contributor to the increase in hiring costs, due to the fact that hiring leaders have to repost the same role multiple times and go through the entire recruiting process again. So if you're keen to keep your hiring costs low, focus on minimising your new hire turnover rates. It might be a good time to evaluate your current recruitment or onboarding process, and [identify any gaps or red flags](#) that might be contributing to new hire turnover rates.



ON AVERAGE, WHAT PROPORTION OF YOUR HIRED CANDIDATES LEAVE WITHIN THE FIRST 6 MONTHS OR DO NOT PASS THEIR DESIGNATED PROBATION PERIOD?





Reducing new hire turnover and ensuring successful hires require a strategic approach that aligns with the expectations of hiring managers. Establishing a firm hiring brief and scorecard from the outset ensures a shared understanding of the desired skillsets and competencies, increasing the likelihood of making the right hire.

Creating a premium onboarding experience provides new hires with the necessary tools and support for their success from day one. Focusing on employee engagement is also vital for retention – ensuring they feel valued and satisfied in their roles. Career development planning also allows new hires to have a clear roadmap they can follow to nurture their career aspirations, enhancing their commitment to the organisation.

By integrating these practices into the recruitment process, businesses can proactively address new hire turnover and talent shortages, ultimately reducing hiring costs and fostering a more productive and satisfied workforce.



Daniella Angel, Talent Acquisition Partner (UK)
at Employment Hero



Job descriptions (JD) are a crucial part of the recruitment cycle as they help you [reach the right person](#) seeking employment, increasing the quality of potential employees applying for the position. A perfect JD should leave the job seeker knowing whether they are definitely right or wrong for the role.

The JD should be as detailed and as relevant as possible. It should take a deeper dive into the skills required, share insights about how the role fits into the wider company structure, and how it aligns with company values. It should essentially give the applicant all the knowledge they need to undertake the rest of the recruitment process.

As for your onboarding process, we've got tonnes of helpful resources for you. Check out our blog on [actionable tips to improve your onboarding process](#), and our [ultimate guide to employee onboarding and induction](#).

Oh, and have we mentioned how important welcome packs are in an onboarding plan? It's definitely one area you can't afford to miss. Here's how you can [take your welcome pack to the next level](#) so your new hires are confident your company is where they're meant to be.

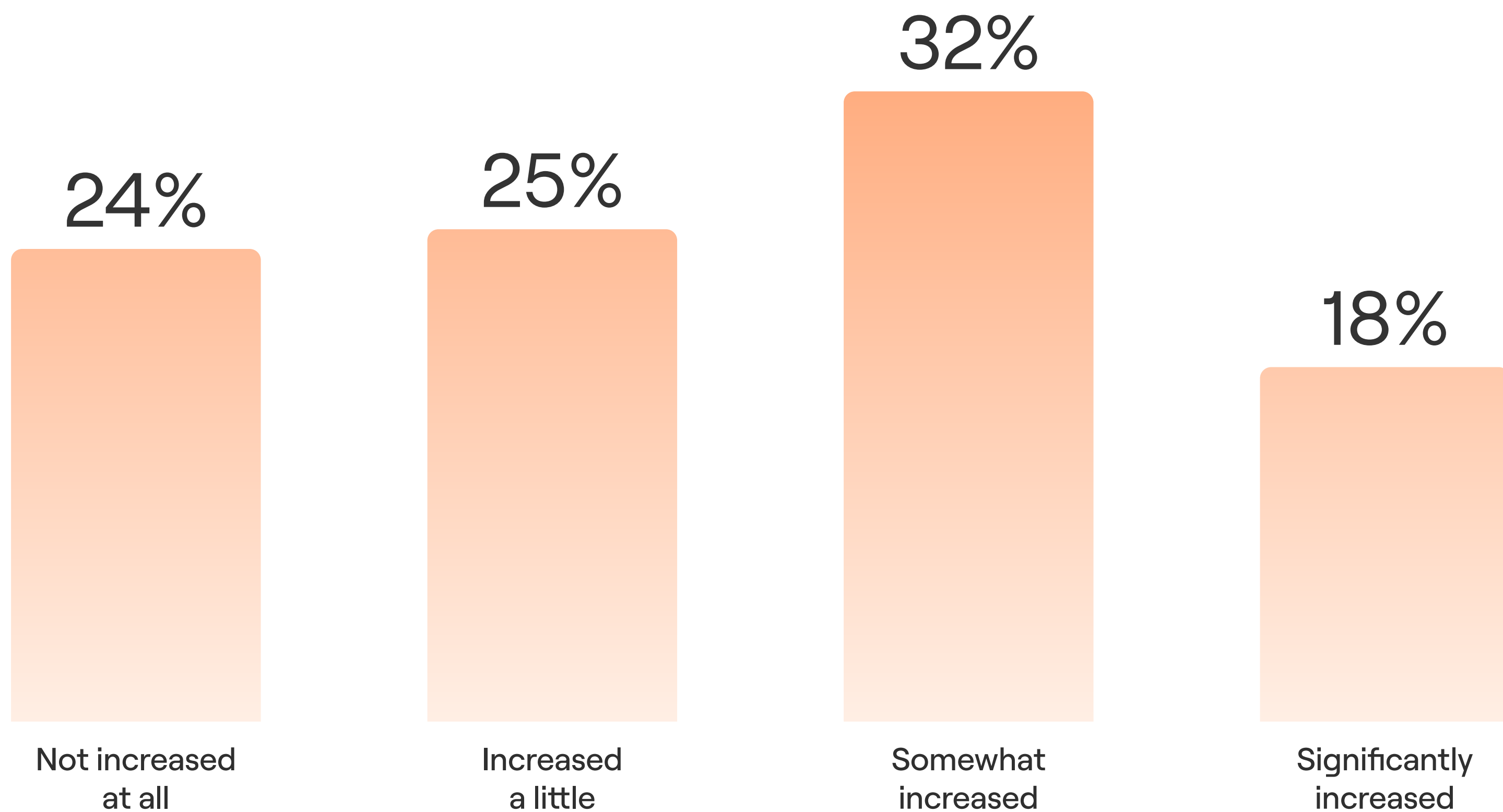
TALENT SHORTAGES HAVE INCREASED IN THE PAST YEAR

The majority (**76%**) of hiring leaders in the UK say talent shortages have increased compared to a year ago. A quarter (**25%**) said they increased a little, **32%** said they somewhat increased, and **18%** said they increased a lot.

These findings are in alignment with recent news that the talent shortage is a huge problem for many employers. In the UK, [businesses have been experiencing a shortage of workers](#), and vacancies remain high. Businesses are also having difficulty recruiting employees with the relevant skills – the [Federation of Small Businesses](#) found that **80%** of small firms faced difficulties recruiting applicants with suitable skills in the previous 12 months.

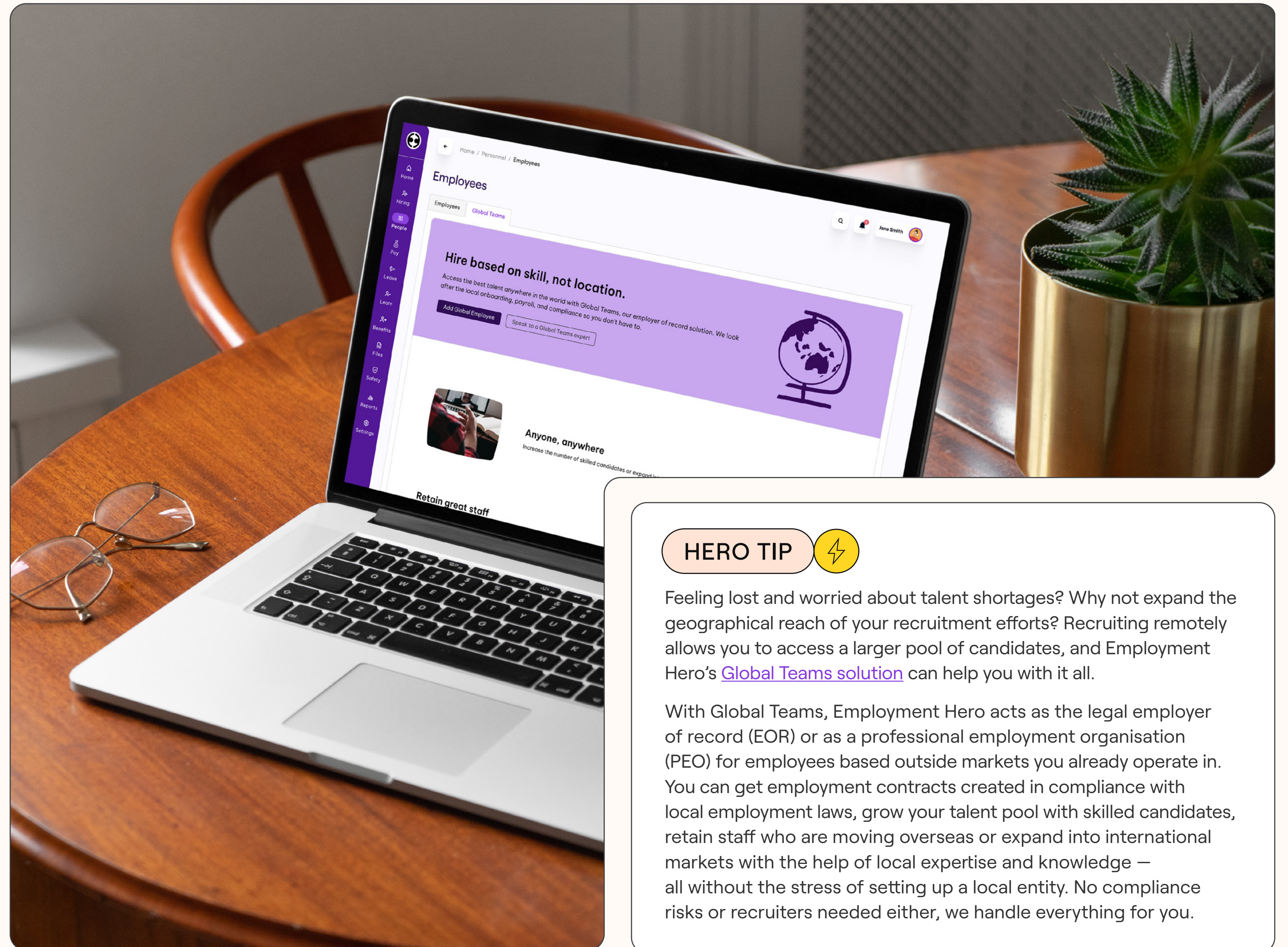
Although you would expect microbusinesses to struggle the most with talent shortages, **33%** of hiring leaders in microbusinesses said talent shortages have not increased at all. Larger organisations (201–300 employees) on the other hand, said that talent shortages have significantly increased (**25%**).

Q COMPARED TO A YEAR AGO, WOULD YOU SAY THAT TALENT SHORTAGES IN YOUR INDUSTRY HAVE...

