Gem

2023 recruiting trends in manufacturing

Talent acquisition teams' pain points, priorities, expectations, and initiatives
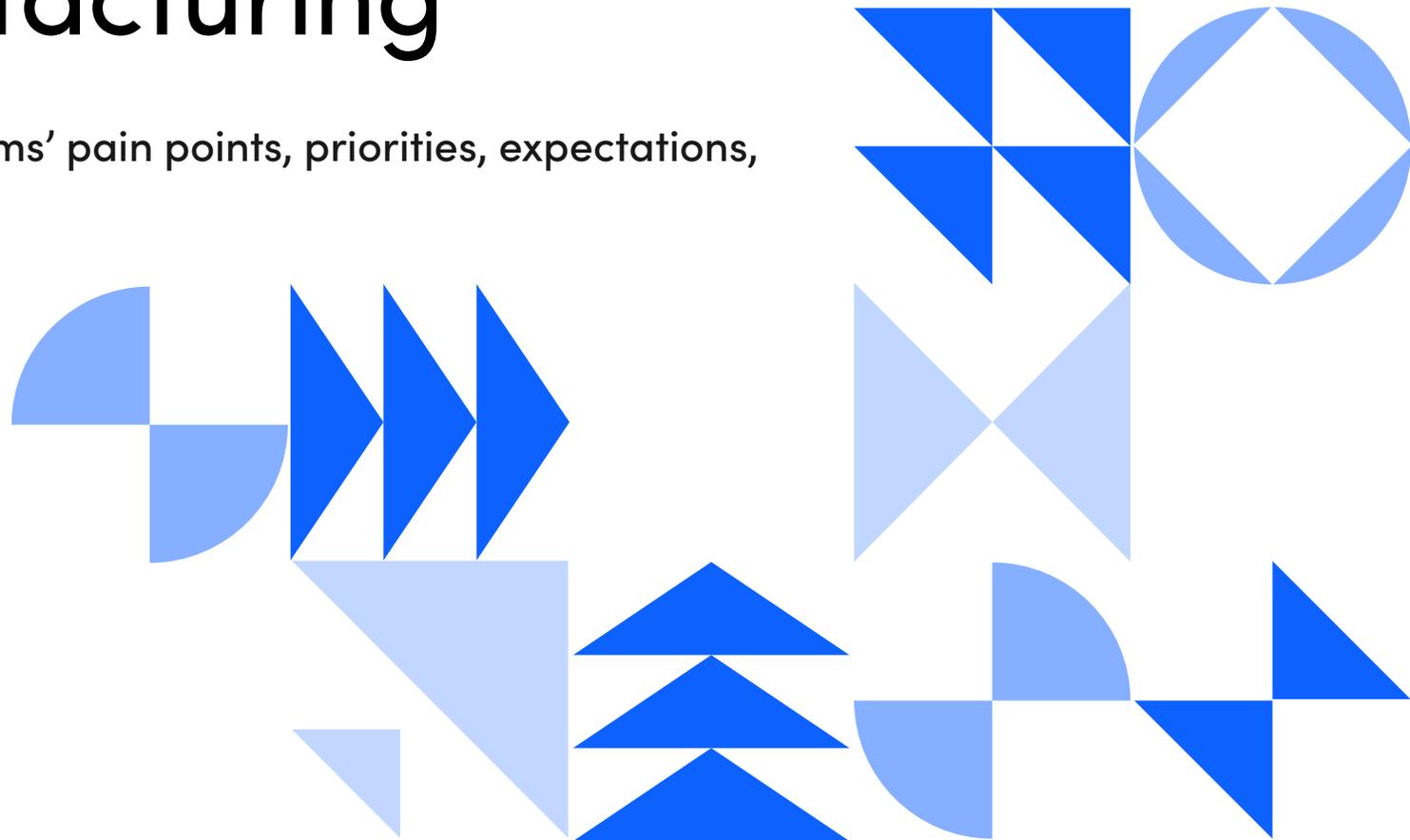
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Introduction

What does the future hold for recruitment in the manufacturing industry? Well, we know a few things. We know there's a shortage of skilled workers: job openings in the industry are hovering near all-time highs at 800,000; and 74% of manufacturing executives say that finding the right talent is a top-5 challenge. We know that recruiting teams struggle with talents' negative perception of the industry: recent surveys suggest that talent isn't aware of the digital transformation the industry has undergone ("Industry 4.0")—let alone the considerable salaries and benefits that manufacturing companies offer.

We know that manufacturers struggle with diversity: women account for less than 1/3 of the manufacturing workforce; and the proportion of Black, Asian, and Latinx employees is even lower. We know that location is a sticking point for many candidates, and so manufacturing companies are taking new shift work approaches and adding fluid shift timings to their employee value propositions (EVPs).

But we wanted to know more. That's why we surveyed nearly 100 talent acquisition professionals in manufacturing as 2022 came to a close: to get a collective sense of pain points, priorities, expectations, and goals; along with a shared sense of what 2023 might have in store. We asked about everything from tech stacks, to headcount plans, to diversity hiring, to employee benefits, to recruiting KPIs. Among the things we learned are:

- How manufacturing teams are using recruiting technology and what data they're tracking

- How TA teams are thinking about diversity initiatives, and what their biggest obstacles are to hitting diversity goals

- Where teams are investing resources when it comes to candidate experience, along with their biggest candidate struggles

- Which recruitment marketing strategies recruiting teams are employing—and which see the best ROI

- What talent teams are laser-focused on in 2023, and where their budget is going

- The recruiting and hiring challenges TA professionals in manufacturing anticipate this year

... and more. We've segmented responses by company size in this report, recognizing that recruiting teams in smaller organizations (1-999 FTEs) and larger organizations (1000+ FTEs) may be having different experiences right now.

We hope this resource helps you better understand the broader manufacturing recruiting landscape, assess your company's place in that landscape, and anticipate what may lie ahead. It's as important as ever to keep a finger on the pulse of the industry. So here's what your peers are thinking about, and what they're up to.

Executive summary: manufacturing

Recruiting team—and overall headcount—growth is expected
Only 3% of respondents expect their recruiting teams to shrink in 2023, while nearly 90% say they expect the recruiting function will either grow or stay the same.

What's more, 86% of talent acquisition professionals at smaller manufacturing organizations and 77% at larger organizations expect *company-wide* headcount increases—whether slight or significant—in 2023. (Only 7% and 10%, respectively, expect decreases.)

Building/strengthening EVPs is the #1 activity talent teams are engaging in in preparation for a market return
Building and/or strengthening their employee value proposition is the #1 activity manufacturing talent teams are engaging in: 45% of respondents say their teams are spending time on EVPs. Checking in with recent hires for retention purposes and data cleanup are also high on the list of downturn priorities. (Meanwhile, 43% of manufacturing companies say they're not experiencing downtime.)

Meeting diversity goals and initiatives continues to be challenging
24% of respondents say they're meeting their diversity goals—meaning 76% of teams see *at least some* struggle in meeting those goals. The biggest barrier for manufacturing companies when it comes to diversity is finding underrepresented talent to begin with (41%), followed by moving underrepresented candidates through the hiring funnel (17%) and retaining them once they're hired (14%).

Retention rate of hire is the #1 data point manufacturing teams are tracking—though source-of-hire is catching up
The top 3 KPIs manufacturing recruiting teams tracked in 2022 were retention rate of hire (61%), time to hire (58%), and source of hire (50%).

In 2023, the top use cases for data will be: to uncover best sources of hire (51%), to report on time-to-hire and cost-per-hire (50%), and to determine the ROI of recruitment marketing initiatives (45%).

"Difficulty finding quality candidates" is the top anticipated challenge of 2023
65% of respondents said finding quality candidates is a current challenge. "Recruiting process delays" is #2, though larger manufacturing organizations are more likely to cite this as a challenge (58% v. 40%). "Difficulty nurturing passive talent" also made the top 3 recruiting challenges—for 48% of smaller manufacturing companies and 24% of larger ones.

Recruitment marketing is a top priority in 2023
Recruitment marketing tools and tech are, by far, the #1 technology recruiting teams in the manufacturing space will invest budget in this year. (Sourcing tools and tech are #2, applicant tracking systems are #3.)

Talent sourcing takes the #1 place in terms of talent team focus
Regardless of company size, "talent sourcing" is the #1 activity respondents said recruiting teams should be focusing on in 2023.
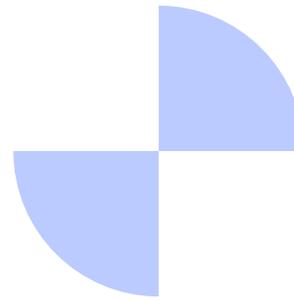
Talent acquisition tech stacks

The applicant tracking system (ATS) is the most common technology used across TA teams in the manufacturing space, regardless of company size: 65% of respondents from larger organizations and 69% of respondents from smaller organizations say they have one in place. From there, there are some considerable differences in the recruiting technologies large and small organizations in the manufacturing space prioritize. Larger organizations are more than 3x likely to use candidate relationship management (CRM) software than smaller manufacturing organizations are (35% v. 10%), for example.

Yet in many areas, smaller organizations have more mature tech stacks than their larger counterparts: they're more likely to use onboarding software (41% to 15%), interview scheduling tools (45% to 30%), recruitment marketing tools (66% to 53%), and sourcing software (41% to 33%). Our best guess is that sourcing software and recruitment marketing technologies see greater use by smaller companies because they don't see the volume of inbound that larger organizations see.
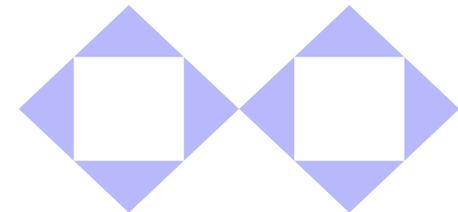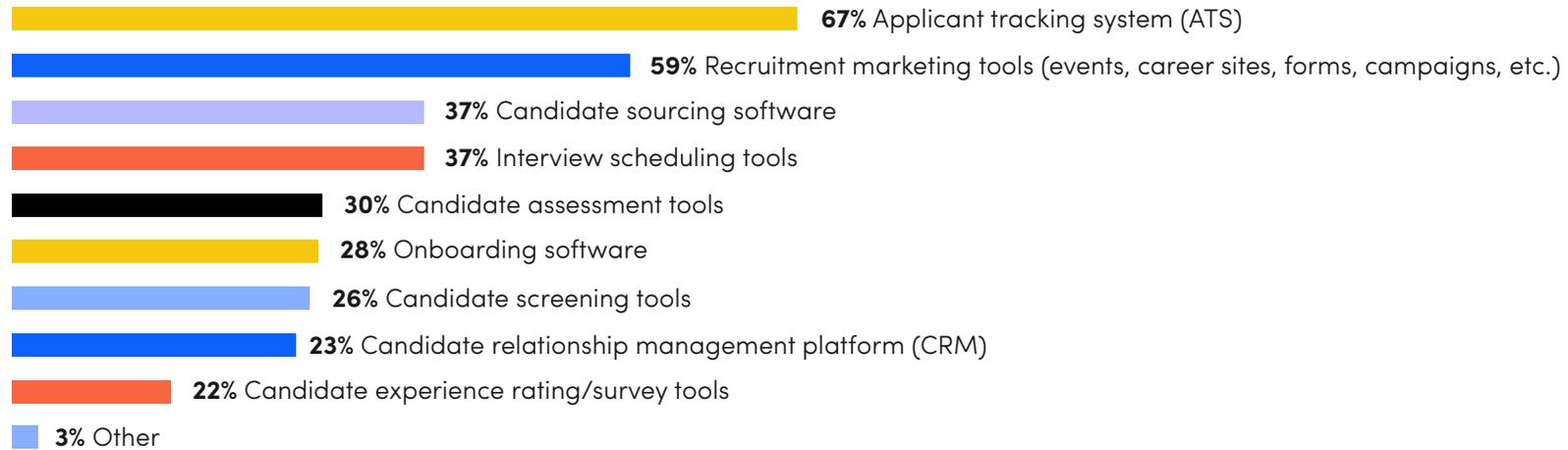
Did you know?

