

Hiring Trends for 2021

Industry Leaders Believe These 2020 Hiring Practices are Here to Stay



INTRODUCTION

2020 has been a year unlike any other. Unless you've been living under a rock – in which case, we envy you! – you're familiar with the effect COVID-19 has had on the American job market.

2019 ended with an exceptionally low 3.5% unemployment rate, making the beginning of 2020 a candidate's job market. However, March saw a complete turnaround with abrupt COVID-related business closures driving a massive spike in unemployment claims, peaking at a [14.4% unemployment rate](#) in April.

The latter half of 2020 has shown signs of recovery. As of this writing (November 2020), the unemployment rate has [dropped to 6.9%](#), though that's still nearly double the unemployment rate we began the year with.

The data seems to indicate that American businesses are trying to weather the storm while also remaining safe, so we sought to learn more about how this has affected their hiring practices and their outlook for hiring in 2021.

We surveyed CareerPlug users to find the answers to a few key questions:

- How did COVID-19 affect companies' **2020 hiring plans**?
- Did companies create any **brand new roles** specifically for COVID-19?
- To what degree have businesses pivoted to **remote hiring practices** since the beginning of the pandemic?
- Which COVID-inspired **changes to the hiring process** do businesses plan to keep implementing in 2021?
- What changes have been made to **recruiting strategies** as a result of COVID-19?
- What is the overall **outlook for hiring** in 2021?

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2020

Key Findings

These are the most significant takeaways from our analysis:

1. Most businesses have adopted remote hiring methods.

The percentage of businesses that say all of their hiring is conducted in-person has **decreased** since the COVID-19 pandemic began in March (from 44% to 28%). Conversely, the percentage of businesses that have switched to fully [remote hiring methods](#) has **increased by 6 times** since March. Lastly, **71% of businesses** have integrated some degree of remote hiring methods.

2. COVID-19 inspired changes to the hiring process that many businesses plan on keeping.

61% of businesses made changes to their hiring process during COVID-19 that they plan to keep implementing in 2021. Some examples include video interviews, electronic onboarding and training, recruiting in new regions for fully remote positions, and using [hiring software](#) to better evaluate candidates at the top of the hiring funnel.

3. Most businesses have not slowed down their hiring, despite revenue losses.

39% of businesses said their hiring plans did not change as a result of COVID-19, while **21%** said they hired for more positions than planned. When we consider that nearly **45% of companies** in our survey reported revenue losses in 2020, it's an optimistic sign that most still haven't slowed down hiring. This could indicate that businesses are confident they can reach their 2021 revenue goals by rounding out their teams with the necessary hires.

Who Took This Survey

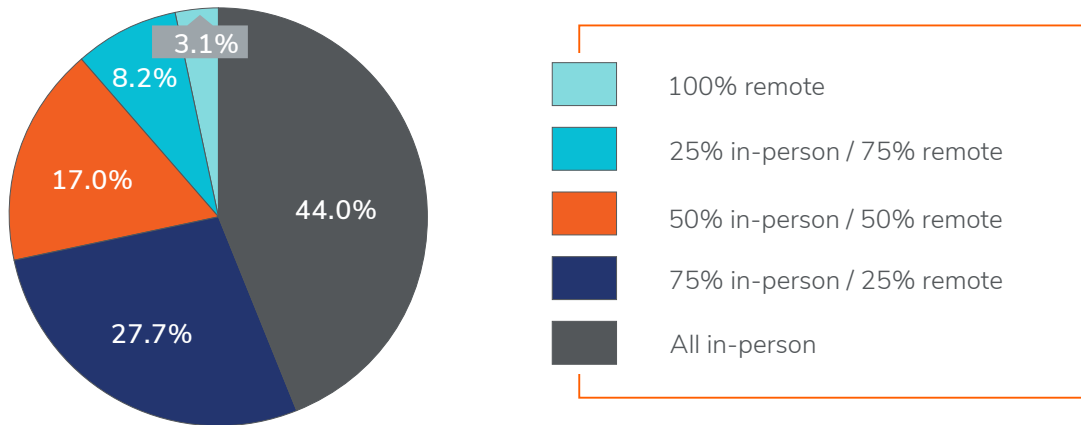
Demographic information: This survey included participation from 177 CareerPlug users. 97% of respondents were actively hiring at some point in 2020.