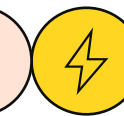


There are a few reasons that contribute to this disparity – microbusinesses tend to have fewer job openings as compared to larger organisations, and hire quickly via referrals. In addition, they might be reliant on outsourced service providers, freelancers, or contractors to carry out essential work and hence are less impacted by talent shortages. On the flip side, job openings in larger organisations are more likely to emerge on a frequent basis given the scale of the business, hence hiring leaders are likely to be affected and aware of ongoing talent shortages.

As for industry comparisons, **35%** of hiring leaders in the Education, Government, Cultural, Healthcare and Social Services industries said hiring shortages had increased a little compared to the previous year – a number significantly higher than in other industries. Hiring leaders in the Finance, Insurance, Technology, Business and Professional Services were **31%** less likely than average to say that talent shortages had increased only by a little, as they are still experiencing shortages in this sector. Only **18%** said that talent shortages have increased a little, while **34%** said they've somewhat increased and **23%** said they've increased significantly.



HERO TIP



Feeling lost and worried about talent shortages? Why not expand the geographical reach of your recruitment efforts? Recruiting remotely allows you to access a larger pool of candidates, and Employment Hero's [Global Teams solution](#) can help you with it all.

With Global Teams, Employment Hero acts as the legal employer of record (EOR) or as a professional employment organisation (PEO) for employees based outside markets you already operate in. You can get employment contracts created in compliance with local employment laws, grow your talent pool with skilled candidates, retain staff who are moving overseas or expand into international markets with the help of local expertise and knowledge – all without the stress of setting up a local entity. No compliance risks or recruiters needed either, we handle everything for you.

THE STRUGGLE OF SMES

Multinational corporations (MNCs) have more resources at their disposal as compared to SMEs. They can afford to offer higher salaries, provide more employee benefits, and have a broader talent pool to pick from. So, how can SMEs compete with them when the odds are stacked against them? Let's hear what hiring leaders have to say.



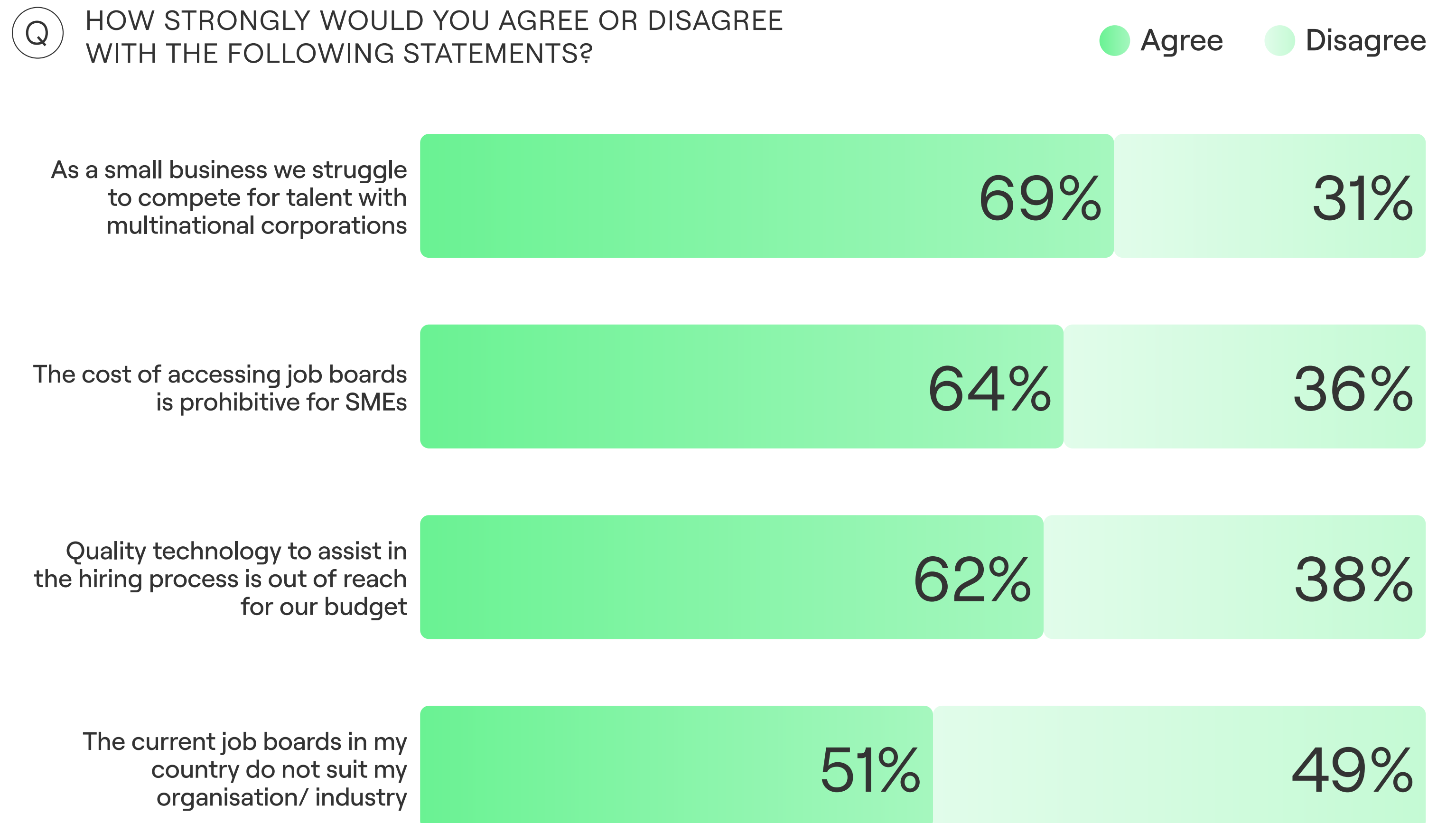
AGAINST MULTINATIONAL CORPORATIONS

AN UNEQUAL PLAYING FIELD

When asked whether they agree that small businesses struggle to compete for talent with MNCs, **69%** of hiring leaders agreed. More than half (**64%**) also agreed that the cost of accessing job boards is prohibitive to SMEs, while **62%** agreed that quality technology to assist in the hiring process is out of reach for their budget.

Clearly, the majority of hiring leaders recognise that SMEs face multiple difficulties in hiring as compared to MNCs. With a challenging business environment marked by higher costs, SMEs are already struggling to survive – the competition for talent is only adding further fuel to the fire, as SMEs do not have extra budgets available for job boards or hiring technology.

Interestingly, hiring leaders in microbusinesses were less likely to agree that they struggle to compete for talent with MNCs as a small business – only **58%** in this group agreed with this statement. This could be attributed to the fact that microbusinesses tend to focus on essential roles that can be hired quickly through referrals, or rely on contractors and freelancers to help them with ad-hoc projects and tasks, which makes it easy to convert them to full-time employees in the future. As such, microbusinesses have a vastly different talent pool compared to MNCs, and hence aren't competing for the same talent directly.



Hiring leaders in the Finance, Insurance, Technology, Business and Professional Services were more likely to agree to multiple statements — **79%** agree that they struggle to compete for talent with MNCs, **70%** agree that the cost of accessing job boards is prohibitive for SMEs, and **61%** agree that the current job boards do not suit their organisation or industry. It seems like current job boards available are inadequate in providing employers with the right talent they need — especially for white collar professions.

HERO TIP



Job boards shouldn't be out of reach for SMEs. That's exactly why Employment Hero has made our [applicant tracking system](#), which is integrated with candidate-preferred job boards such as Indeed, Reed, Swag Jobs and more, completely FREE.

With Employment Hero, you can reach all the right people in all the right places, and advertise your jobs with ease. Fret no longer over exorbitant job board posting costs — we've got your back. We want to empower all SMEs with the ability to effortlessly advertise, hire, and onboard staff from a single platform, without blowing your budget.

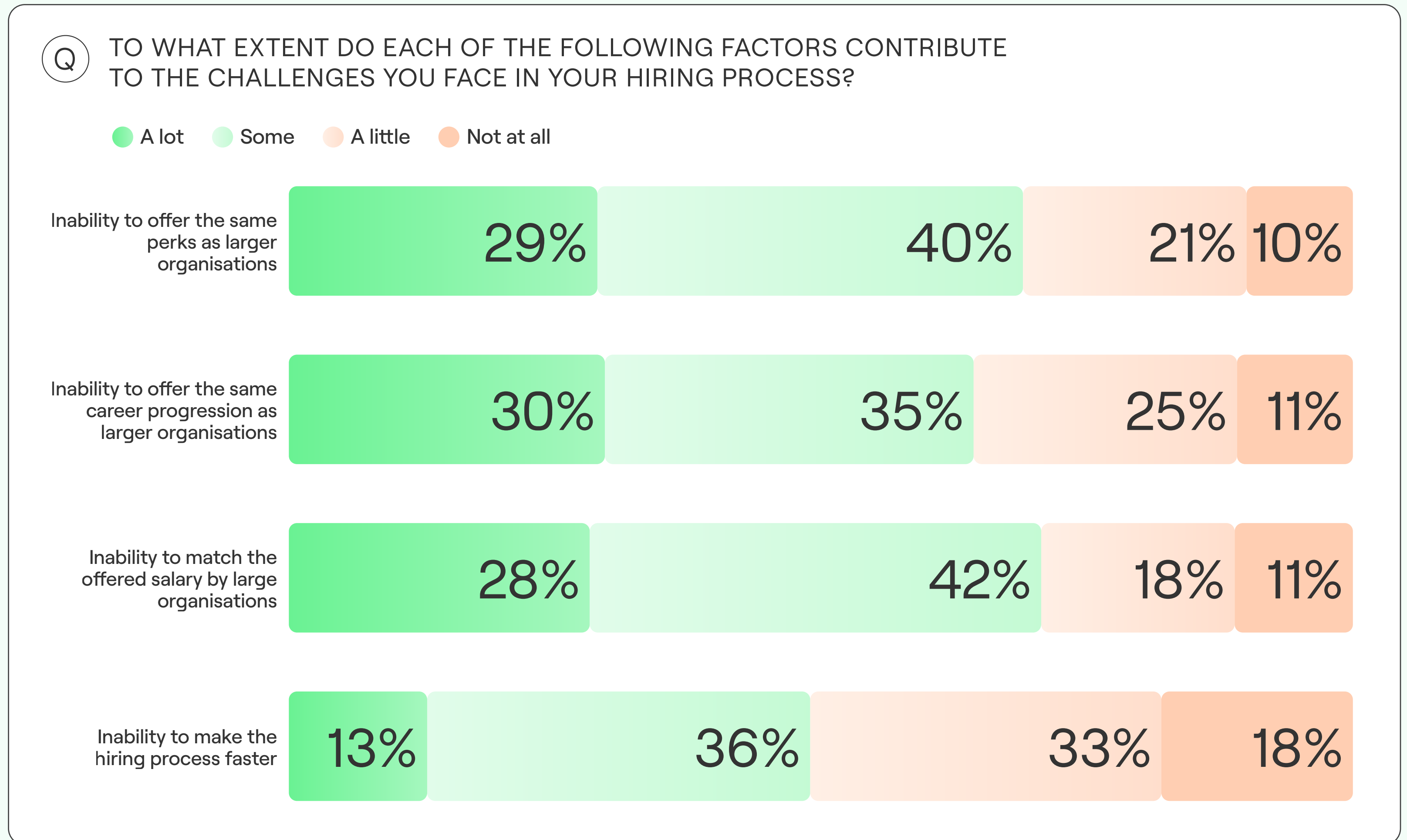


A WHOLE HOST OF HIRING CHALLENGES

When asked about the hiring challenges they faced, **90%** of hiring leaders said that challenges experienced in the hiring process were due to their inability to offer the same perks as larger organisations. A large majority (**89%**) of hiring leaders also said that it was due to their inability to match the offered salary and offer the same career progression as larger organisations.