Gem's customers see:

**5x faster sourcing,
2x response rates, and
5x higher passthrough rates**

with our talent engagement platform as their source of truth for hiring.

Is your team engaging in any of the following activities as a response to downtime due to a hiring freeze or slowdown?

67% Applicant tracking system (ATS)

59% Recruitment marketing tools (events, career sites, forms, campaigns, etc.)

37% Candidate sourcing software

37% Interview scheduling tools

30% Candidate assessment tools

28% Onboarding software

26% Candidate screening tools

23% Candidate relationship management platform (CRM)

22% Candidate experience rating/survey tools

3% Other

Executive investment in the TA function

On average, business executives recieved a 6.5 out of 10 when it comes to their investment in the company's recruiting function. Talent acquisition professionals at larger manufacturing organizations perceive their executives as slightly more invested than those at smaller organizations do; but the general sentiment is that there's room to grow when it comes to executives' understanding of how important Talent Acquisition is to business success.
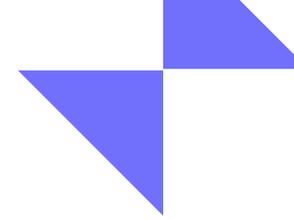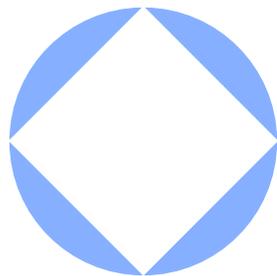
On a scale of 1–10, how deeply invested would you say your executive team is in your organization's recruiting function?

SMALLER ORGANIZATIONS

5.8/10
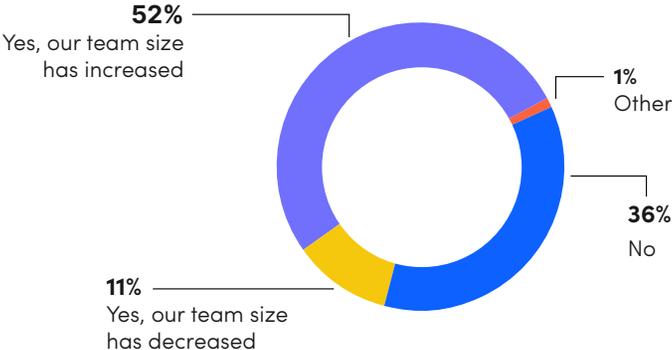
LARGER ORGANIZATIONS

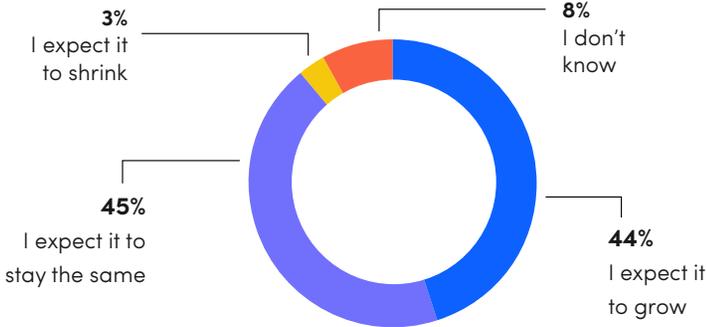## 7.1/10

Recruiting team size: growth or cuts?

In the last half of 2022, 11% of recruiting organizations at manufacturing companies saw reductions in force, regardless of company size. Yet nearly ⅓ of smaller organizations (32%) and nearly ¾ of larger organizations (72%) saw recruiting team *growth*.

The outlook for 2023 is optimistic: only 3% of manufacturing respondents expect their recruiting teams to shrink this year (TA professionals at larger manufacturing companies are more likely to expect reductions), while nearly 90% say they expect Recruiting will either stay the same size or grow in 2023. (Smaller organizations are more likely to expect their teams will stay the same size (64% v. 26%), while larger organizations are more likely to expect talent team growth (59% v. 29%)).

Has the size of your recruiting team changed over the last 6 months?

52%
Yes, our team size has increased

1%
Other

36%
No

11%
Yes, our team size has decreased

How do you expect the size of your recruiting team to change over the next 12 months?

3%
I expect it to shrink

8%
I don't know

45%
I expect it to stay the same

44%
I expect it to grow

Company headcount & talent market outlook

86% of talent acquisition professionals at smaller manufacturing organizations and 77% at larger organizations say they expect company-wide headcount increases—whether slight or significant—in 2023. (Only 7% and 10%, respectively, expect decreases.) These numbers explain why 44% of all respondents expect their recruiting teams to grow this year (see p. 8).

Given that 50% of talent acquisition professionals in the manufacturing space expect there will be more open roles than qualified candidates in 2023, expect a struggle to find talent (again) this year. It's perhaps worth noting that smaller manufacturing companies are more likely to expect more open roles than qualified candidates (58% v. 43%), while respondents at larger companies are more than 2x as likely to expect more qualified candidates than open roles (40% v. 19%).
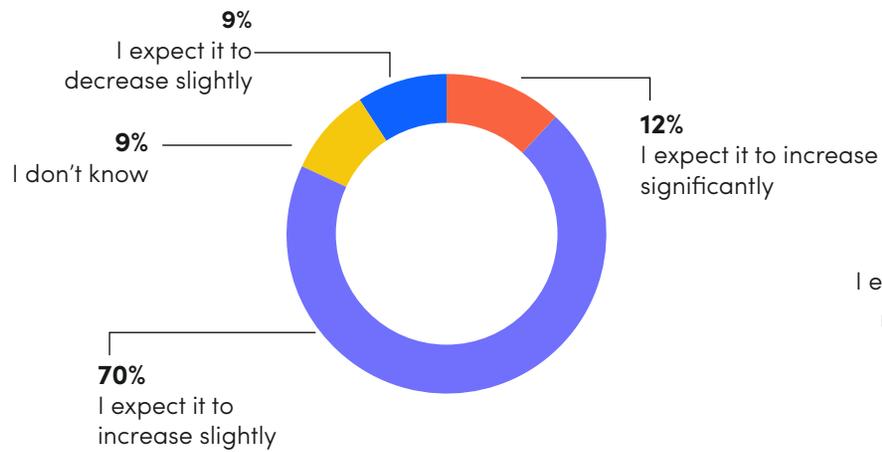
"What we can now show is: 'This is how hard our team is working.' Gem's data is incredibly impactful when it comes to asking for additional headcount or resources. When the company has metrics that show we're outgrowing our business, we're all the more likely to get immediate support."

Jaime Schmitt
Talent Attraction Manager
for North America

Celestica

How do you expect the number of new roles at your organization to change over the next 12 months?

9%
I expect it to decrease slightly

9%
I don't know

12%
I expect it to increase significantly

70%
I expect it to increase slightly

What's your outlook on recruiting for your organization in 2023?

2%
Other

18%
I don't know

30%
I expect us to have more qualified candidates than open roles

50%
I expect us to have more open roles than qualified candidates

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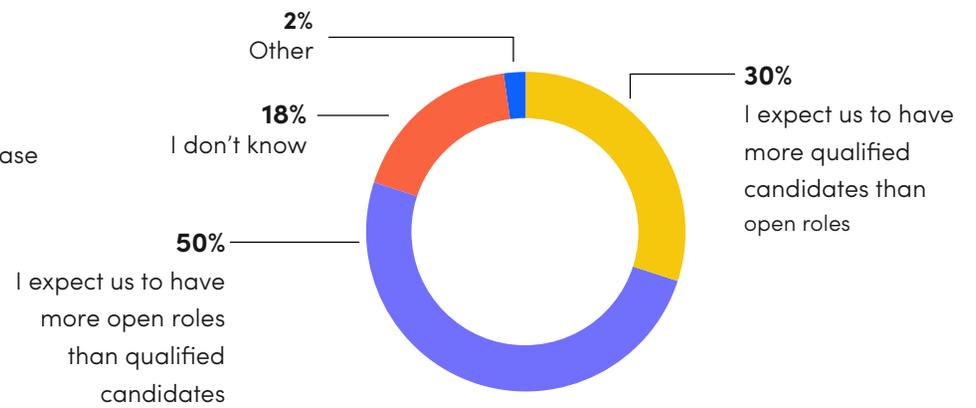
Downtime/downturn priorities & readiness-to-hire

Building and/or strengthening their employee value proposition (EVP) is *the #1 activity* manufacturing talent teams are engaging in, regardless of company size: 45% of respondents say their teams are spending time on EVPs. Checking in with recent hires and data cleanup are also high on the list of downturn priorities: 34% and 32% of teams respectively say they're engaging in these activities. (Meanwhile, 43% of manufacturing companies—50% of smaller orgs and 35% of larger orgs—say they're *not* experiencing downtime.)

Larger organizations are more likely to be evaluating DEI initiatives (38% v. 15%), building talent pipelines (35% v. 23%), and redeploying recruiters to other teams (19% v. 12%). Smaller organizations, on the other hand, are more likely to be checking in with recent hires (46% v. 22%) and investing in recruiter upskilling / L&D (31% v. 14%).

