

Season 4 | Episode 5

Hiring trends according to Indeed.com



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Rob Parsons:

Welcome to season four of Paychex PULSE, an HR podcast, where HR professionals can find great insights on today's top issues and be inspired to build and lead effective teams in a healthier workplace. Hi everyone, Rob Parsons here. Welcome to season four of Paychex PULSE and our special series focused on HR technology. Once again, we're joined by Tom Hammond, Vice President of Corporate Strategy and Product Management here at Paychex. Today, Tom will be talking about talent and technology trends with Ricardo Vargas-Lugo, Senior Director, Partnerships and Corporate Developments at Indeed.com. Tom, Ricardo, it's all yours.

Tom Hammond:

Ricardo, great to see you today.

Ricardo Vargas-Lugo:

Thank you for having me, Tom. How are you?

Tom Hammond:

I'm doing great. I'm excited to spend a few minutes talking with you about what's happening in HR and what we're seeing both at Indeed and at Paychex. I think we can both agree that we are seeing trends in the market and particularly in hiring and retaining talent that are somewhat unprecedented. I'm looking forward to dive into what you are specifically seeing, and hearing and sharing what business owners and HR professionals should be thinking about when it comes to talent, and business strategy and what each of us took away from HR tech. We certainly have a lot to talk about. How about we get rolling?

Ricardo Vargas-Lugo:

That sounds great. Looking forward to it.

Tom Hammond:

Yeah, me as well. So Ricardo, let's start a little closer to home. What is Indeed seeing across the hiring market in the U.S. today?

Ricardo Vargas-Lugo:

Yeah, so some of the data that we're seeing is that the job market is still very hot. We're seeing job posting levels that are 50% above, pre-pandemic levels, so that means that there's a lot of jobs posting still happening at Indeed. We actually have about 10 million jobs posted every month at Indeed and about 12 jobs per second worldwide. So, this is telling you that it's not only a U.S. only type of a phenomenon, it's actually happening worldwide. And, the job market is still quite hot. One of the things we're also seeing is that job seekers are actually concerned about inflation. We can deduct that through some of their search behavior on our platform. We've seen that job searches for jobs that pay over \$20 per hour is going up 35% while you see, for example, job searches that are focused on \$15 or less, going 60% below.

Ricardo Vargas-Lugo:

So, that is kind of like a very interesting change year-over-year, and it tells you that job seekers are really, really looking for jobs that pay well and help them support their family. The other thing that I think is also worth mentioning is that while the job market is still hot, we're seeing some gradual slowdown, in terms of how we're seeing job postings coming to the platform. And it's particularly noticeable in the remote, versus non-remote sectors. Actually, remote sectors or remote friendly sectors are seeing a decrease of 6.5% in job posting activity, while the rest of them, the non-remote sectors are flat for the most part in the month of August. So, there's some trends that are indicating that it's starting to cool down in certain areas, but for the most part, we're still at above pre-pandemic levels, which is great for job seekers, a little bit challenging for employers.

Tom Hammond:

Our research is actually showing exactly the same thing, Ricardo. Recruiting and retaining talent is clearly the key focus for HR professionals this year, that was the top feedback that we got from the Pulse of HR 22 survey that we recently completed. Half the respondents basically told us that their organizations are really struggling with hiring and onboarding and retaining their top talent. Our data is also providing good insight that matches what you just described. We're still seeing a significant volume of job openings inside of our base. We're seeing that businesses are able to fill those, but it looks like the increase in average wage per those new job openings continues to tick up.

Tom Hammond:

So, very fascinating to look at this, there's certainly a great deal that we can partner with, and provide to business owners and HR professionals like we're doing today, I'm excited for this. Now obviously, Indeed is a market leader, in fact, three out of four new hires that were generated by our Flex recruiting and applicant tracking offering were sourced from Indeed, so thank you for that on behalf of the Paychex clients. I'm curious to hear how Indeed is thinking about delivering value for business owners and HR professionals. What are you seeing resonate with users and are there any new features or integrations that you're currently exploring?

Ricardo Vargas-Lugo:

Yeah, so the first thing I would say about that is that it Indeed is the place where job seekers are. We have about 250 million job seekers in our platform and we deliver about 16 hires per minute. I think one of the key things that we're trying to build as a company is a comprehensive platform that can actually help businesses hire end-to-end. So we've built a platform that helps you now find, connect, schedule, interview all in the same place, and this is all with the objective of making the hiring process more efficient. The Indeed hiring platform right now automates about 70% of the steps in the recruiting process, which leads to people spending less time necessarily on the process itself and more focused on their day-to-day job in many cases. And so, we think that is delivering a lot of value to customers.