In addition, **82%** said it was the inability to make the hiring process faster. While businesses on the micro end can generally hire faster and quicker than larger organisations, this becomes harder as the organisation grows beyond ten employees.

It's no surprise why employees might prefer to work for MNCs over SMEs. They have larger hiring budgets, offer extensive employee benefits and have more prestigious reputations. But as the future of work continues to evolve, and demands for work-life balance along with flexible work arrangements increase, businesses must adapt quickly to ensure an agile work environment. And in this regard, SMEs have advantages over their larger competitors.





To tackle the unequal playing field, SMEs need to emphasise their advantages when it comes to recruitment — such as the ability to offer tailored employee packages, greater flexibility in working arrangements, a hands-on working culture, and more. Candidates will get the ability to be a ‘big fish in a small pond’ — their achievements and contributions will be far more visible and directly impact the business, and they will also face less competition for progression and salary increments.

So yes, if you’re a small business with small budgets going against MNCs with deep pockets that can pay top dollar for employee salaries, you’re likely to get outpriced. But be strategic in showcasing your strengths and you’ll find that you can compete against MNCs in other areas like culture, flexibility, and growth. It’s all about having a strong [employee value proposition \(EVP\)](#).

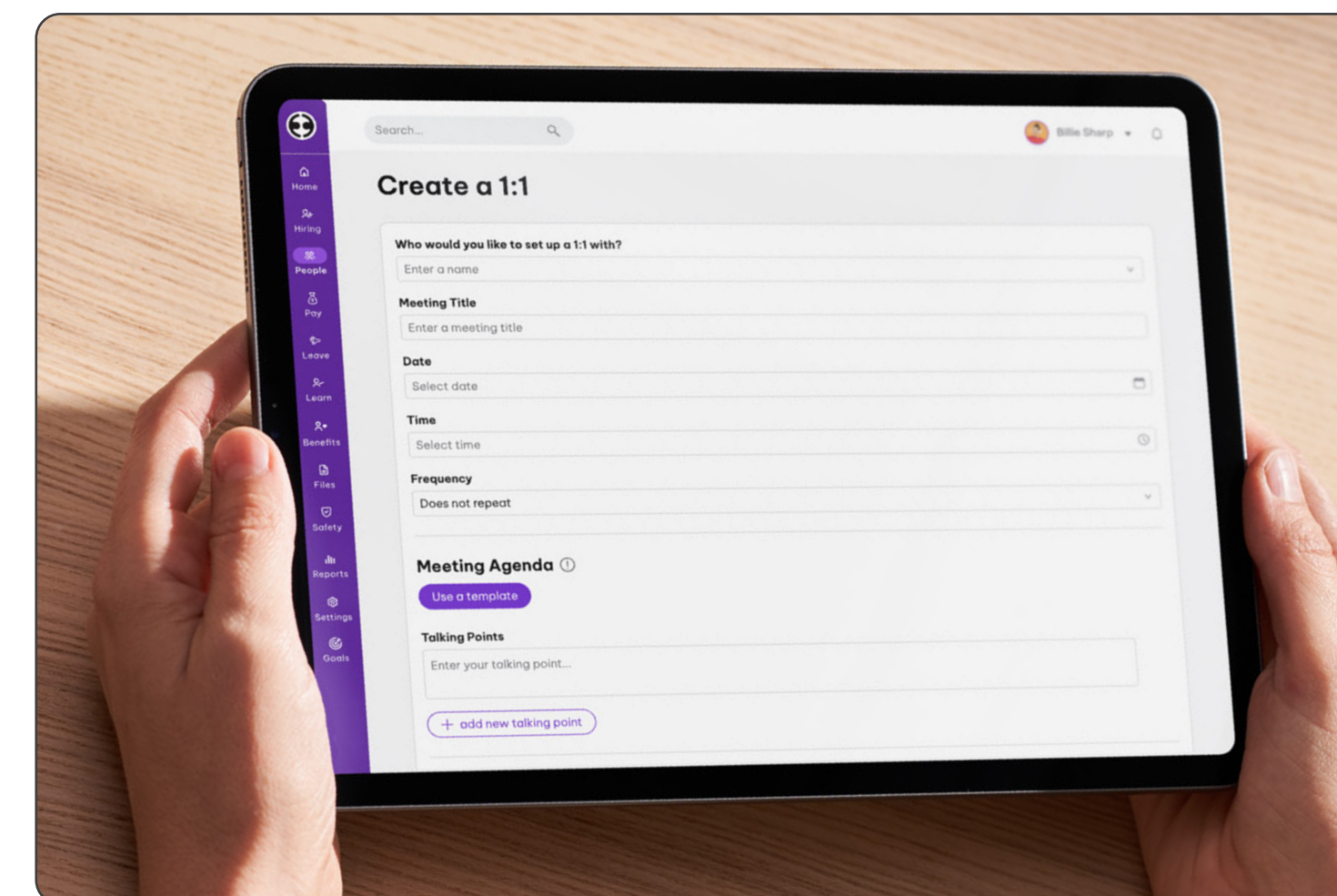
HERO TIP



As a small business, it can feel as if the odds are against you. But Employment Hero can help. Speed up your hiring process with our handy [applicant tracking system](#) — where you can effortlessly advertise, hire, and onboard staff from a single platform.

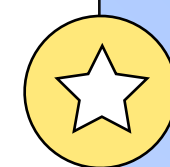
And when it comes to career progression, it doesn’t mean small businesses aren’t able to provide the same framework that larger organisations do. Our [performance management platform](#) enables you to lead your team with ease and create a team at the top of their game.

From performance reviews to 360 feedback, one-on-ones and career progression plan templates — get the tools you need to empower employees and track their growth, all in one place.



SPEEDING UP THE

A whopping 82% of hiring leaders cited their ‘inability to make the hiring process faster’ as contributing to the challenges they faced in their hiring process. How many hours are hiring leaders currently spending on the entire recruitment cycle, and how can they further cut down the time spent on these tasks? Let’s find out.



RECRUITMENT CYCLE

SMALLER BUSINESSES SPEND LESS TIME ON HIRING ACTIVITIES

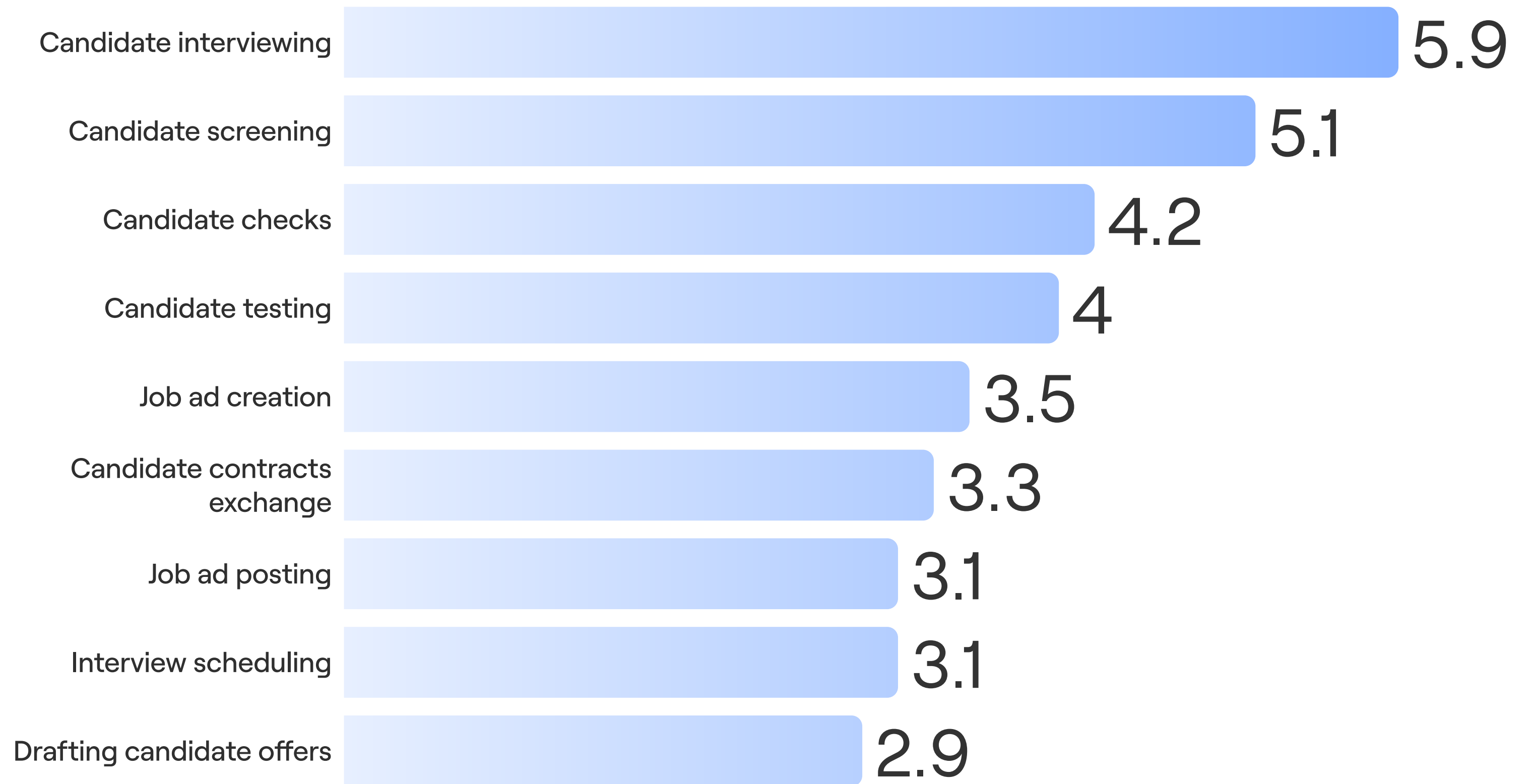
Our survey found that as the organisation size increases, the time spent per week on hiring activities also increases. On average, hiring leaders spend more than 35 hours per week on hiring activities. The most time consuming activities are candidate interviewing (6 hours per week), candidate screening (5 hours per week) and candidate checks (4 hours per week).

The hiring process was much more time-consuming for hiring leaders in larger organisations (with 201-500 employees), who spent an average of 49 hours per week on hiring activities. Their most time-consuming activities were candidate interviewing (9 hours per week), candidate screening (8 hours per week) and candidate checks (6 hours per week).