While many manufacturing companies *aren't* experiencing downtime, those that are seem to be using this time wisely—which explains why nearly 90% of teams believe they'll be prepared for a hiring market rebound.
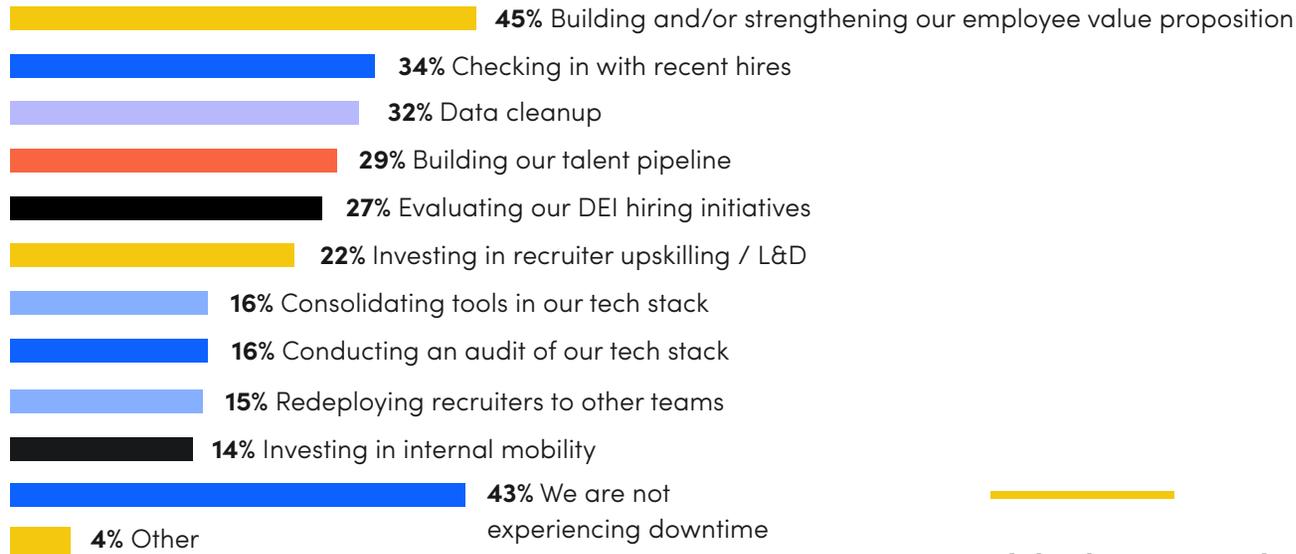
Talent leaders:

Economic downturns are occasions to demonstrate the full value of the talent function and to give it new visibility. Want to know how your peers spend hiring slowdowns?

We've got a **resource for you.**
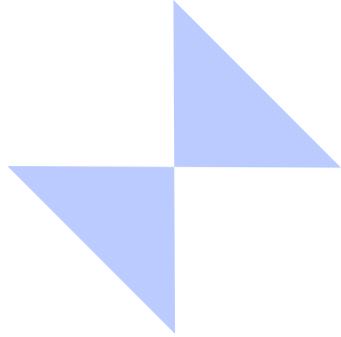
Is your team engaging in any of the following activities as a response to downtime due to a hiring freeze or slowdown?

45% Building and/or strengthening our employee value proposition

34% Checking in with recent hires

32% Data cleanup

29% Building our talent pipeline

27% Evaluating our DEI hiring initiatives

22% Investing in recruiter upskilling / L&D

16% Consolidating tools in our tech stack

16% Conducting an audit of our tech stack

15% Redeploying recruiters to other teams

14% Investing in internal mobility

43% We are not experiencing downtime

4% Other

* Respondents who chose "Other" added activities such as reviewing processes and watching turnover/retention.

If the hiring market were to rebound tomorrow, how prepared do you feel your team would be?

3% Very unprepared

10% Somewhat unprepared

**50%** Somewhat prepared

37% Very prepared
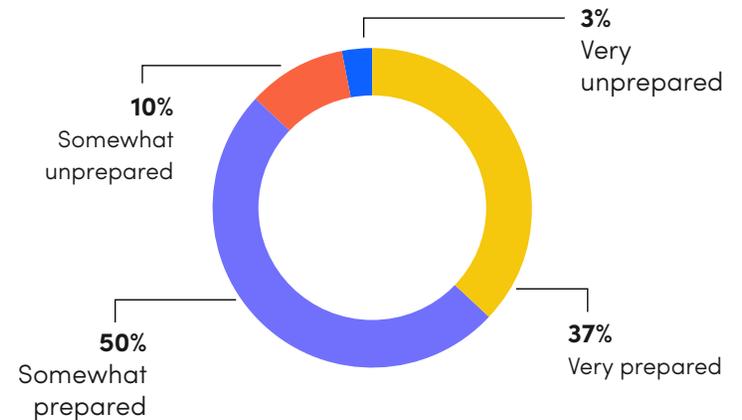
Outbound recruiting

The most mature talent acquisition teams have a TA strategy that considers both active and passive candidates, allowing them to discover the *best* talent, rather than just the best *available* talent. (Want to know why best-in-class companies are sourcing talent? Find out here.) Of course, sourcing is an activity that anyone in your organization can engage in; but dedicated sourcers are specialists in everything from talent market research to Boolean to selling the role in initial reachouts. 28% of respondents in manufacturing organizations say their teams have dedicated sourcers.
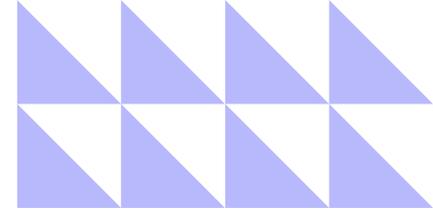
Regardless of whether they have dedicated sourcing roles, the majority of recruiting teams—58% of smaller manufacturing organizations and 68% of larger ones—track data on candidate outreach in order to optimize their messaging efforts.

40% of respondents who track outreach data do so through a solution that tracks the data *for* them. One advantage to automated solutions, of course, is team-wide visibility: sourcers and recruiters can see what messaging from their peers resonates most with passive talent, and develop and share best practices from there. They can also A/B test and track the efficacy of specific strategies—such as sending-on-behalf-of hiring managers or executives.
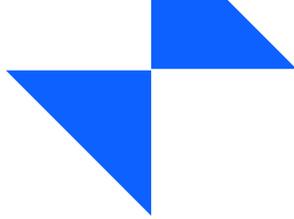
Sourced candidates are 5x more likely to be hired than inbound candidates,

which explains why outbound recruiting is one of the essential things for recruiters to get right. We analyzed about 10 million outreach sequences sent through Gem to bring you The definitive guide for recruiting email outreach. You'll find actionable insights and examples to create successful outreach sequences that help you stay competitive in today's marketplace.

Does your team have dedicated sourcers?

10%
Other

28%
Yes, we have dedicated sourcers

62%
No; our recruiting org is primarily full-cycle recruiters and coordinators
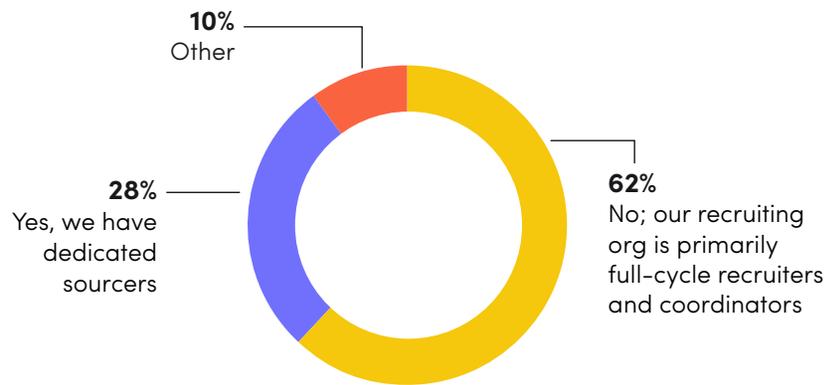
* Respondents who chose "Other" added comments such as: "No, our managers assist in the process"; "Human Resources Specialist"; "Recruiting is handled by HR Ops"; "some agency usage"; "they use temp agencies alot"; and "only recruiters."

Does your team track data on candidate outreach?

5%
Other

22%
Yes, but sourcers and recruiters track their own activity

33%
No

40%
Yes; we use a solution that tracks open rates, click-through rates, reply rates, etc.
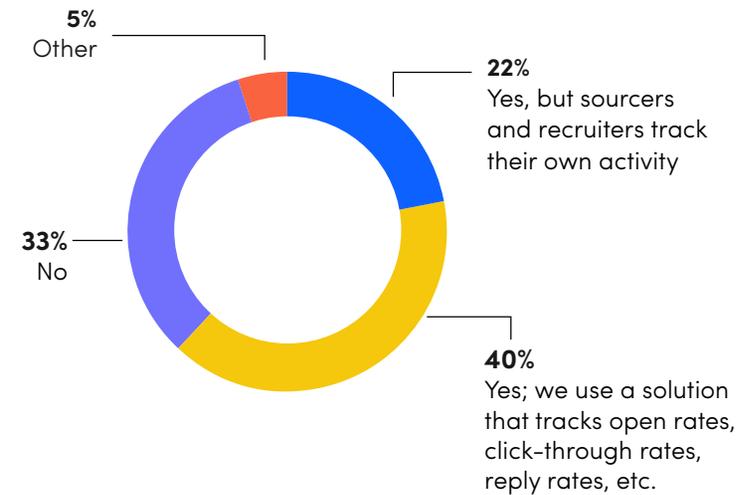
* Respondents who chose "Other" mostly said some version of "I don't know."

Diversity recruiting & hiring initiatives

Over half (54%) of smaller manufacturing organizations and over ⅔ (76%) of larger ones say they have formal diversity hiring initiatives or diversity goals in place. Smaller organizations are more likely (38% v. 8%) not to have any goals *at all*, while larger organizations are more likely—30% more likely—to make these goals public.
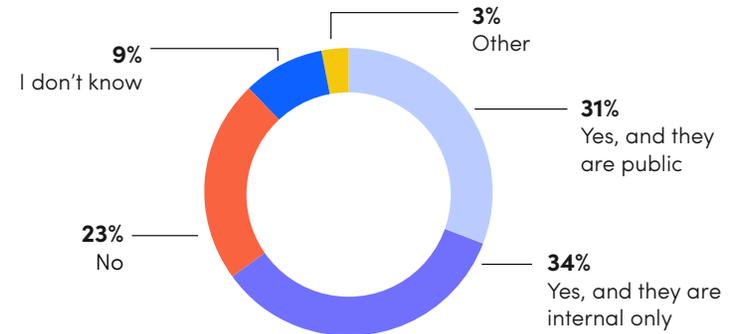
Many of these diversity initiatives take more than gender and racial diversity into account, considering things like age, veteran status, and LGBTQ+ identity.

24% of all respondents, regardless of company size, say they're meeting their diversity goals (here's how many of them are doing it) and not experiencing roadblocks in their diversity initiatives—meaning 76% of teams see *at least some* struggle in meeting those goals. The biggest barrier for organizations when it comes to diversity is finding underrepresented talent to begin with (41%), followed by moving underrepresented candidates through the hiring funnel (17%), and retaining them once they're hired (14%).
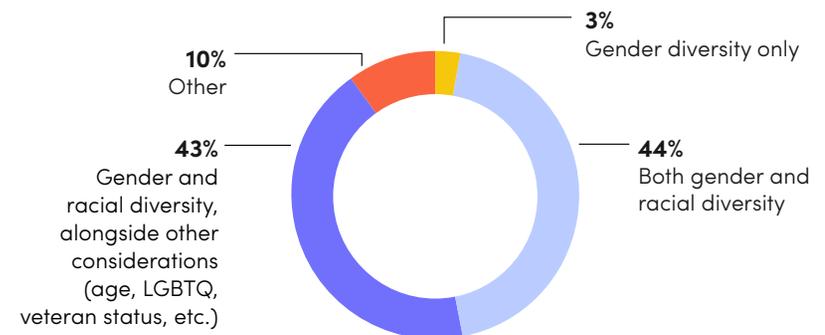
* Respondents who chose "Other" added comments such as "currently creating DE&I strategy
  & goals" and "we don't have a formal diversity hiring initiative but we are always open to all
  kinds of diversity."