Ricardo Vargas-Lugo:

In terms of how we are also thinking about this when we work with companies like Paychex is, we actually want to meet customers where they are, and if working with a company like Paychex helps those businesses engage with Indeed in a more efficient way, that's something that we want to do. We've actually seen through our

integration with you and your Paychex Flex product, that thousands of small businesses have created accounts since we started working together, and we've seen those businesses 80% of the time or more, they actually post a job into Indeed, so there's clear value in our two companies working together.

Tom Hammond:

There's no doubt, there's great value there. In fact, our additional feedback that I would add on top of that, Ricardo, is that the businesses leveraging Flex and the integration with Indeed are reducing that hiring time by about 26%, so that's a really powerful set of productivity metrics that speak well to both of our organizations, so thank you for that. Now Ricardo, another theme that we're seeing here and I think it also was pretty prominent at HR Tech, is the concept of talent intelligence, kind of simplifying talent intelligence. To me, it's providing HR professionals and people leaders with the data that they need to make better informed recruiting and HR decisions. I read an article recently that said about 22% of organizations have made a bad hire, due to insufficient talent intelligence. It's not that they're opposed to digital transformation, it's more showing that companies are really struggling with looking at the data and turning it into insights to drive a smart decision.

Tom Hammond:

But that may still be challenging for businesses to know where to start when it comes to harnessing and interpreting big data. So, let me tell you a little bit about what we're doing here, we've made some significant investments in analytics over the last year, including our first client-facing predictive analytic. It's something we call Retention Insights. Retention Insights leverages a predictive model that was written by our data scientist team, and it's constantly fed and refreshed with several dozen pieces of information. Those pieces of information are specific to each individual, so we're identifying employees who may be at risk of leaving an organization. We're seeing a pretty decent spike now in the utilization of our Retention Insights, as well as our Total Compensation Summary. The Total Comp Summary provides an employer with another tool to communicate the total investment that they're making in each employee. It includes the employee's salary, the cost of employer provided benefits, like insurance and retirement and items like paid time off and paid leave. Ricardo, can you share how Indeed is thinking about big data and supporting your customers with talent intelligence insights?

Ricardo Vargas-Lugo:

Yeah, thank you, Tom. Yeah, I think it's very interesting because you're focused on retention and I think a lot of the insights that we have are more on the hiring side, so it's a perfect compliment. Look, one of the things or the ways that I think about Indeed, even though it's not like a perfect analogy, is that Indeed is a good representation of the labor economy. We have a lot of job seekers in our platform. We also have all the jobs in our platforms as well, and so we have a lot of information. We actually collect billions of data points around job seekers, what they're searching for, what skills are required in employer postings. And one way in which we make this useful for employers is, for example, in a tool that we've created that is called Hiring Insights. The tool is free at Indeed and anyone can use it.

Ricardo Vargas-Lugo:

You can go in and for example, search for a role, not search for a role and input the role that you're interested in hiring for which location you're interested to hire, and then you'll get a report that includes things like competition. In other words, you're looking at how many job seekers in that specific location are looking for this type of role, How many jobs are there that are actually open for those job seekers, which competitors are looking for the same types of roles, who's bidding in keywords for those types of roles, for example. And you also get trends around how much the demand and supply of labor has changed over time for that specific role in that location.

Ricardo Vargas-Lugo:

And you can build a pretty comprehensive picture of how difficult it will be to hire someone, also helps you a lot in optimizing where to put your ad dollars to work the most efficiently. And this is a way in which you basically take all of those data points that we've built over time, help employers create a strategy around their hiring and get some insights, including things like how much other competitors are paying for the same roles and just be more competitive in the market. So, perfect compliment to what you were saying, but more on the pre-hire side than in post-hire side. And, I think both companies are doing amazing work here.

Tom Hammond:

I really do as well, Ricardo. When I think of Hiring Insights in combination with Retention Insights, we're really providing valuable data analytics that help an organization be ahead of the curve, be proactive, finding what it's going to take to find the right talent, and then making sure that talent is engaged and remains with the client moving forward. That's a really great tool that you have. With the pressure to find the right talent, to hire them quickly and to provide an on... Excuse me, let me start again. With the pressure to find the right talent, to hire them quickly and to provide an onboarding, an ongoing employee experience that retains and develops top talent, it's really no surprise that HR is feeling stressed. Our Pulse of HR highlighted that roughly one in three HR leaders say, "The competitive hiring environment and it's associated high turnover is putting stress on their team members, who are willing and responsible for filling those open positions."

Tom Hammond:

And, it's also adding stress to current employees who are working to compensate for staff shortages. One way HR is taking the strategic lead and integrating their work into a business strategy is to focus on driving efficiency and value for their internal customers. According to a recent report that I read from the Future of HR from Forrester, employees and managers are losing about two to four hours a week on HR tasks. Ricardo, let's spend a few minutes and talk how managers and HR professionals can maximize their own efficiency when it comes to recruiting through Indeed. What's the process like, to post an open role? How much time does it take to get it up and running on average?