On the other hand, microbusinesses were the most efficient at hiring activities – they spent a mere 24 hours per week on average. The most time-consuming activities for them were candidate interviewing (4 hours per week), candidate screening (4 hours per week) and candidate checks (3 hours per week). This is probably due to the fact that microbusinesses have fewer applicants for each job opening, hence the recruitment process is much faster for them.



HOW MANY HOURS PER WEEK ON AVERAGE DO YOU/ YOUR ORGANISATION SPEND ON EACH OF THE FOLLOWING HIRING ACTIVITIES?



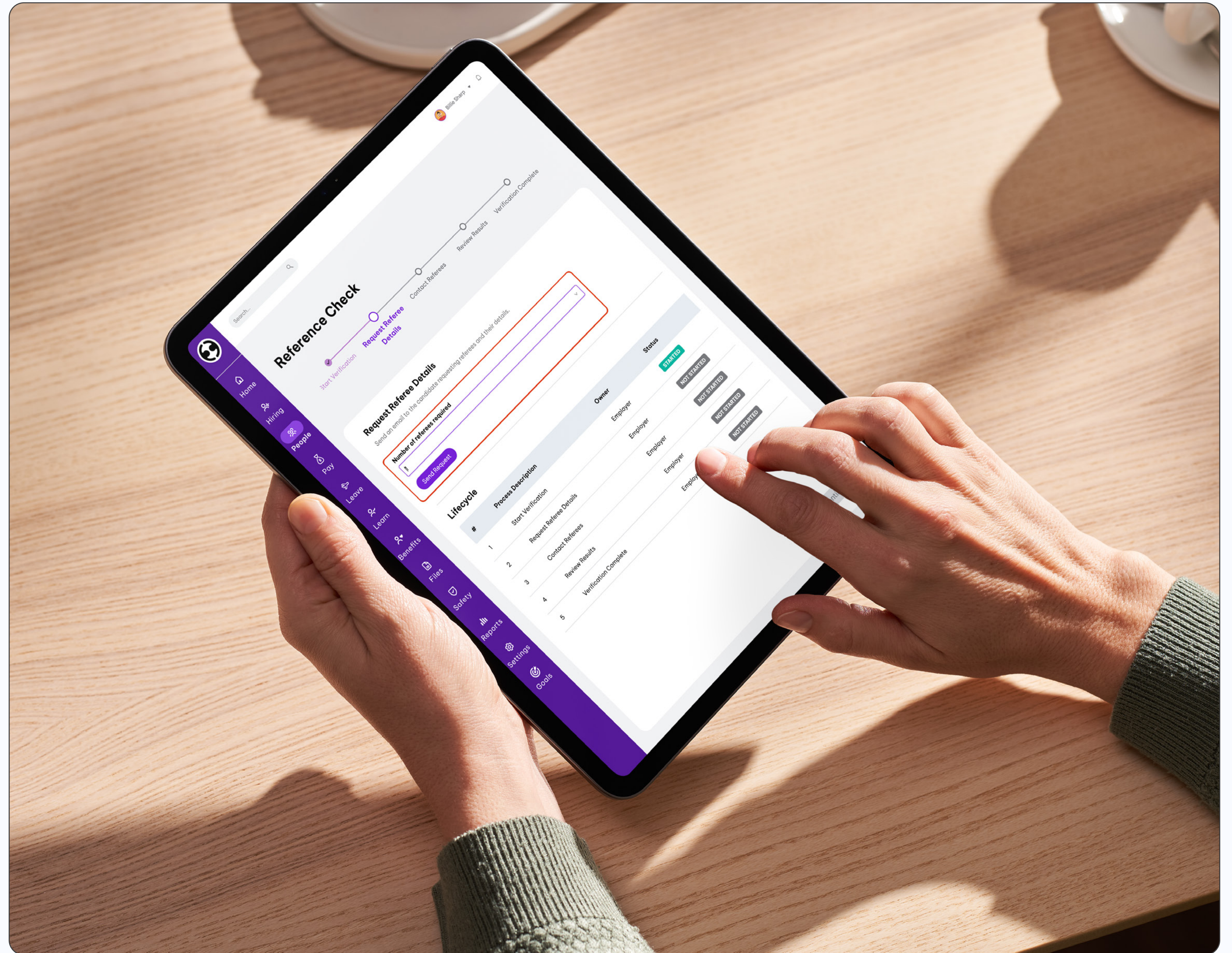
HERO TIP



What if we told you that we could help you drastically cut down the hours spent on hiring activities per week? And help you find the right talent?

[Swag](#), the world's first employment superapp created by the Employment Hero team, can help you find candidates quickly and efficiently. For Q2 2023, we found that on average, hiring managers reduced their time to hire by a whopping **63%** using the Swag Jobs board. This means that they were able to onboard new starters **18 days earlier** than candidates sourced from other job boards. That's an incredibly significant difference!

Sit back, relax, and leave the heavy lifting to us. We're here to empower you with the tools you need to streamline your recruitment cycle and make it more efficient.



CONCLUSION

It's no secret that the recruitment market is constantly changing and is susceptible to economic conditions.

Keeping up with the latest trends and changes as a result of that can be incredibly time-consuming and taxing for businesses who already have a lot on their plates. We hope this research has shed some light on the state of hiring in the UK, and provided you with valuable insights that can help you transform and streamline your recruitment process.

We understand that the data can be a lot to digest. To help, below are a few action points for employers looking to cut hiring costs and still be able to get the talent they need.

Firstly, invest in an [applicant tracking system](#) (ATS). We can't stress this enough — having an ATS is an absolute game-changer for your business. If there's anything we've gained from the pandemic, it's that leveraging technology to improve business processes has never been so important. An integrated ATS enables you to advertise, hire and onboard staff seamlessly, all from one place. You can post job ads to multiple job sites with a single submission, integrate with popular job boards, track candidates through the pipeline, build a shortlist, and so on. The benefits are out there for you to enjoy — you simply need to take the first step.

Secondly, focus on improving your employee onboarding process to reduce new hire turnover rates. They are all interconnected — a bad onboarding experience contributes to higher new hire turnover rates, which in turn raises hiring costs because you have to restart the hiring process from scratch again.

Nip the problem in the bud so it doesn't come back to haunt you! In a competitive market, you need to snap talent up fast, and do it efficiently. Onboard them digitally — send them contracts, assign company policies, and get them set up and feeling confident before day one. It doesn't just stop there — once they've started, make sure you've got a well-structured induction programme that helps them ease into their role.

Lastly, employee retention. If your employees don't quit, there wouldn't be a need to hire — unless you're expanding business operations, of course. Ask for feedback regularly, listen to what your employees want, and create a company culture that brings out the best in your employees. Our [Talent Insights Report for the UK](#) previously revealed that apart from a salary increase, employees are looking for a better reward and recognition programme, an assurance of job security, flexible working options, monetary bonuses or rewards and extra leave days that could be used for birthday celebrations, mental health needs, or volunteering.

And here's a bonus tip — if hiring locally ever gets too overwhelming for your business and you just can't seem to find the talent you need, why not expand your horizons? In today's flexible working world, recruitment opportunities are borderless. Employment Hero's [Global Teams service](#) can help you employ the best talent for your team, based anywhere in the world. Get employment contracts created in compliance with local employment laws, without the need for any recruiters, overseas entities, or compliance risks.

As always, we wish you, your business and your team all the best in your recruitment journey!

Introducing SmartMatch™ by Employment Hero

Great talent on speed-dial.

Why hire the hard way? SmartMatch eliminates the painful parts of recruiting — like posting to job boards and sorting through bad applications — so you can get back to doing what you do best.

SmartMatch uses AI to connect standout candidates to your business based on their skills, interests and experience. You get great talent matched to every role, and never have to post to a job board again.

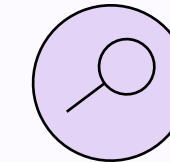
Forget spending hours writing job listings and hundreds of dollars advertising them. SmartMatch predicts future hiring needs and does the hard work for you. With SmartMatch, you can spend less time worrying about staffing — and more time growing your business.

Big business hiring on a small business budget.

Forget expensive advertising and recruiter fees. Why should the big end of town get the best talent? We're levelling the playing field with cost-effective hiring solutions built specifically for SMEs.

[Try SmartMatch today →](#)

TALENT MATCHING



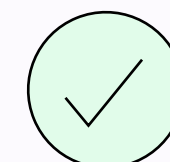
Match top talent to your business 24/7. Machine learning and predictive algorithms assess candidates to find the right fit.

SAVE CANDIDATES FOR LATER

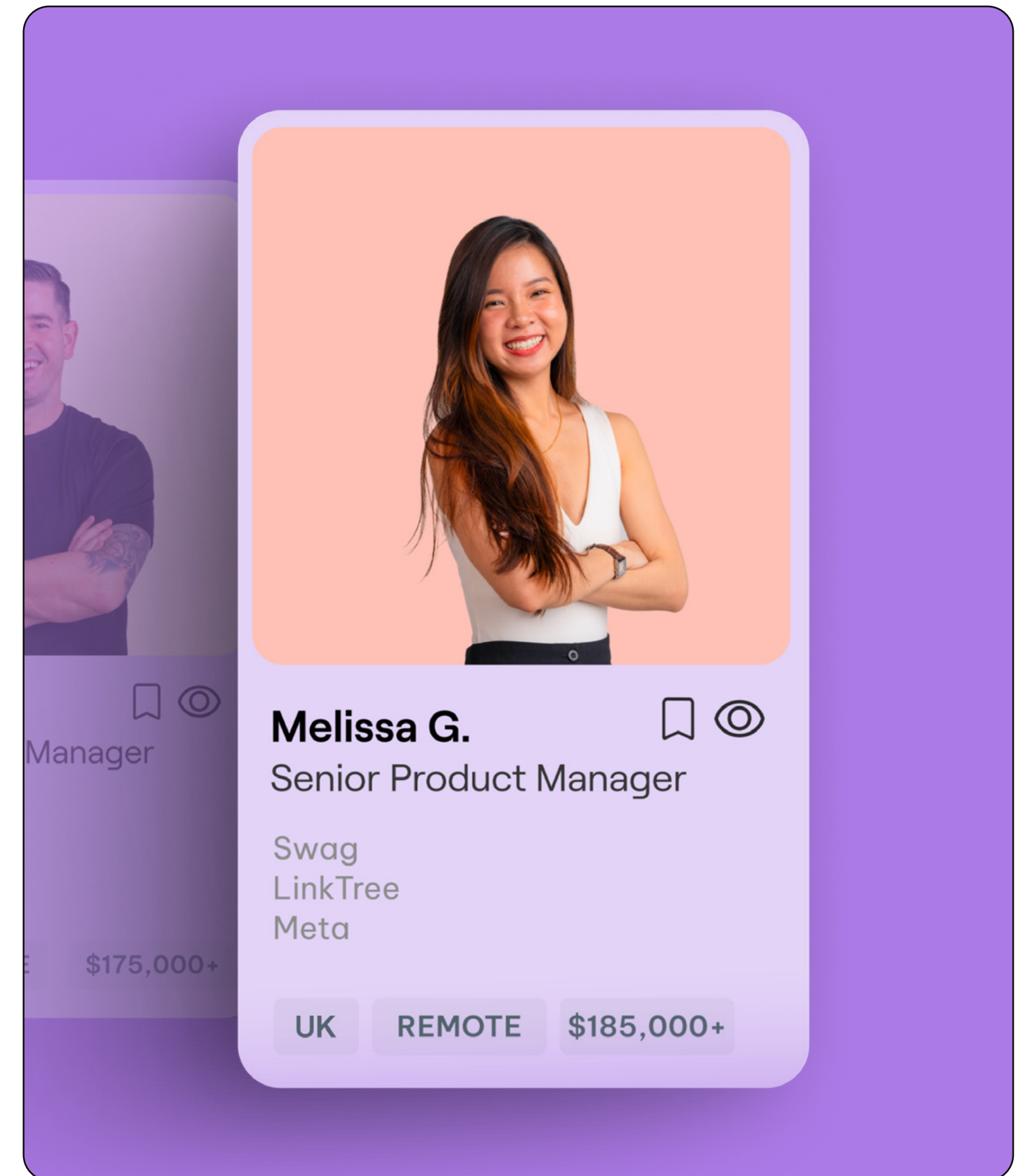


Not ready to hire? Save standout talent for later with easy pipelining. Only external candidates are presented: current employees won't get matched.