* Most respondents who chose "Other" did so because their organizations do not have
  diversity goals in place, or because they don't know what those diversity initiatives entail.

Does your team have a formal diversity hiring initiative or diversity goals in place?

- 3% Other
- 31% Yes, and they are public
- 34% Yes, and they are internal only
- 23% No
- 9% I don't know

If so, what is included in your diversity hiring initiative?

- 3% Gender diversity only
- 44% Both gender and racial diversity
- 43% Gender and racial diversity, alongside other considerations (age, LGBTQ, veteran status, etc.)
- 10% Other
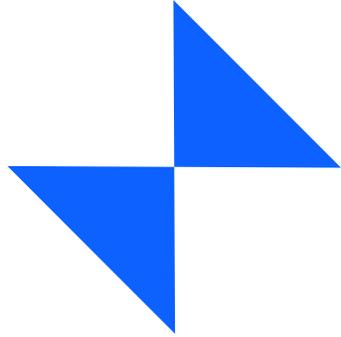
What would you say are your biggest barriers to improving diversity?

41% Finding underrepresented talent

17% Moving underrepresented candidates through our hiring funnel

14% Retaining underrepresented employees

7% Getting underrepresented candidates to accept our offer

21% We're not tracking diversity, so I don't know

24% We're not experiencing any barriers, and we're meeting our diversity goals
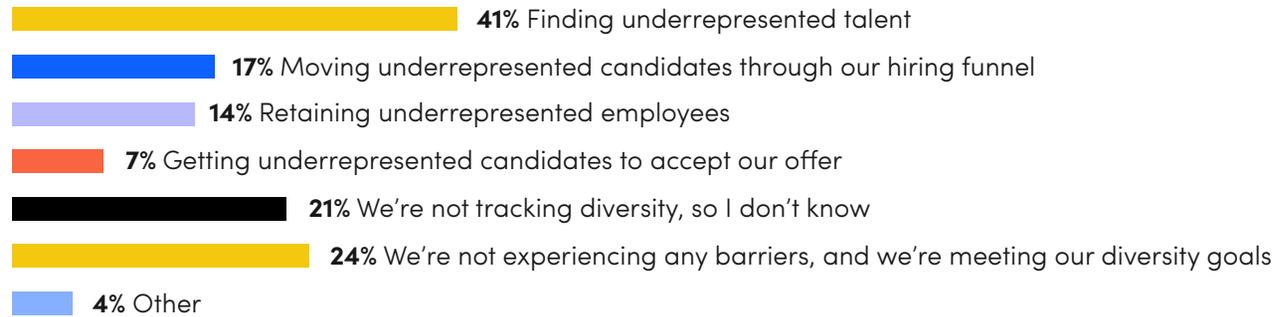
4% Other

* Respondents who chose "Other" mostly said some version of "I don't know."
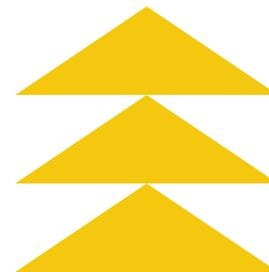
Employee value propositions, benefits, & compensation

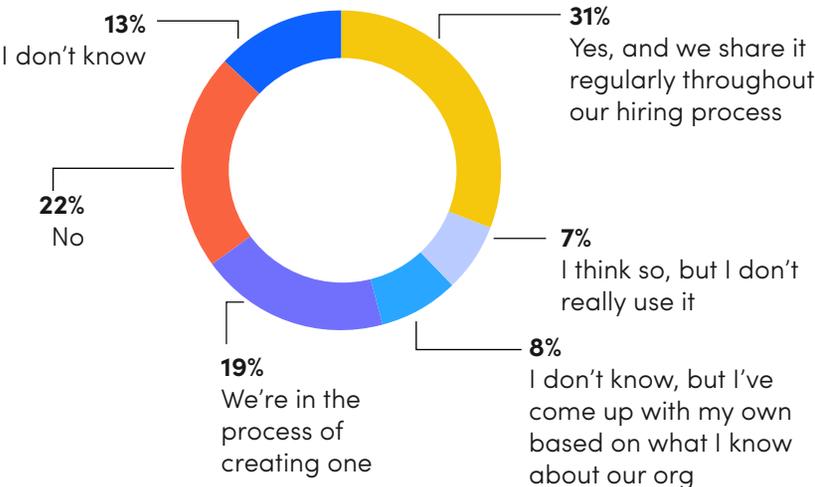An employee value proposition (EVP) is the unique set of benefits employees receive in return for the skills, experience, and other contributions they bring to your company to help it succeed. One half (50%) of respondents at larger manufacturing organizations and only around ⅓ (31%) of those at smaller manufacturing organizations say their company has a formalized EVP in place. But over the last 12 months, many organizations seem to have recognized the importance of a coherent and consistent story about the value their company offers to talent—19% of them have begun formalizing EVPs in that time.
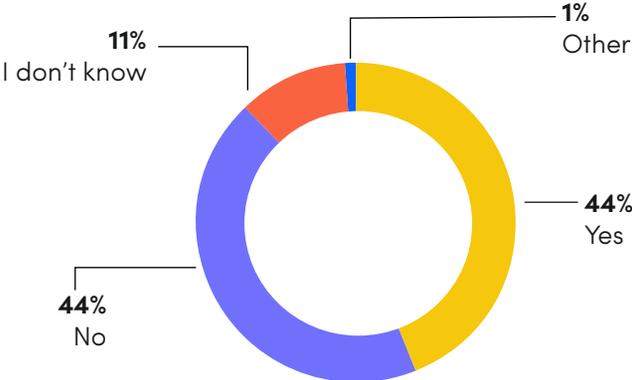
The other good news is that many manufacturing organizations have been reflecting upon the benefits they offer: 44% say their organizations introduced new employee benefits in 2022. Flexible work schedules (36%), mental health benefits (34%), and allowing employees to choose where they work (29%) were the most common benefits added last year. (Larger manufacturing companies are much more likely to have allowed employees to choose where they work (45% v. 12%), while smaller organizations are more likely to have added PTO days (18% v. 9%) and childcare assistance (12% v. 0%)).

Finally, 78% of smaller organizations and 57% of larger organizations in the manufacturing space say their salary offers increased in 2022. (While salary is only a fraction of what makes up an EVP, it's certainly a crucial part!)

Does your organization have a formalized employee value proposition (EVP)?

13%
I don't know

22%
No

19%
We're in the process of creating one

8%
I don't know, but I've come up with my own based on what I know about our org

7%
I think so, but I don't really use it

31%
Yes, and we share it regularly throughout our hiring process

Has your org changed its employee value proposition or introduced new employee benefits in the last 12 months?

11%
I don't know

1%
Other

44%
Yes

44%
No

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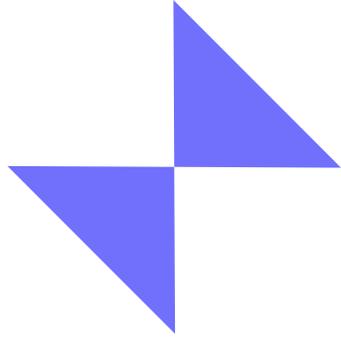
If so, what did those include?

36% Flexible work schedules

34% Mental health benefits

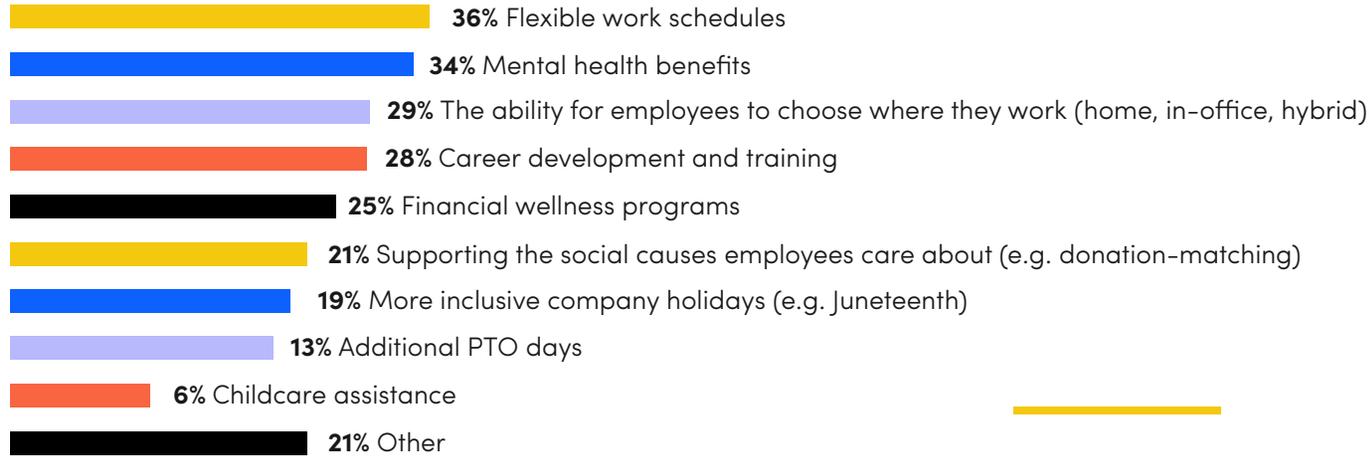**29%** The ability for employees to choose where they work (home, in-office, hybrid)

28% Career development and training

25% Financial wellness programs

21% Supporting the social causes employees care about (e.g. donation-matching)

19% More inclusive company holidays (e.g. Juneteenth)

13% Additional PTO days

6% Childcare assistance

21% Other
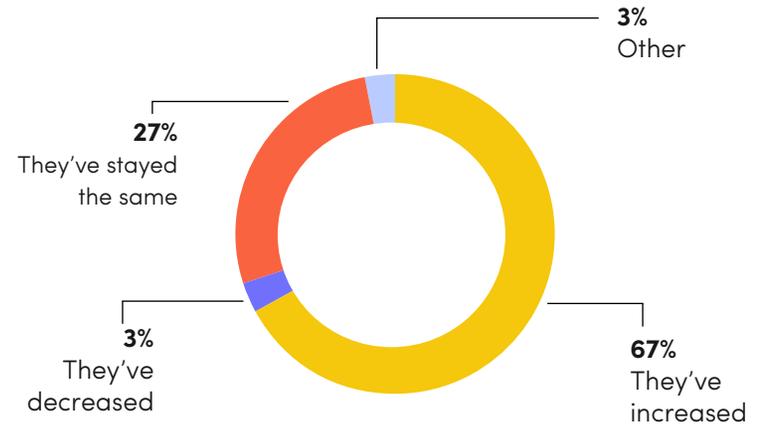
* Most respondents who chose "Other" said "none"; others added changes such as attendance bonus incentives; changes to medical, dental, and 401k plans; and moving hourly employees to weekly pay.

On average, how have your salary offers changed over the last 12 months?

3%
Other

27%
They've stayed
the same

3%
They've
decreased

67%
They've
increased

* The majority of respondents who chose "Other" said they don't know. Others said the answer was role-dependent.