Ricardo Vargas-Lugo:

Yeah, so I think I've touched on our conversation a little bit on automation and how we're focusing a lot of our strategy also on making the process simpler, quicker, and more human as well. To post a job at Indeed is actually a pretty easy process, it takes 10 minutes or less. And the platform walks you through the whole process in a pretty seamless way. If you're new to it, it helps you kind of fill out the necessary information. And so, the process itself is not that difficult. What I think is interesting as we're building this end-to-end platform, where you can have not only the job posting, but also all other parts of a recruiting process happen at Indeed, is the efficiency that comes with that. So Indeed hiring platform, we've had a recent case, for example, in which a national retailer was able to hire for about 3,000 open positions across 600 different geographies in one day, and that was using Indeed hiring platform at scale and actually interviewing that amount of people.

Ricardo Vargas-Lugo:

And we do hear from businesses that time is one of the biggest constraints, in terms of them realizing their hiring strategy. So, we think those tools like the ones that we're developing actually can deliver a lot of value to recruiters, a lot of value to job seekers and ultimately to the employers.

Tom Hammond:

Yeah, ultimately to me, it's about the experience providing a really seamless, efficient and simple process for either an HR professional or a prospective employee. So, let's talk about that for a second, Ricardo. Another big trend and focus for HR is the employee experience. At Paychex, we're constantly looking at that. The experience starts with recruiting from our vantage point. We firmly believe that employee engagement starts with a positive candidate experience that promotes efficiency, speed, and simplicity. We take that further though by looking closely at every single step in the employee life cycle, from digital onboarding as a new hire, to maintenance of

your demographic changes, like a change of address, to annual benefit's enrollment, and anything in between. Everything needs to be quick, intuitive, and mobile-enabled. One of the key areas we've invested in is our Flex Time and Attendance modules. We have millions of employees that leverage those multiple times per day, simply to ensure their time is tracked efficiently, which is all in support of getting them paid accurately and timely.

Tom Hammond:

According to our Pulse of HR, chasing down employees time and hours was the number one time consuming HR task. So, we introduced something called Paychex Pre-Check. Pre-Check allows an employee to preview a copy of their gross to net calculations prior to payroll processing. Employees simply have a couple of choices. They used our advanced HR capabilities, they can either confirm the accuracy of the checks or they can report an issue to their supervisor for review. This has driven significant productivity for our clients. In fact, on average, they're saving two to three hours per week leveraging the Pre-Check capability. Ricardo, if we think about that on the candidate side, how are you thinking about evolving that experience? Is there any additional consumer trends that you're seeing that you think have an application into talent recruiting in the candidate experience?

Ricardo Vargas-Lugo:

Yeah, so I think one of the trends that I'm seeing that is really applicable to us is personalization. So it's not necessarily a new trend in tech, but it's one that is perhaps a little bit delayed in HR technology and a focus for our company. Look, our mission at Indeed is helping people get jobs, that's what the company was created for, that's what we do every day. And, we really care about understanding each job seeker as an individual. And, why is this? Because if we understand each job seeker as an individual, we understand their skills, their interests and their experiences, we're better able to match them with jobs in a quickly, efficient, and human way. And I think that, that's really important. Speed is very important. We have a lot of data and research that has been done, in which you can see that if a person in a household is without a job for say three months, 40% will follow below the poverty line.

Ricardo Vargas-Lugo:

So we think that by actually focusing on the job seeker, making that experience more seamless and more automated, we can actually deliver a big amount of value to society, and that's where we are spending a lot of our focus in terms of improving the candidate experience and matching them with relevant jobs that are relevant to them and their situation in a pretty seamless way.

Tom Hammond:

Ricardo, I want to thank you for your time and your perspective today. More so, I want to thank you for your partnership between Indeed and Paychex, I think it is a perfect marriage of two organizations who have a common goal of trying to help business owners drive efficiency and effectiveness into their process and enable individuals to get access to great jobs and to fuel the economy. I continue to look forward to work together to help empower both sides of talent management and to continue to evolve that employee experience. Thanks for your time today.

Ricardo Vargas-Lugo:

Tom, thank you so much for having me. This was really fun and I hope that our companies continue to work together for many years to come. And hopefully, I'll have the opportunity to talk to you again soon. Thank you.

Tom Hammond:

I look forward to that.

Rob Parsons:

Thank you, Tom and Ricardo. So many great data points and great insights, especially around using new tools and big data to drive talent acquisition and the employee experience. So much is happening in this space and it's always great to bring this kind of expertise to our listeners. Be sure to subscribe to this and our Paychex THRIVE Business Podcast on your favorite podcast platform. Looking for more ways to keep your finger on the

pluse of industry dynamics, visit our resource center for the latest research, thought leadership and news at paychex.com/worx, that's W-O-R-X. Thanks again for joining us. Until next time, please stay happy and healthy.

Announcer:

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