BETTER HIRES, FASTER

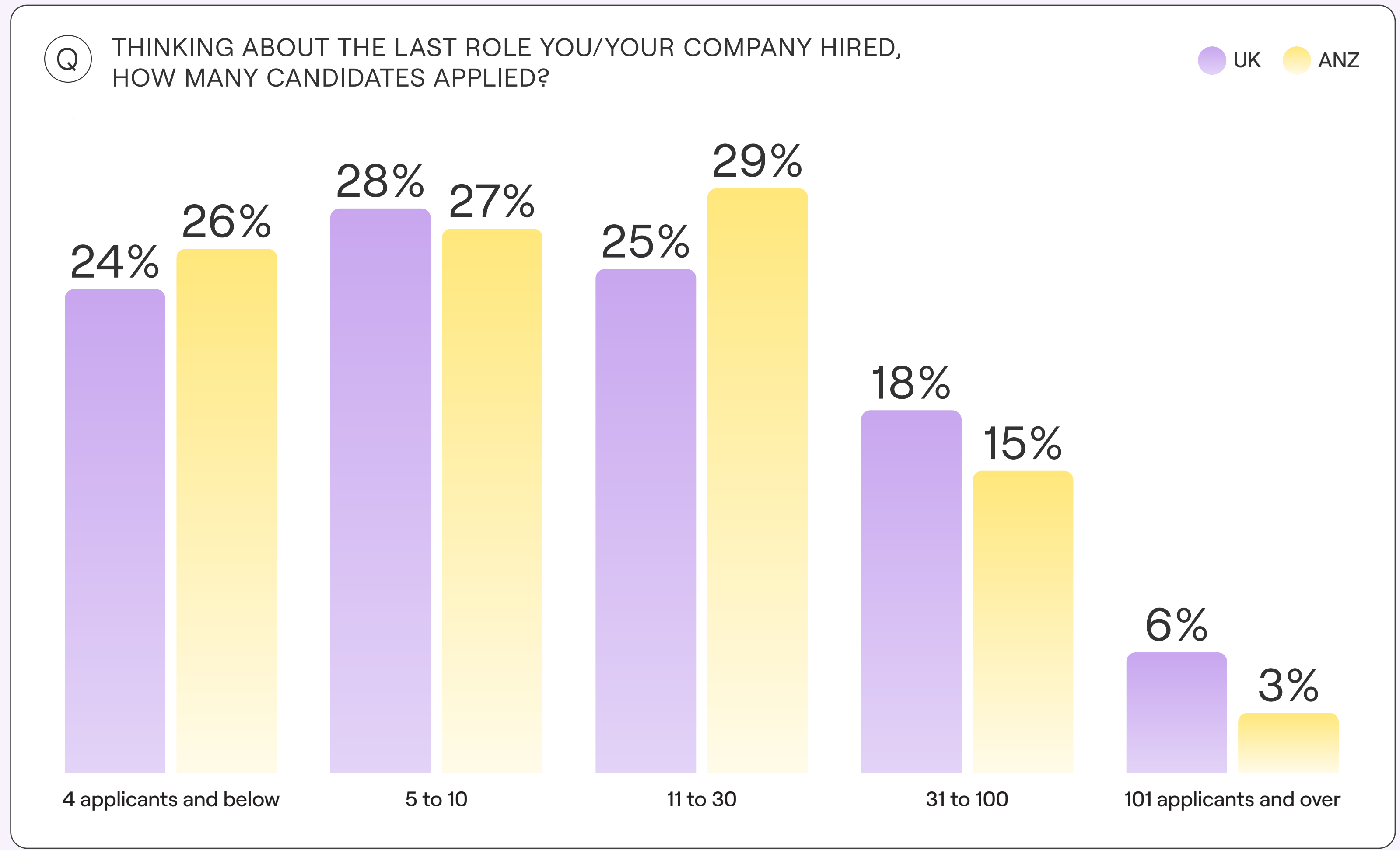


Find quality talent and chat with them directly. Deliver a seamless recruitment experience, and hire great people at a fraction of the time and cost.



COMPARING THE UK AGAINST AUSTRALIA & NEW ZEALAND

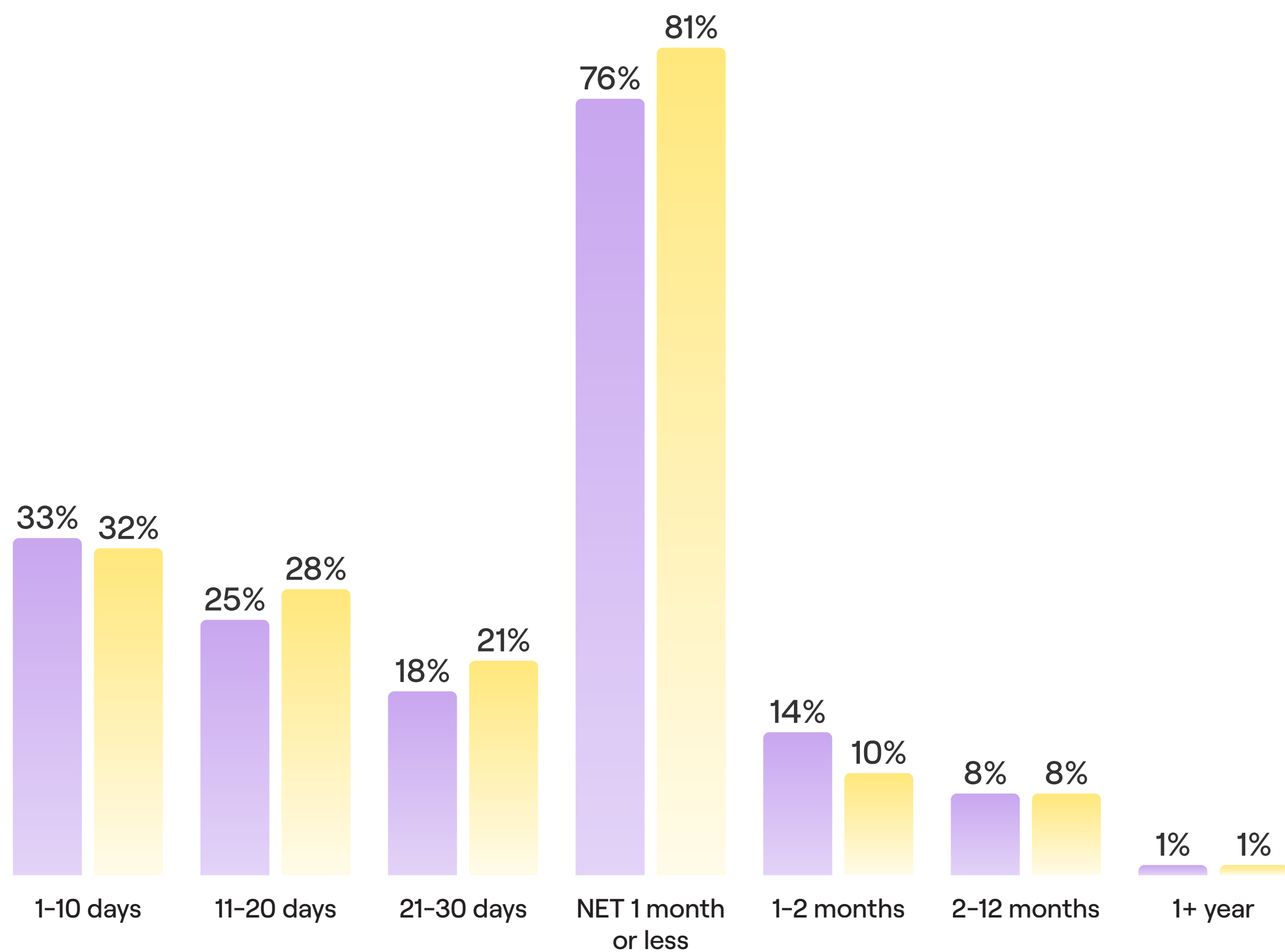
On average, hiring leaders in the UK received 41 candidates for their last open role, while hiring leaders in Australia and New Zealand only received 25 candidates for their last open role. Hiring leaders in New Zealand were also more likely to receive 4 applicants and below than their counterparts in Australia or the UK.