Data-driven recruiting

The top 3 KPIs manufacturing recruiting teams currently track are: retention rate of hire (61% of teams track this), time to hire (58% of teams track this), and source of hire (50% of teams track this). For the most part, larger organizations are more likely to track *most* KPIs than smaller orgs are: time to hire (68% v. 48%), recruiter workload (41% v. 24%), interviewer workload (29% v. 12%), and quality of hire (44% v. 32%), for example. One exception is offer rejection reasons—smaller organizations are more likely to track this metric.
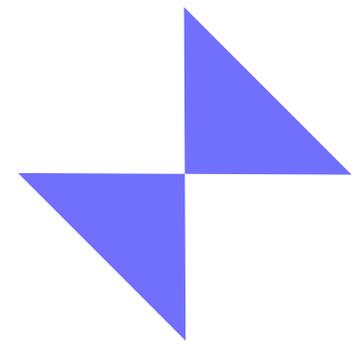
Looking ahead to 2023, the top 3 use cases for data will be similar to teams' current top KPIs: 51% of manufacturing teams will use data to uncover best sources of hire; 50% will use data to report on time-to-hire and cost-per-hire; and 45% will use data to determine the ROI of their recruitment marketing initiatives. Smaller manufacturing orgs are more likely to say they'll use data to determine best source of hire (60% v. 42%), to identify bottlenecks in the pipeline (44% v. 30%), and to know where to invest their resources (40% v. 21%).

When we asked how important data will be in 2023 on a scale of 1–10, recruiting professionals gave it a 6.9 out of 10.
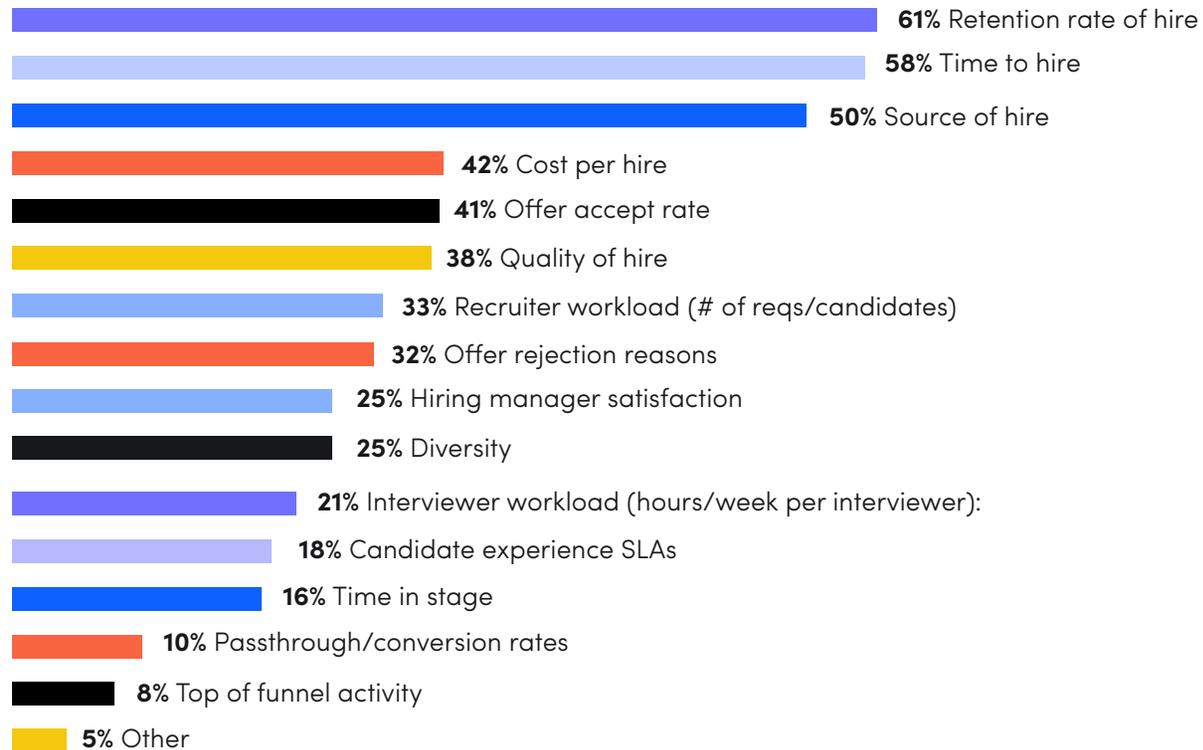
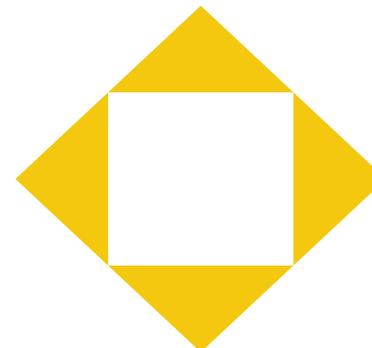**Talent leaders:**
Need a crash course in recruiting metrics?

Our Talent leader's guide to reporting covers what each of your stakeholders wants to know about recruiting productivity, what metrics to report to C-levels versus ICs and hiring managers, and other best practices for using recruiting reporting to prove the ROI of talent acquisition.

What recruiting KPIs do you currently track?

61% Retention rate of hire

58% Time to hire

50% Source of hire

42% Cost per hire

41% Offer accept rate

38% Quality of hire

33% Recruiter workload (# of reqs/candidates)

32% Offer rejection reasons

25% Hiring manager satisfaction

25% Diversity

21% Interviewer workload (hours/week per interviewer):

18% Candidate experience SLAs

16% Time in stage

10% Passthrough/conversion rates

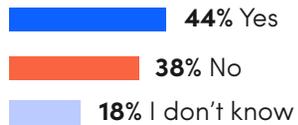**8%** Top of funnel activity

5% Other

* The majority of respondents who chose "Other" said either "none," or they don't know.

Do you currently use data to:

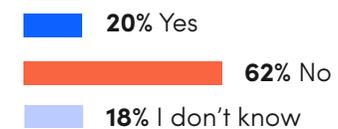### Track sourcer/recruiter activity at the top of the funnel?

44% Yes
38% No
18% I don't know

Forecast hires, capacity plan, and plan for resource allocation?

58% Yes
32% No
10% I don't know
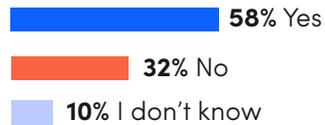
Track career/micro site conversions and efficacy?

20% Yes
62% No
18% I don't know

Track passthrough rates to identify bottlenecks?

41% Yes
45% No
14% I don't know
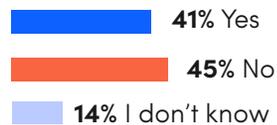
Track cost per application or cost per hire?

46% Yes
44% No
10% I don't know
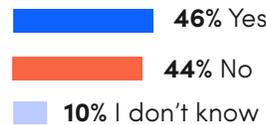
Assess recruitment marketing ROI/ attribution?

44% Yes
41% No
15% I don't know
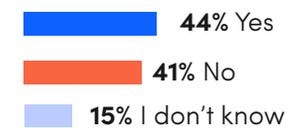
Track recruiting team workload?

59% Yes
32% No
9% I don't know
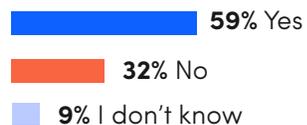
Track interviewer and hiring manager workload?

30% Yes
61% No
9% I don't know
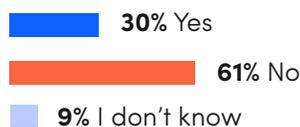
Do you bring data to your leaders or execs regularly?

66% Yes
25% No
7% I don't know
2% N/A (I AM the exec)
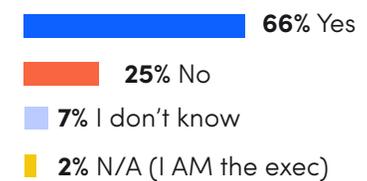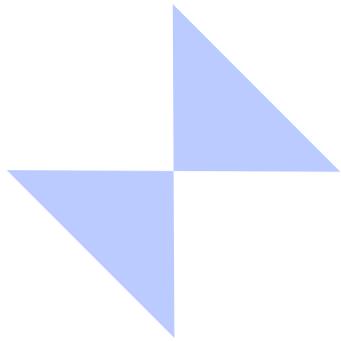
How do you plan to use data in 2023?

51% To uncover best sources of hire

50% To report on time-to-hire, cost-per-hire, etc.

45% To determine the ROI of recruitment marketing initiatives

44% To track passive candidate outreach (open rates, click-through rates, etc.)

43% To forecast hiring

43% To track recruiter performance

40% To track diversity hiring

37% To identify bottlenecks in the pipeline

35% To report the business impact of the recruiting function

35% To determine the ROI of our recruiting tools

32% To justify/ask for more resources

31% To know where to invest resources

21% For capacity planning

16% To check unconscious bias

9% All of the above (We're a data MACHINE!)

5% Other

* The majority of respondents who chose "Other" said they don't track any of the above.

"With Gem, we can tell our internal customers, with a great deal of certainty: 'Based on historical data for similar roles, we'll likely have this role filled for you in 40 days.'"

Jaime Schmitt

Talent Attraction Manager for North America

Celestica™

"We're a data-driven organization: when we set expectations and have the data to back them up, we typically not only meet those goals, but can also stretch ourselves from a goal-setting perspective. Gem gives us everything from passthrough rates, to best source of hire, to the ability to see how we're growing the top-of-funnel through outreach sequences. Seeing that data in real-time helps us to benchmark. *Now* I can start setting expectations with recruiters that historically I haven't been able to before."

Director, Global HR Operations & Talent Management @ a Global Automative Parts Manufacturer

On a scale of 1-10, how important will data be for recruiting in 2023?
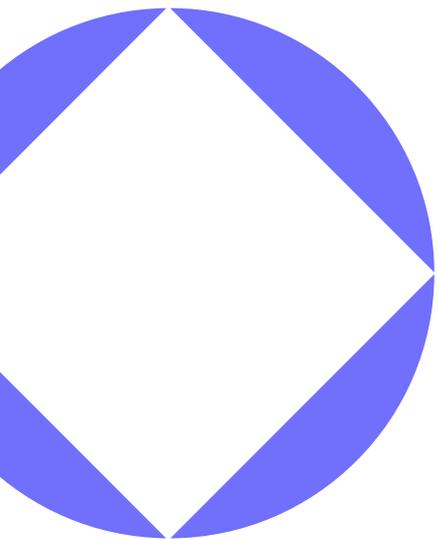
SMALLER ORGANIZATIONS

6.3/10

LARGER ORGANIZATIONS

7.4/10

Obstacles to hitting hiring goals

"Difficulty finding quality candidates" was the top challenge of 2022 for talent acquisition professionals in manufacturing: 65% of respondents (76% from smaller organizations and 55% of from larger organizations) said finding quality candidates was a challenge. "Recruiting process delays" was number 2, though larger manufacturing organizations were more likely to cite this as a challenge (58% v. 40%). "Difficulty nurturing passive talent" was also among the top-3 recruiting challenges for organizations—for 48% of smaller manufacturing companies, and for 24% of larger ones.

Challenges #4 and #5 were more felt by smaller manufacturing orgs than by larger ones: "lack of budget/resources" (40% v. 27%) and "weak talent/employer brand" (44% v. 21%).