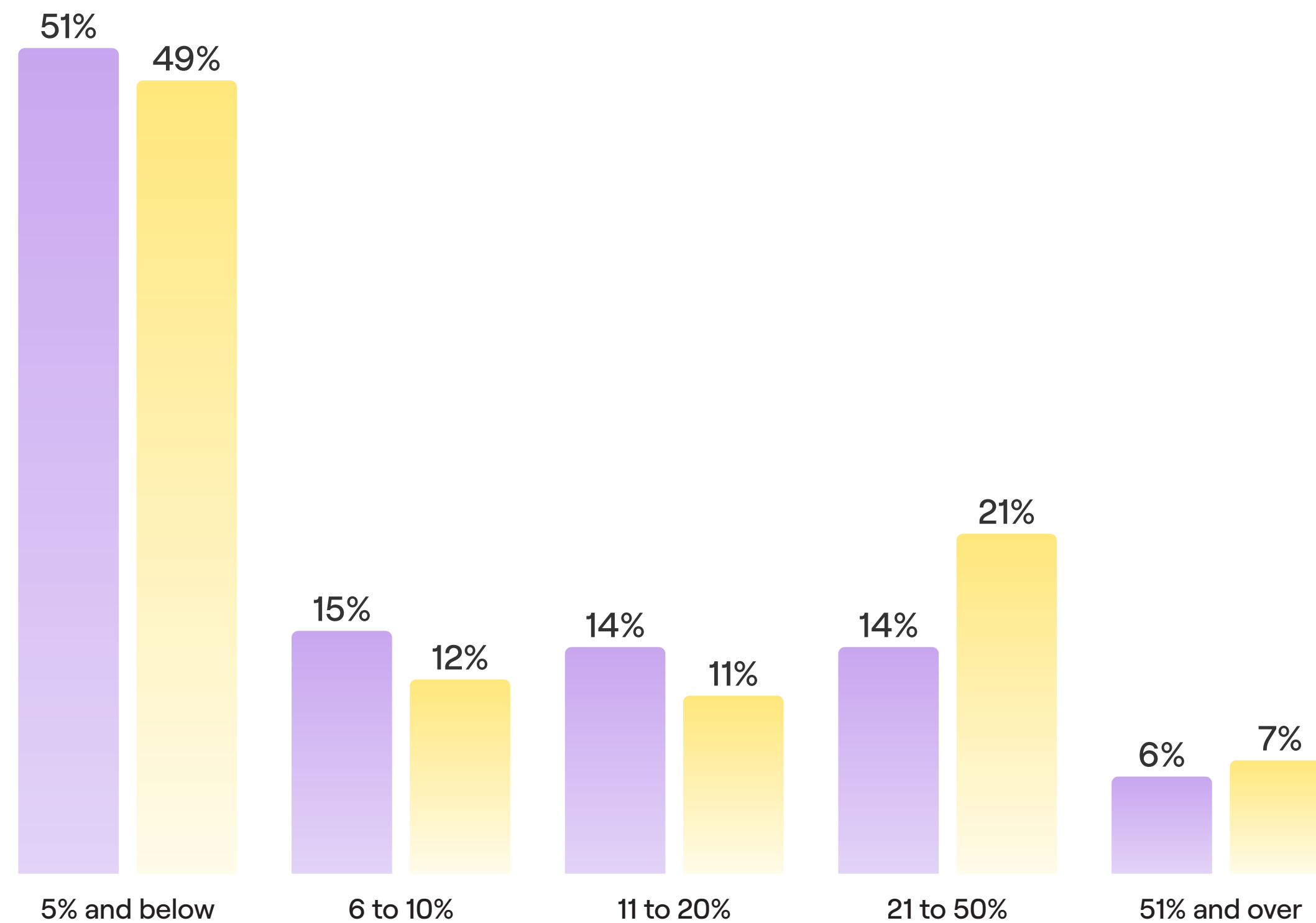
Hiring leaders in the UK take longer to fill a position than hiring leaders in Australia and New Zealand — **76%** fill a position in one month or less in the UK, versus **81%** in Australia and New Zealand. A slightly larger proportion of them take 1-2 months to fill a position as compared to Australia and New Zealand.

On average, ANZ businesses have more new hires who leave within the first six months or do not pass probation, compared to the UK (**17% vs 14%**). **21%** of Australian and New Zealand businesses have **21-50%** of their new hires leave within the first six months or do not pass probation, compared to hiring leaders in the UK— **21% vs 14%**.

Q THINKING ABOUT THE LAST ROLE YOU/YOUR COMPANY HIRED, HOW LONG DID IT TAKE FOR THE POSITION TO BE FILLED? ● UK ● ANZ

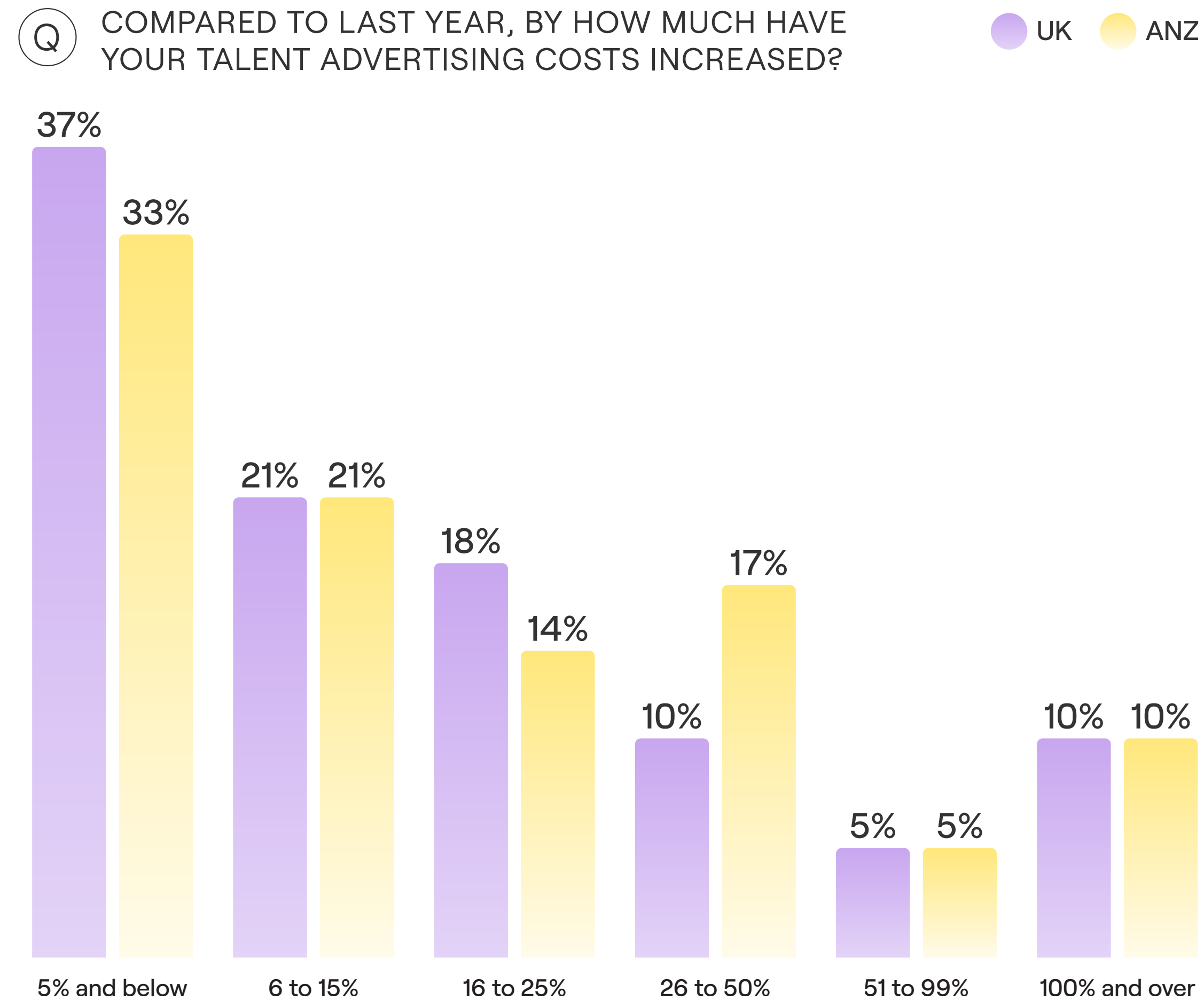
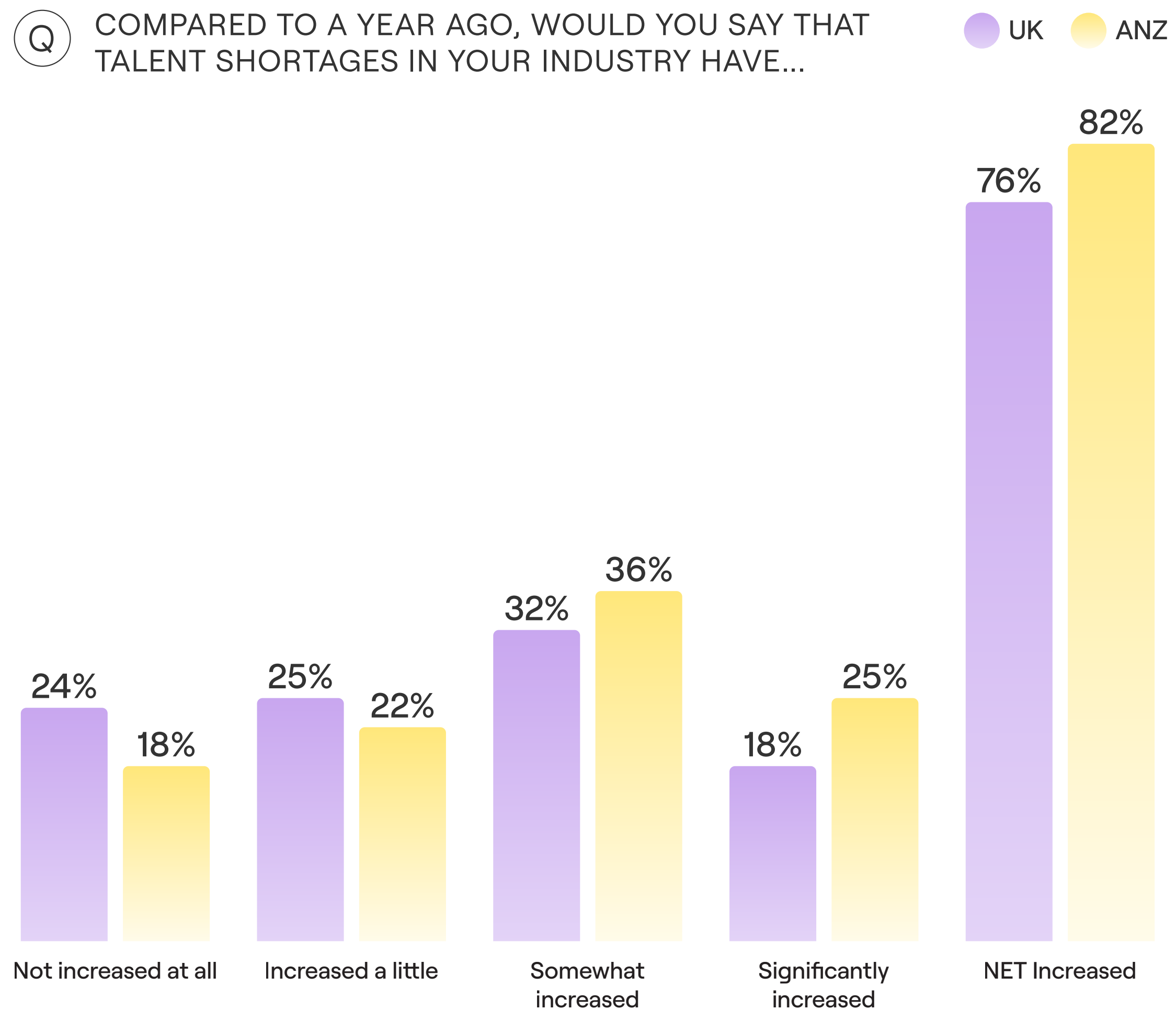


Q ON AVERAGE, WHAT PROPORTION OF YOUR HIRED CANDIDATES LEAVE WITHIN THE FIRST 6 MONTHS OR DO NOT PASS THEIR DESIGNATED PROBATION PERIOD? ● UK ● ANZ



Talent shortages were felt more acutely by hiring leaders in Australia and New Zealand as compared to UK hiring leaders. A total of **82%** said talent shortages have increased in Australia and New Zealand, whereas only **76%** said talent shortages have increased in the UK. In fact, **24%** of hiring leaders in the UK said talent shortages have not increased at all, as compared to **18%** of hiring leaders in Australia and New Zealand.

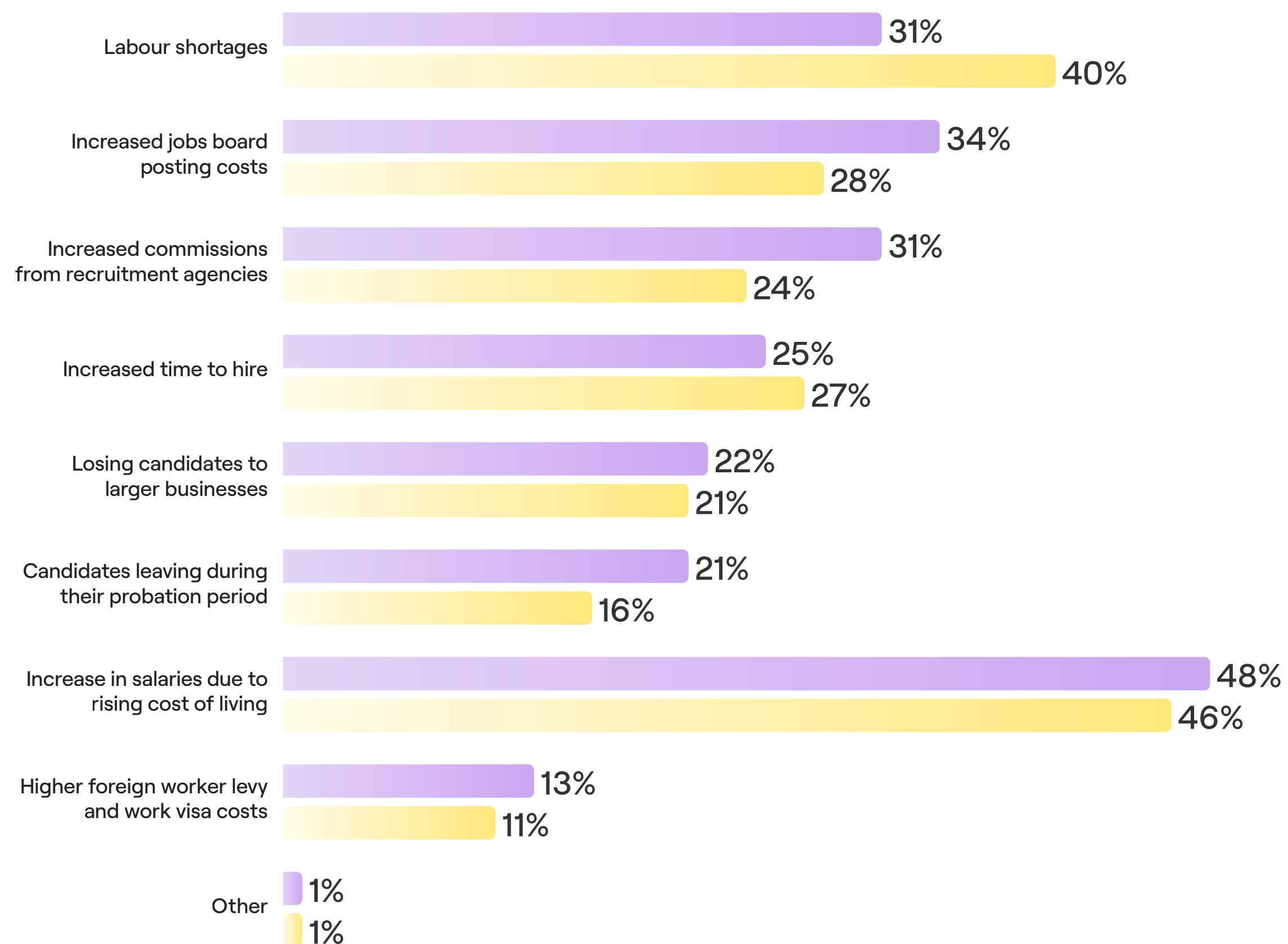
Hiring leaders in Australia and New Zealand felt that their talent advertising costs have increased more significantly compared to hiring leaders in the UK. **17%** of hiring leaders in Australia and New Zealand said talent advertising costs have increased by **26-50%**, whereas only **10%** of hiring leaders in UK said the same.



In terms of the reasons for the increase in hiring costs, the top reason was unanimous across both regions – the increase in salaries due to the rising cost of living. However, hiring leaders in Australia and New Zealand were more likely to be affected by labour shortages than the UK (**40% vs 31%**), while the UK was more affected by increased jobs board posting costs (**34% vs 28%**) and increased commissions from recruitment agencies (**31% vs 24%**) than hiring leaders in Australia and New Zealand.

Q WHAT ARE THE REASONS FOR HIRING COSTS INCREASING?

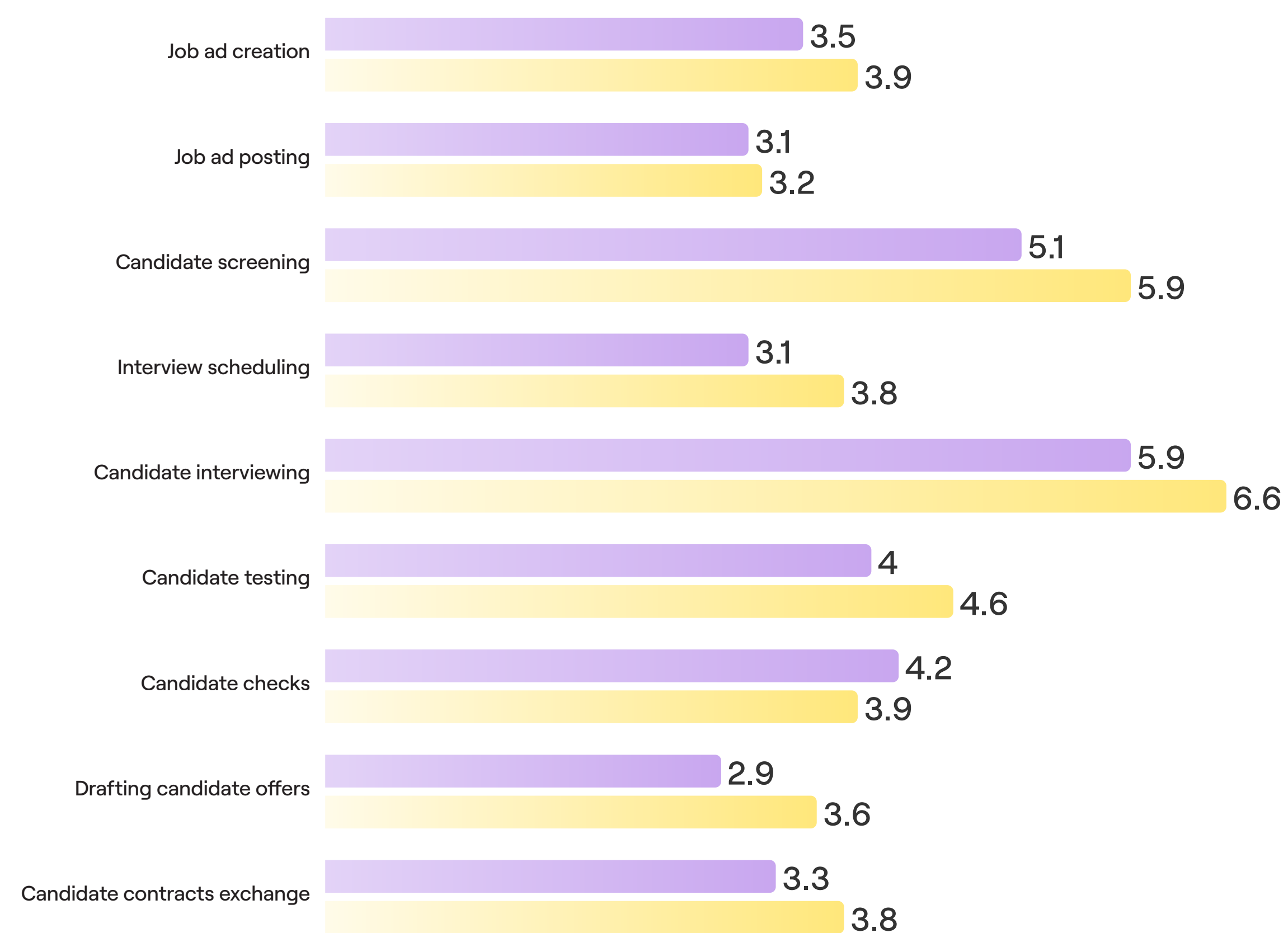
UK ANZ



On average, hiring leaders in Australia and New Zealand spend 4 hours more per week on hiring activities than their UK counterparts. The most significant difference was regards to candidate screening – hiring leaders in Australia and New Zealand spend an average of 6 hours per week on it, whereas UK hiring leaders only spend an average of 5 hours per week on it.

Q HOW MANY HOURS PER WEEK ON AVERAGE DO YOU/ YOUR ORGANISATION SPEND ON EACH OF THE FOLLOWING HIRING ACTIVITIES?