What challenges are you currently facing that impact your ability to hit hiring goals?

65% Difficulty finding quality candidates

49% Recruiting process delays

36% Difficulty nurturing passive talent

34% Lack of budget/resources

33% Weak talent/employer brand

28% Lack of data (best source of hire, funnel analytics, forecasting, etc.)

25% Uncompetitive offers

18% Lack of involvement from hiring managers

17% Lack of headcount

15% Lack of access to recruiting tech

14% Improper adoption of recruiting tech

7% No (or weak) referral programs

6% We are not experiencing any challenges in hitting hiring goals

8% Other

* Most respondents who chose "Other" said they did not know. Others added comments such as:
  "lengthy hiring process"; "location and on-site policy"; and "lack of budget."
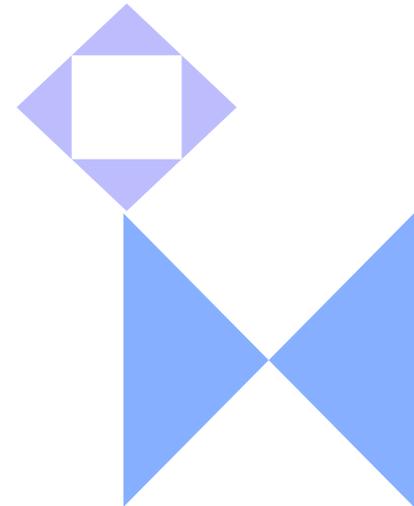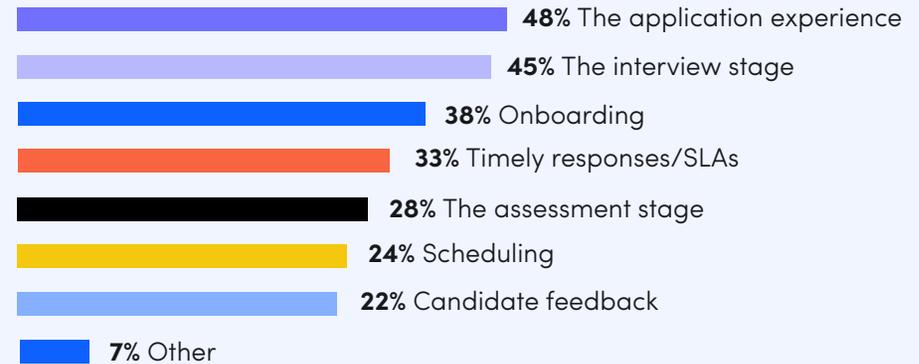
Candidate experience & candidate struggles

While smaller manufacturing teams were more likely to have invested resources at the interview (54% v. 36%), scheduling (29% v. 18%), and onboarding (42% v. 33%) stages of the candidate journey last year, larger organizations were more likely to have focused on SLAs (45% v. 21%) and the application experience (58% v. 38%). In aggregate, manufacturing teams invested *most* in the application experience, interview stage, and onboarding stage when it came to candidate experience last year. (If you're still figuring out how to up your application game, check out our Recruiter's guide to reviewing inbound applications.)

The top 2 rejection reasons from candidates are that they have better offers elsewhere and that compensation is too low (46% each). Smaller manufacturing organizations are more likely to hear "not enough flexibility" (48% v. 27%), "concerns about culture" (24% v. 3%), and "concerns about career path" (28% v. 18%) as candidate rejection reasons.

Manufacturing organizations' biggest struggle with candidates is finding them (51%). Once they've found them, getting ghosted is the second-biggest struggle (47%). Smaller manufacturing companies have a more difficult time finding candidates than their larger counterparts do (60% v. 42%). Larger companies, on the other hand, struggle more with competing offers (42% v. 24%) and candidates' willingness to relocate (45% v. 28%).

When it comes to candidate experience, where did your team invest its resources in 2022?

- **48%** The application experience
- **45%** The interview stage
- **38%** Onboarding
- **33%** Timely responses/SLAs
- **28%** The assessment stage
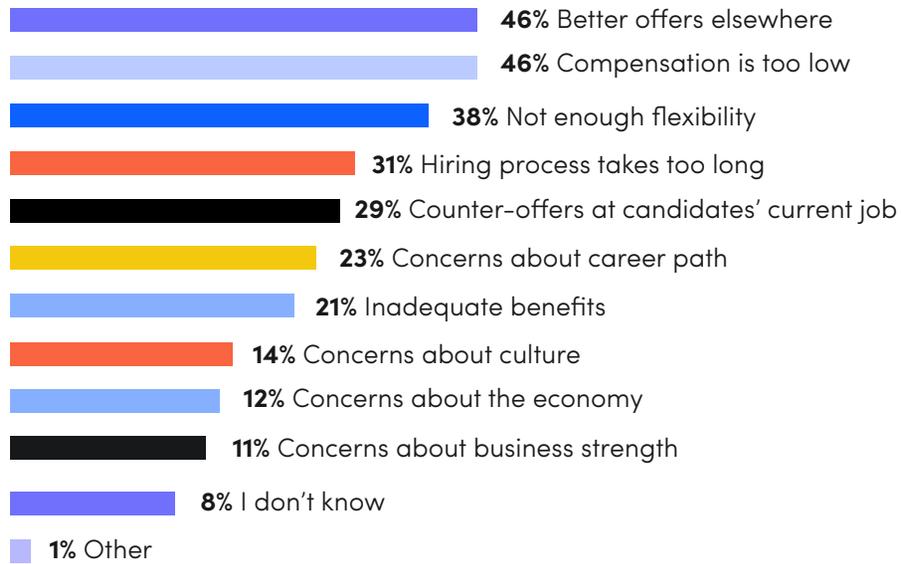- **24%** Scheduling
- **22%** Candidate feedback
- **7%** Other

* The majority of respondents who chose "Other" said some version of "I don't know" or "N/A: our company invests very little in recruiting resources."

What is/are your biggest struggle/s with candidates?

- **51%** Finding them
- **47%** Ghosting
- **37%** Getting them interested and engaged
- **37%** Willingness to relocate
- **33%** Competing offers
- **28%** Having them pass our interview process
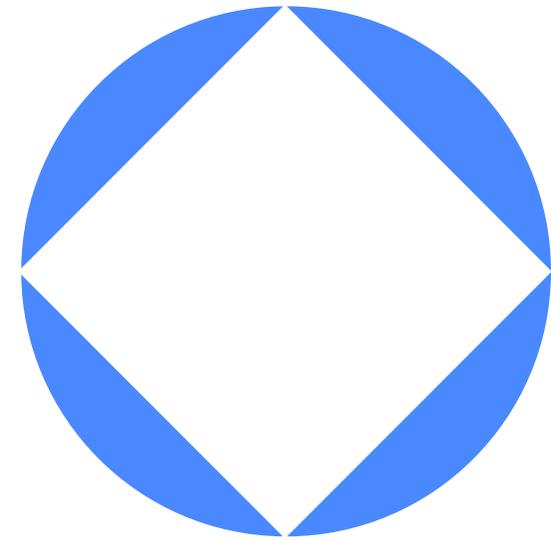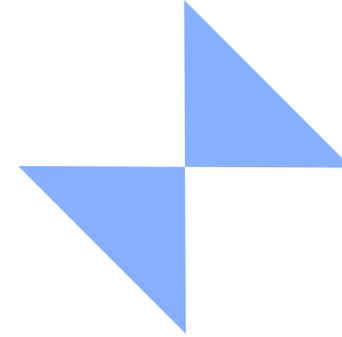- **3%** Other

* Beyond "I don't know," respondents who chose "Other" added comments such as "having the skill sets necessary"; "our location is inconvenient"; and "we do not offer relocation costs."

What are the most common reasons candidates give for rejecting job offers at your org?

46% Better offers elsewhere

46% Compensation is too low

38% Not enough flexibility

31% Hiring process takes too long

29% Counter-offers at candidates' current job

23% Concerns about career path

21% Inadequate benefits

14% Concerns about culture

12% Concerns about the economy

11% Concerns about business strength

8% I don't know

1% Other

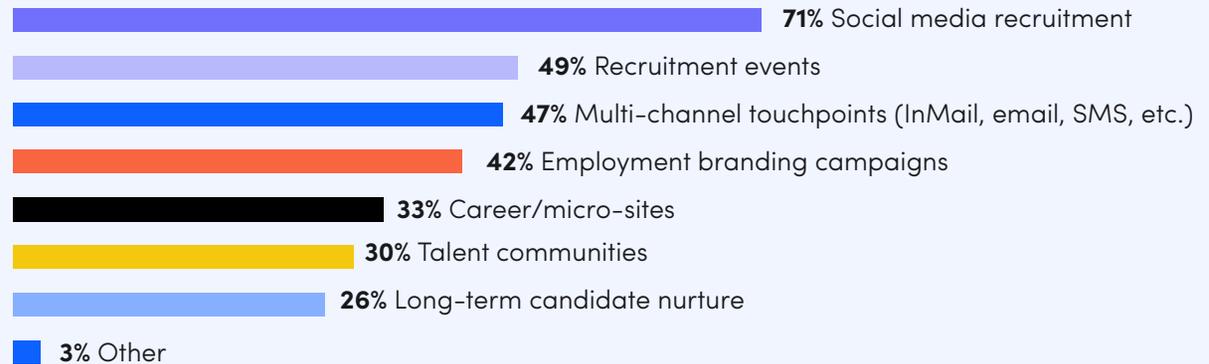* Most respondents who chose "Other" added some version of: "location."

Recruitment marketing

Social media recruitment is the recruitment marketing strategy most used by talent acquisition teams (71%) in manufacturing organizations. Smaller organizations are more likely to host recruiting events (56% v. 42%), while larger ones are more likely to build and maintain talent communities (39% v. 20%) and employment branding campaigns (48% v. 36%).

43% of respondents said social media recruitment has the best ROI of the below strategies. 22% claimed multi-channel touchpoints see the best ROI; 13% said employment branding campaigns do. (And if you're curious about building a winning recruitment marketing strategy, we have a resource for you.)

What recruitment marketing strategies does your team currently have in place (or do you use personally)?

71% Social media recruitment

49% Recruitment events

47% Multi-channel touchpoints (InMail, email, SMS, etc.)

42% Employment branding campaigns

33% Career/micro-sites

30% Talent communities

26% Long-term candidate nurture

3% Other

* Most respondents who chose "Other" said "none."

Of the recruitment marketing strategies listed above, which do you think has the best ROI?