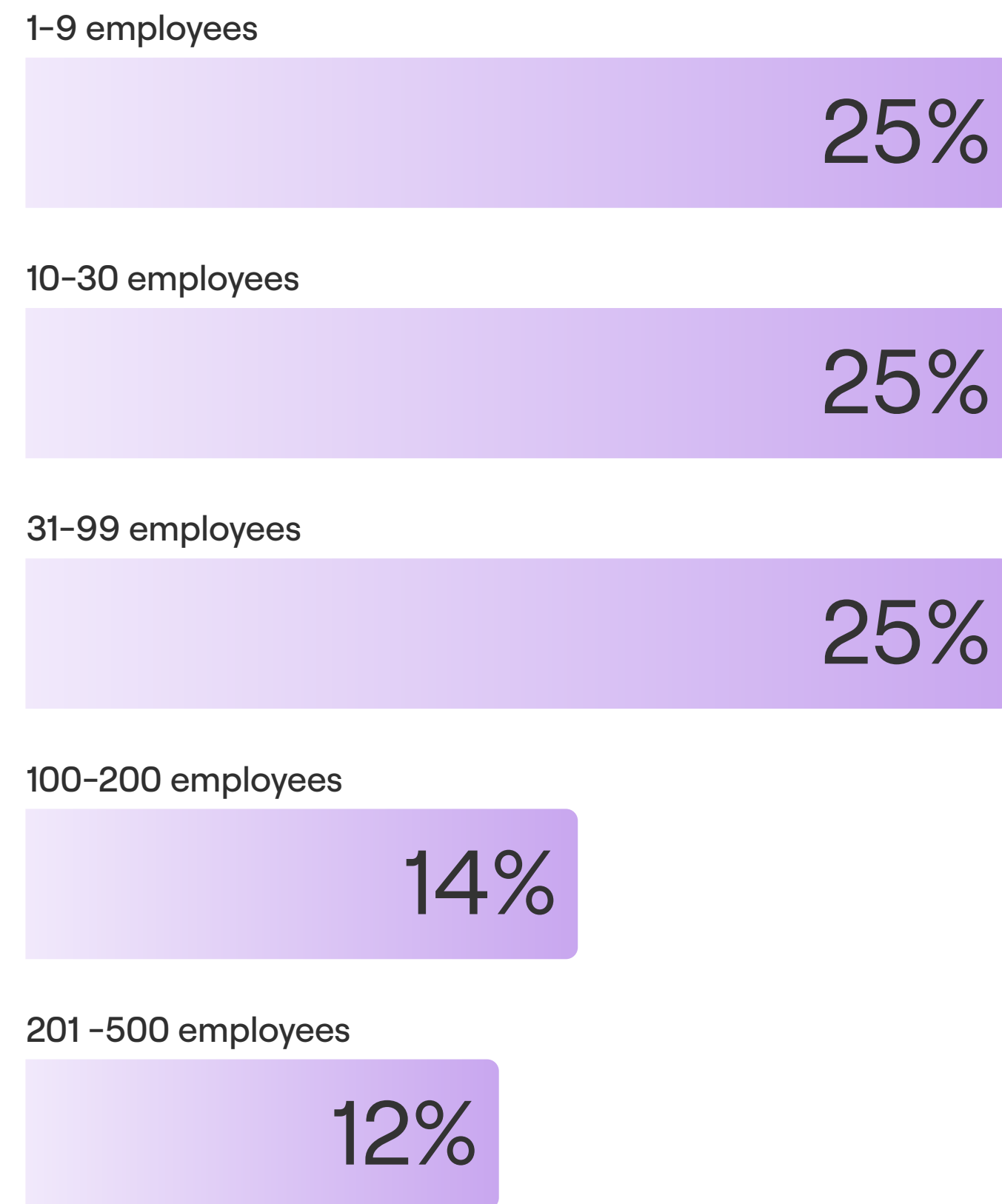
UK ANZ



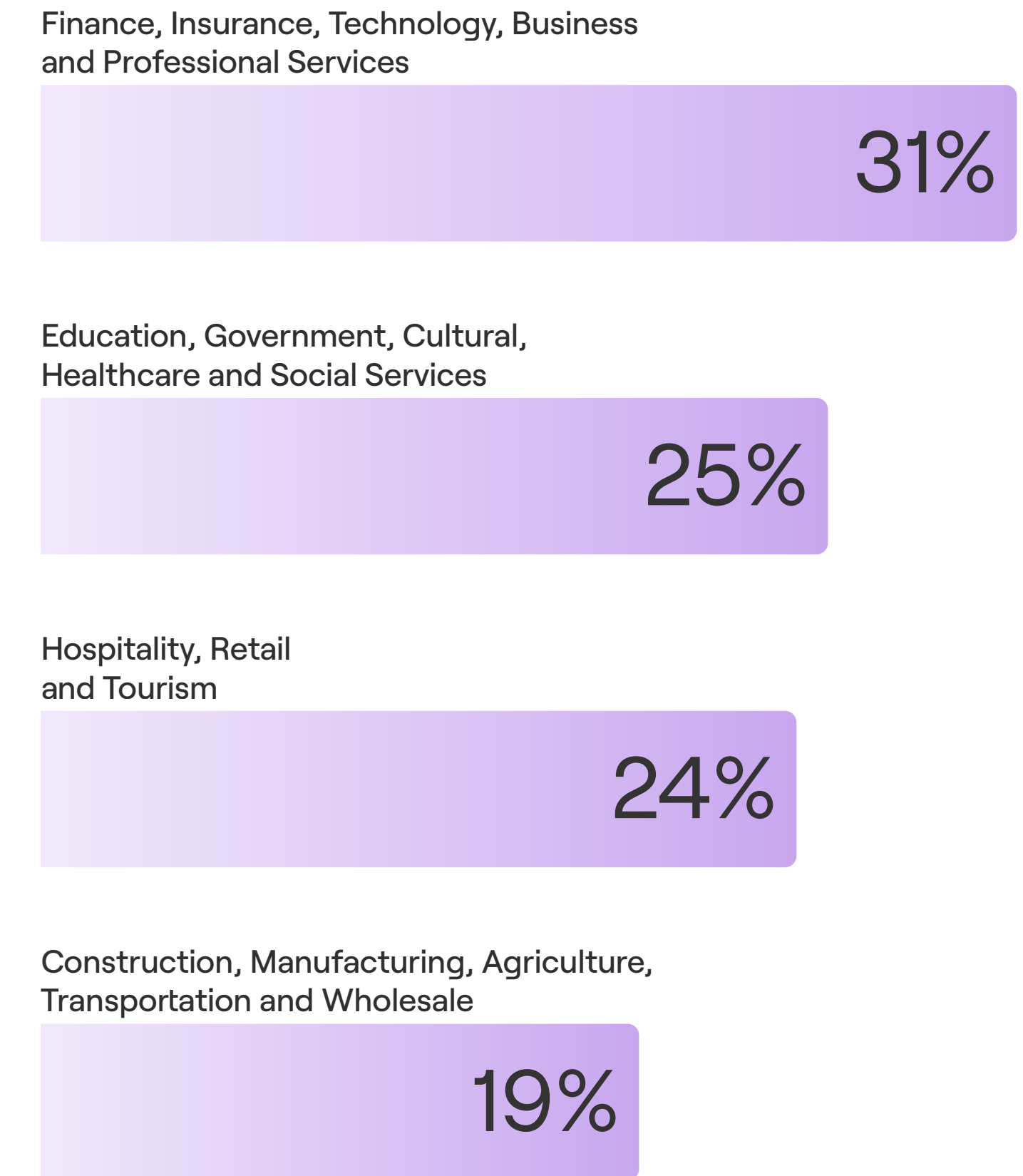
METHODOLOGY AND SAMPLE PROFILE

We carried out quantitative research with **514 business leaders** in the UK. The length of the survey was 3 minutes on average. Respondents were from different organisation sizes and industries. The survey was conducted with the Glow survey platform, using the Dynata B2B panel from 27th to 30th June 2023.

ORGANISATION SIZE SUMMARY



INDUSTRY SUMMARY



About Employment Hero

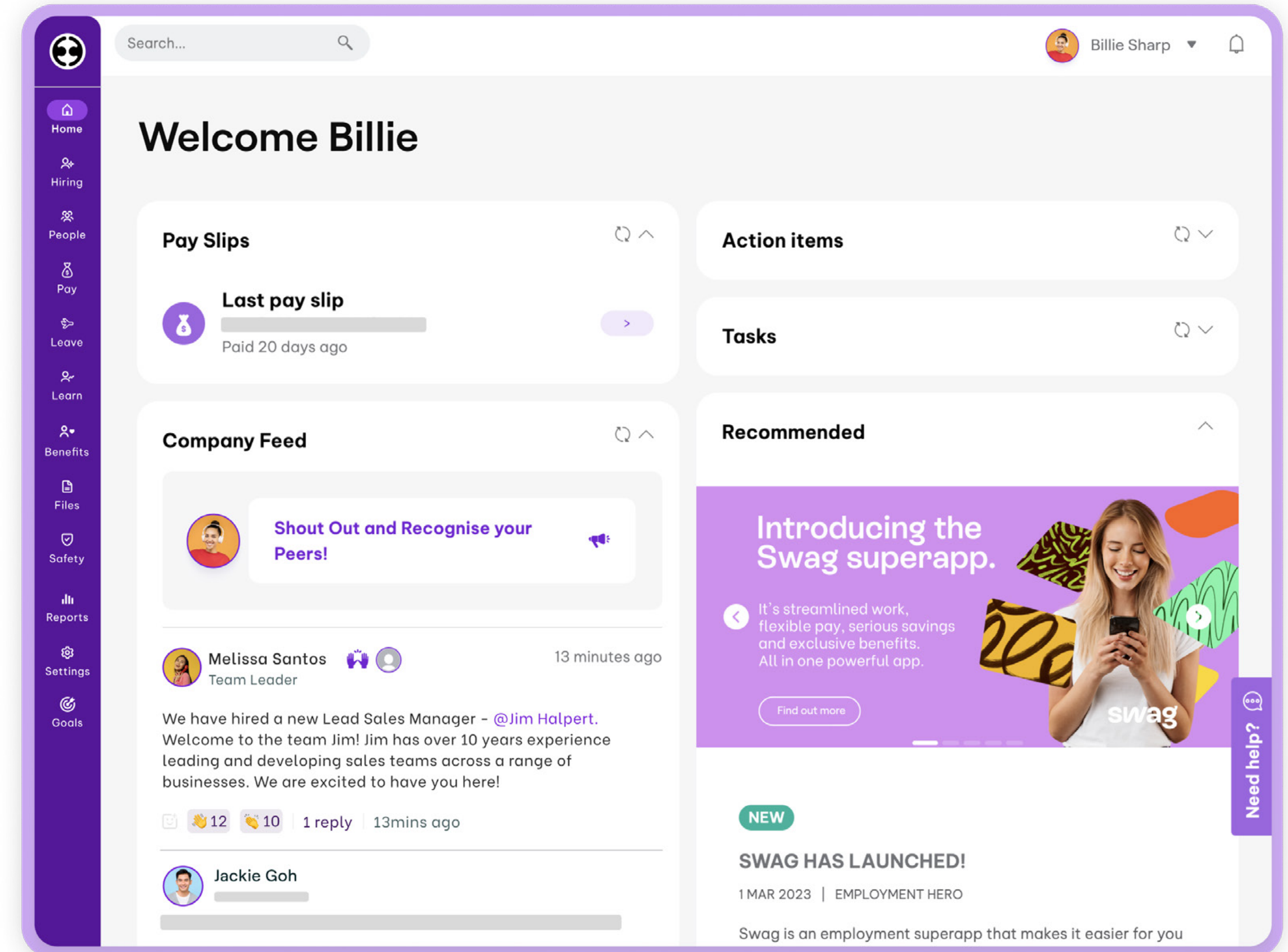
Employment Hero is the smarter way to manage people, payroll and productivity for SMEs with big ambitions.

Employment Hero empowers SMEs by providing automated solutions to help launch them on the path to success by powering more productivity every day.

Employment Hero services over 300,000 businesses, collectively managing over 2 million employees. Employment Hero is launching employers toward their goals, powering more productive teams and taking employment to rewarding new heights.

OUR FEATURES INCLUDE:

- Employee happiness scores
- 1:1s
- Applicant tracking system
- Policy templates
- Recognition
- OKRs (Objectives and Key Results)
- Performance reviews
- Feedback
- Letter templates
- Shout Outs (Peer to peer recognition)
- Custom surveys
- Learning management system (LMS)
- And so much more...



For more information on how we can help transform your business, book a demo today.

[BOOK A DEMO](#)



OF

STATE

RECRUITMENT

employmenthero.com/uk/resources/state-of-recruitment-report

This report was designed with love from the design studio and marketing teams at Employment Hero.