43% Social media recruitment

22% Multi-channel touchpoints

13% Employment branding campaigns

9% Recruitment events

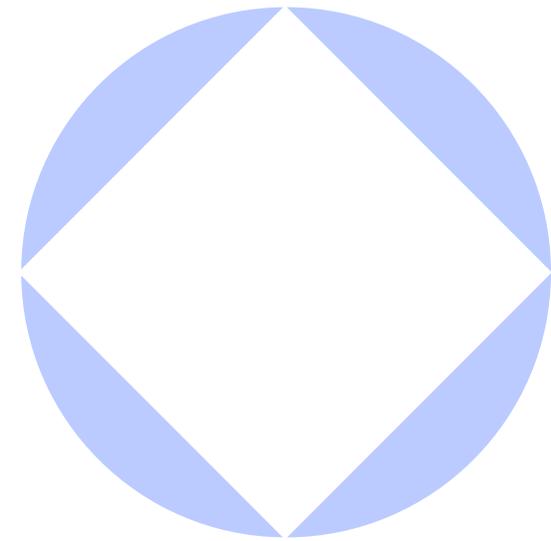**9%** Career/micro sites
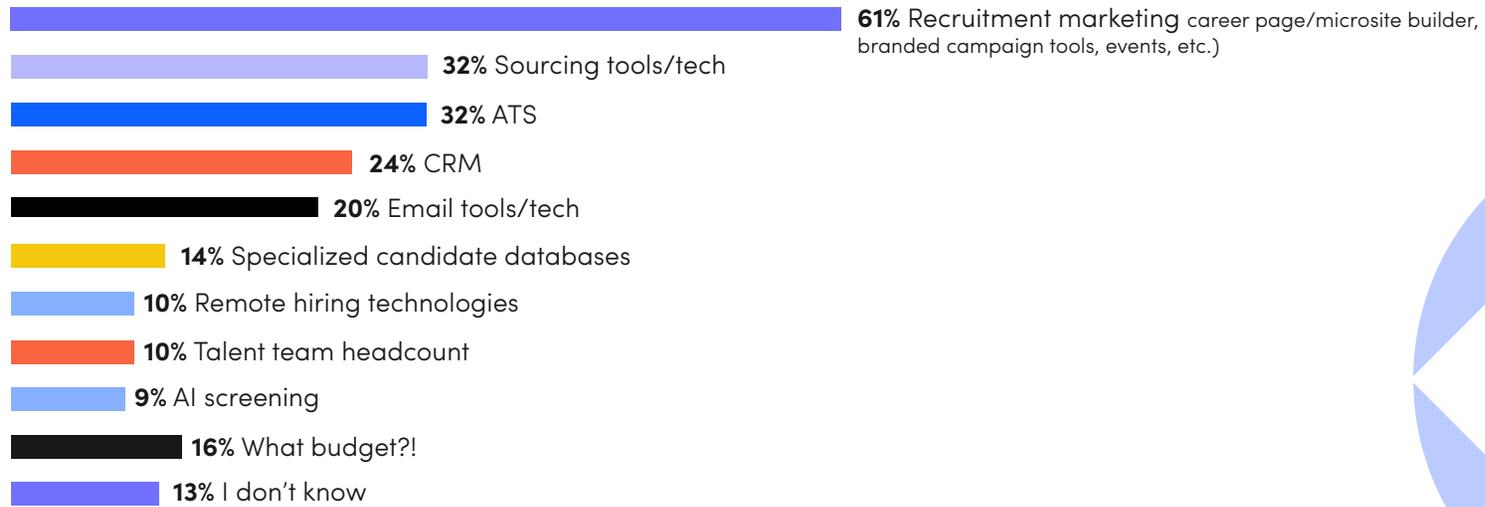
4% Talent communities
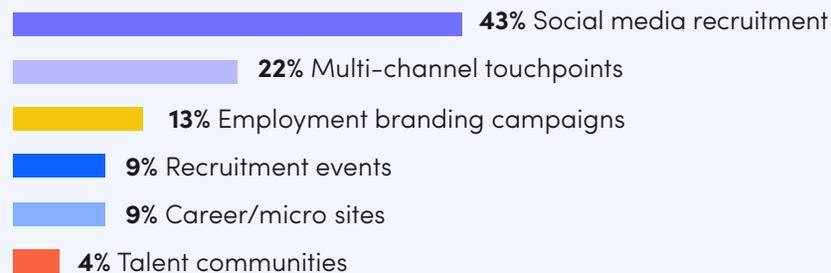
Talent acquisition budget & team focus in 2023

Recruitment marketing tools and tech are, by far, the #1 technology recruiting teams in the manufacturing space will invest budget in this year. Sourcing tools and tech are #2, applicant tracking systems are #3, and candidate relationship management (CRM) is #4.

Given they have more budget (only 6% of respondents from larger companies said "What budget?!" as opposed to 25% of respondents from smaller companies), larger companies are more likely to invest in many of the tools and resources below, including: ATSes (42% v. 21%), sourcing tools and tech (42% v. 21%), and specialized candidate databases (24% v. 4%).

Regardless of company size, "talent sourcing" was the #1 activity respondents said recruiting teams should be focusing on in 2023. Talent professionals at smaller manufacturing organizations also emphasized fully embracing remote/hybrid work, pay transparency, and recruitment marketing; while those at larger manufacturing organizations emphasized recruitment marketing, social recruiting, and diversity hiring.

Where will you invest your talent acquisition budget in 2023?

- **61%** Recruitment marketing (career page/microsite builder, branded campaign tools, events, etc.)
- **32%** Sourcing tools/tech
- **32%** ATS
- **24%** CRM
- **20%** Email tools/tech
- **14%** Specialized candidate databases
- **10%** Remote hiring technologies
- **10%** Talent team headcount
- **9%** AI screening
- **16%** What budget?!
- **13%** I don't know

Where do you think recruiting teams should be focusing in 2023?

- **57%** Talent sourcing
- **50%** Recruitment marketing
- **47%** Social recruiting
- **42%** Fully embracing remote/flex/hybrid work:
- **40%** Diversity hiring
- **38%** More data-driven recruitment practices
- **34%** Pay transparency
- **28%** Re-engaging past applicants and silver-medalist candidates
- **28%** Hiring for soft skills and potential / rethinking role requirements
- **23%** Internal mobility
- **21%** Collaborative hiring
- **19%** Mobile/SMS recruiting
- **18%** Recruitment automation
- **13%** Structured interviews
- **13%** Consolidating tools
- **7%** AI screening
- **2%** Contract/gig economy

"With Gem, we can quickly measure the success of our events—particularly when it comes to campus recruiting. Its integration with our HRIS system has helped our recruiters see more value in sourcing—Gem's automation often means instant gratification of return from one's effort on outreach sequences."
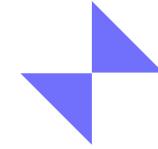
Director, Global HR Operations & Talent Management @ a Global Automative Parts Manufacturer

2023 recruiting challenges

Regardless of company size, the top 2 recruiting and hiring challenges talent acquisition professionals anticipate in 2023 are the same: difficulty finding qualified candidates (67% anticipate this challenge) and uncompetitive offers (37% anticipate this challenge). Smaller manufacturing organizations are more likely to foresee difficulty expressing their EVP and a lack of budget, while larger organizations are more likely to foresee a lack of data and a lack of technology to enable the team.
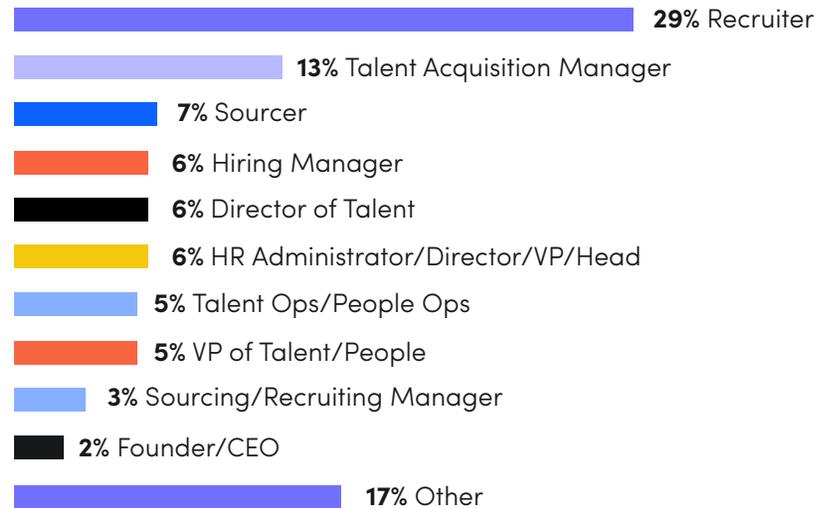
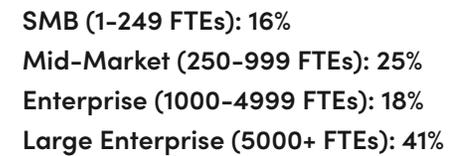## What are the biggest recruiting/hiring challenges you anticipate for your org in 2023?

67% Difficulty finding qualified candidates
37% Uncompetitive offers
24% Lack of data (outreach activity, pipeline stats, forecasting data, etc.)
23% Lack of budget
23% Recruiting process delays
22% Nurturing passive talent over the long term
21% Inefficient interview process
20% Difficulty expressing our employee value proposition
20% Difficulty meeting diversity goals
16% Poor adoption of current recruiting tech
13% Undefined talent/employer brand
12% Lack of hiring manager involvement
10% No (or rarely-used) referral programs
9% Lack of technology/platforms to enable the team
5% Meeting passthrough rate targets
5% Lack of headcount
3% Meeting close rate targets

About our respondents

Which job title best matches your role?

- **29%** Recruiter
- **13%** Talent Acquisition Manager
- **7%** Sourcer
- **6%** Hiring Manager
- **6%** Director of Talent
- **6%** HR Administrator/Director/VP/Head
- **5%** Talent Ops/People Ops
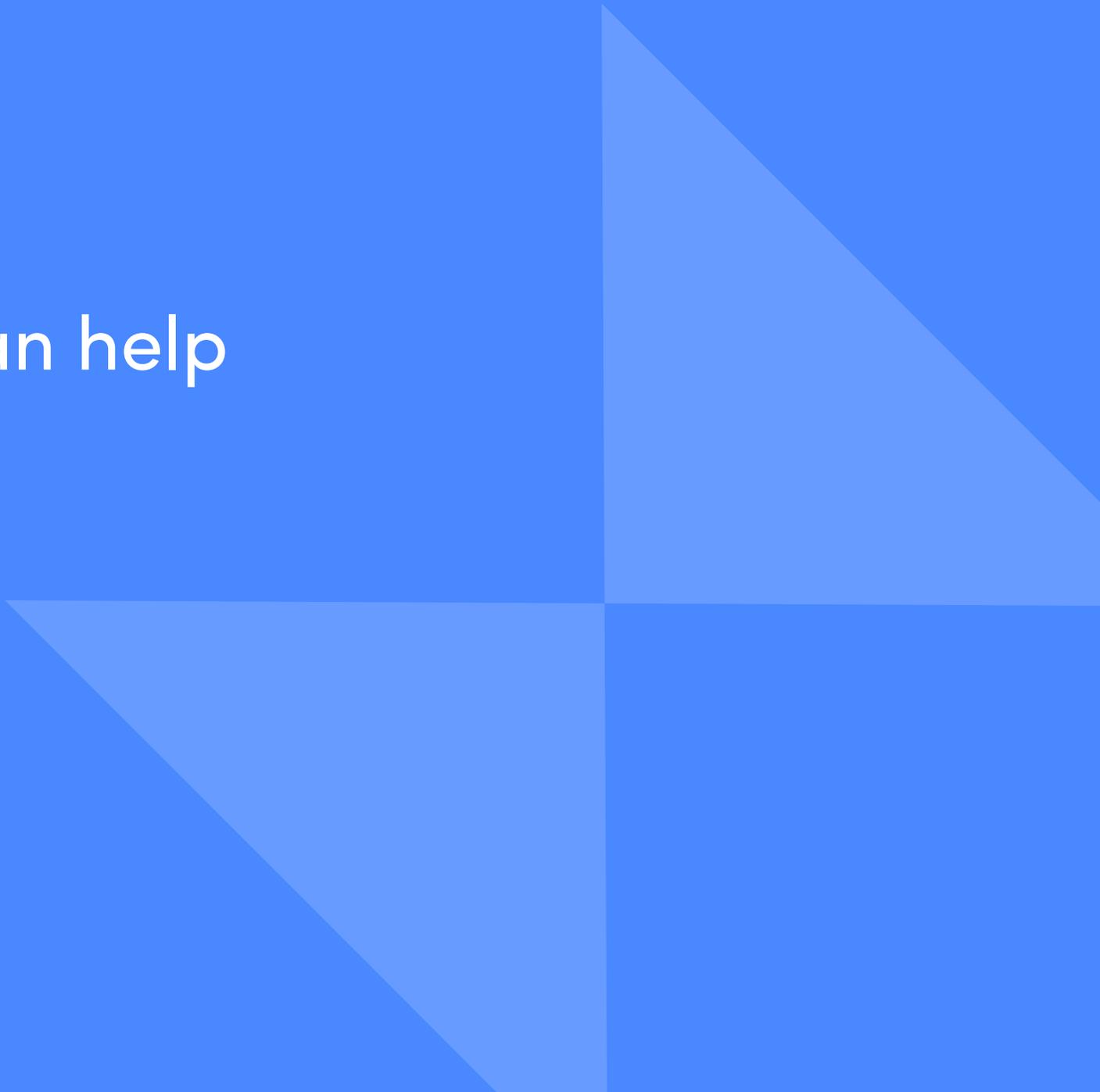- **5%** VP of Talent/People
- **3%** Sourcing/Recruiting Manager
- **2%** Founder/CEO
- **17%** Other

* Respondents who chose "Other" added roles such as: Supervisor, Facilities Associate, Production Worker, Production Associate, Materials/Receiving, Instructor, Manager, Engineer, Finance Analyst, Senior EA, and Admin.

How big is your organization?

SMB (1–249 FTEs): 16%
Mid-Market (250–999 FTEs): 25%
Enterprise (1000–4999 FTEs): 18%
Large Enterprise (5000+ FTEs): 41%

How Gem can help

Data-driven recruiting with Gem, from outreach to hire

2023 will demand that recruiting teams be more data-driven (and more data-savvy) than ever. That's why Gem's Talent Compass is equipped with full-funnel visibility, hiring forecasts, performance metrics, and executive reporting that TA teams use to plan ahead and guide their recruiting strategy.

End-to-end visibility

Tap into every dimension of the recruiting funnel. With access to all recruiting data from Gem and the ATS from one source of truth (without raising a support ticket), TA teams can track everything outreach to hire and identify key trends across the process. They can then slice and dice metrics the way their business thinks: by role, department, geo, demographics, and more. For example, recruiting teams can uncover outreach strategies that lead to more replies for specific roles and industries. They can also track how these candidates passthrough the funnel and spot any troubling dropoffs or bottlenecks.

Diversity recruiting insights

Talent Compass also offers visibility and insight into how an organization recruits diverse talent, from initial outreach to eventual hire. At the top of the funnel, teams can review the progress they are making in reaching out to diverse talent. By pinpointing specific content and strategies that drive greater engagement, teams adjust their sourcing strategy towards building diverse applicant pools. With visibility into how candidates from underrepresented groups pass-through the recruiting funnel, hiring teams can uncover any disproportionate drop-offs and adjust their process accordingly.

Pipeline Forecasting

Calculator | Expected hires

8 Hires
Estimated by November 8, 202
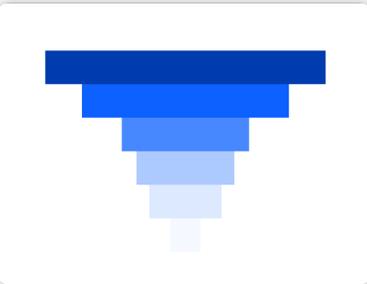
Stage	Passthrough Rate*		Time In Stage		Active Candidates		Expected Hires
Application Creat...	8	%	8	days	494	—0.4%→	0 (of 2) 17 days late
Pre-Interview	64	%	4	days	30	—5%→	0 (of 2) 9 days late
Phone Interview	33	%	8	days	29	—9%→	0 (of 2) 5 days late
Onsite	40	%	6	days	16	—26%→	4
Offer	65	%	5	days	6	—65%→	4
Total					**575**		**8 hires** by Nov 8

*Estimates based on historical time-in-stage and passthrough rates

↻ Reset all data

Forecasting & planning

Talent Compass includes a forecasting calculator that projects not only how many hires you can expect to make, but also by when. This can be forecast at the individual job req or at an aggregate level, like department. Passthrough rates and time-in-stage are based on historical data, but can be adjusted. The calculator also works backwards: users can input the final number of hires they would like to make and the calculator will output the number of candidates and applicants required at each stage in order to meet final goals.

Executive reporting

Within Talent Compass, users can launch configurable, presentation-ready reports to visualize KPIs. With easily digestible metrics on hand, talent acquisition teams can come prepared to discuss how they are progressing and where there are opportunities to improve. Reports can be customized with built-in widgets and filters, thereby surface tailored, actionable insights.
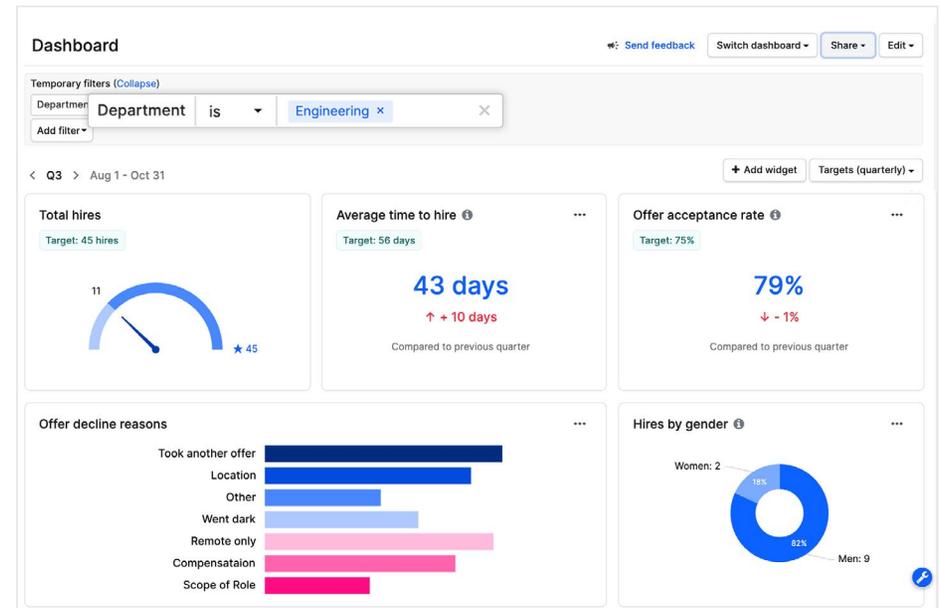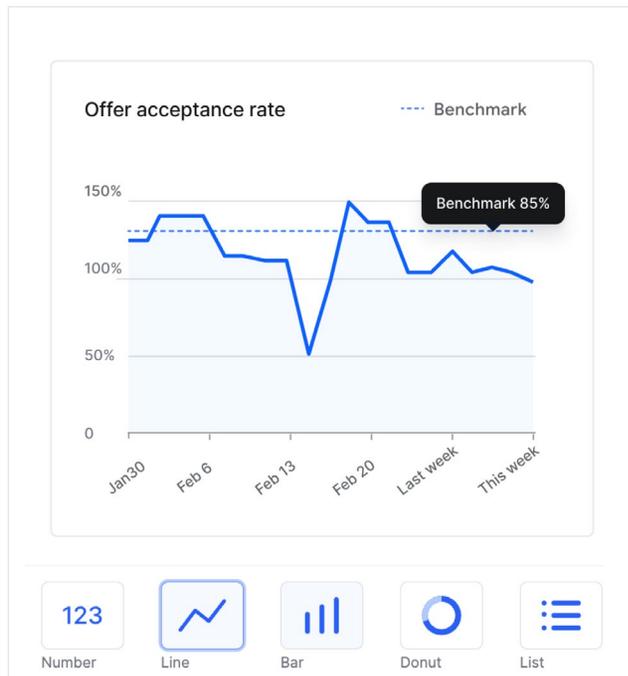
Peer benchmarks

Talent Compass also offers built-in benchmarks within the Dashboards module. Users can evaluate their team's Offer Accept Rate and Time to Hire against companies with similar profiles. Benchmarks are available across 6 different slices: company size, location, gender, race/ ethnicity, department, and valuation. All told, there are >1,400 unique permutations, with each one validated by over 100 data points across 20+ companies.
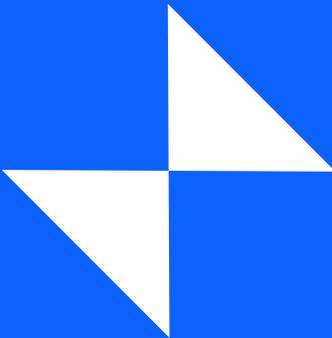
Performance optimization

Within the Pipeline Analytics module, recruiting managers and leaders can monitor individuals and roles to better understand how their teams are faring. Reviewing specific job breakdowns allows managers to observe pipeline risks across roles or even spot any troubling candidate bottlenecks and/or drop-offs. Within dashboards, managers can even create widgets with specific metrics for their individual recruiters (e.g., phone screen to interview ratio, offer acceptance rate, etc.), serving as a performance scorecard.

"Gem is a robust tool that makes your recruiters more efficient, gives you the data and analytics you need to optimize your process, and allows you to become a better business partner to your teams."

Jaime Schmitt
Talent Attraction Manager for North America
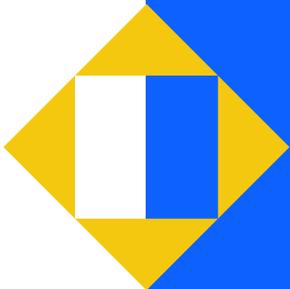
Gem's end-to-end modern recruiting solution empowers talent acquisition teams to engage their entire talent network, optimize sourcing efforts, and uncover actionable insights that guide smarter, forward-looking decisions. Gem works alongside LinkedIn and other places that you source, while integrating with Gmail, Outlook, and your ATS. Find the talent you need to meet hiring targets and scale your teams with Gem.

To learn more and see a demo, visit **gem.com**

Lauren Shufran, Author

Lauren is a content strategist with a penchant for 16th-century literature. When they're not trying to solve talent teams' pain points, they're on their yoga mat or hiking Mount Tam. Come at them with your favorite Shakespeare quote.

Gem