Industry Demographics

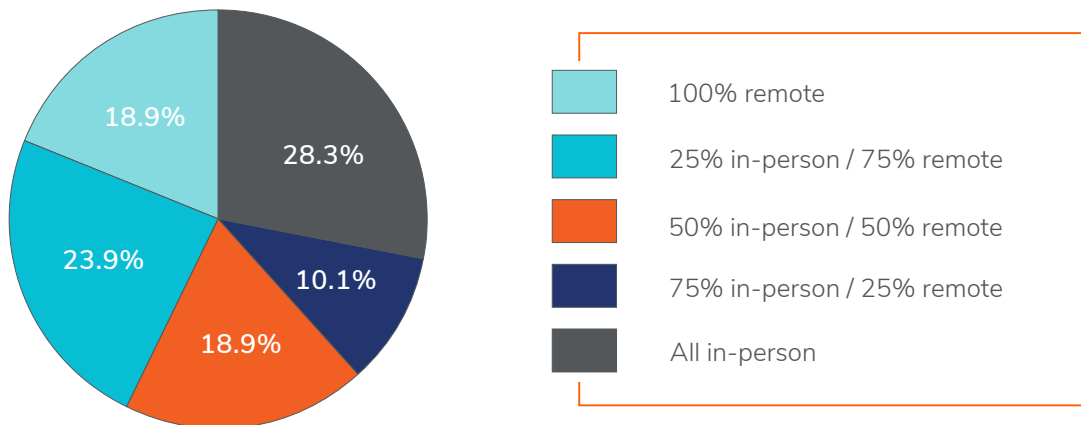
INDUSTRY	PERCENTAGE OF RESPONSES
Insurance & Financial Services	26%
Cleaning Services	11%
Healthcare	11%
Restaurant & Food Service	11%
Home & Commercial Services	10%
Education & Child Care	8%
Fitness	7%
Personal Care	7%
Hospitality, Entertainment, & Recreation	6%
Retail	3%

The Hiring Process Has Changed Dramatically

Before COVID-19 restrictions were put in place (March 2020), how much of your hiring process was done remotely?



After COVID-19 restrictions were put in place (March 2020 - present), how much of your hiring process was done remotely?



KEY TAKEAWAYS

- ➔ Since March, the percentage of businesses that conducted all of their hiring in-person has dropped from 44% to 28.3%.
- ➔ On the other end of the spectrum, all-remote hiring processes increased more than 6X, rising from 3.1% to 18.9%.
- ➔ The majority of businesses surveyed (52.8%) have been able to integrate a blend of both remote and in-person hiring practices.

Remote Hiring Methods are Here to Stay



61% of businesses made changes to their hiring process during COVID-19 that they plan to keep in 2021.

What COVID-19 hiring methods/tools do businesses plan to keep using in 2021?

- More extensive phone screenings
- Pre-qualification questions and assessments
- Video interviews on platforms like Zoom
- PPE (such as masks) and social distancing for in-person interviews
- Electronic/paperless onboarding
- Virtual orientation practices (Powerpoint presentations, training videos, etc.)

KEY TAKEAWAY

- ➔ Most of our respondents said that even if they do in-person interviews, they are spending more time beforehand on phone screenings, assessments, and video interviews before extending invitations for in-person interviews. Some have attributed this to being part of an overall COVID-safety strategy, while others have been pleased to see the increased efficiency of virtual interviews and plan to continue doing them after the pandemic to save time.

Insight from Employers



Home & Commercial Services

“We are using hiring platforms like CareerPlug to evaluate candidates before bringing them in.”



Cleaning Services

“We have added phone screens, reference checks, and Zoom interviews, which allow for more flexibility and cuts out travel time for candidates.”



Healthcare

“I would like to continue with remote hiring through Zoom calls in 2021. This has helped our company branch out to remote territories we wouldn't have been able to capture staff from with in-person hiring.”



Hospitality, Entertainment, & Recreation

“Electronic onboarding including offer letters background checks, drug testing, onboarding, and training.”

Expert Insight: Home & Commercial Services



Home service business owners are among the most resilient entrepreneurs in the U.S. today.

At the peak of the pandemic, [home service was the most stable category in both revenue growth and employment](#), with the exception of grocery and general merchandise stores.

When it comes to remote hiring, home service businesses have unique challenges. Employees are moving from job to job, entering people's homes, and doing physically demanding labor. And there's been a long-held tradition of one-on-one training to get them onboarded. What may work for an all-digital firm may not work for a hands-on trade business.


Despite these challenges, more home service businesses are implementing digital processes for remote work, which reveals their openness to making that same shift in hiring.

We've seen home service entrepreneurs send their administrative employees home with laptops and headsets so they can continue communicating with customers. Others are using scheduling and client communication apps to book jobs remotely, create virtual estimates, and send customers notifications about their arrival times. And many have switched entirely to contactless payments, minimizing their accounts receivable and risk of exposure.


This same adaptability will help them as they shift towards remote hiring practices, finding new ways to make it work for them."

- Sara Cooper, Chief People Officer, [Jobber](#)

Many People Still Prefer In-Person Hiring Methods

 **39%** of businesses do not plan to continue implementing COVID-inspired changes to the hiring process after the pandemic is over.

KEY TAKEAWAY

-  While [remote hiring practices](#) are on the rise, many businesses don't see them as an improvement. Some hiring managers still want to make an in-person connection and get to know candidates face-to-face before they're comfortable hiring them. For many industries, the nature of the work is not remote, so it stands to reason that the hiring process shouldn't be remote either. In these instances, respondents indicated they require candidates to wear PPE such as face masks during in-person interviews.

Insight from Employers



Cleaning Services

“The way of hiring was more effective before COVID-19 and I hope it will work better later.”



Education

“The only thing that changed to our in-person hiring process is the requirement to wear a mask. Meeting a candidate in person is the only way to tell if they would be a fit for the position as well as our facility.”



Home & Commercial

“Our industry is in the essential services category. We have followed the standard procedure of filtering, phone interview, filtering, and in-person interview.”



Insurance

“Candidates will be required to wear masks during interviews but I have to meet someone in person before making a hiring decision.”



Personal Care

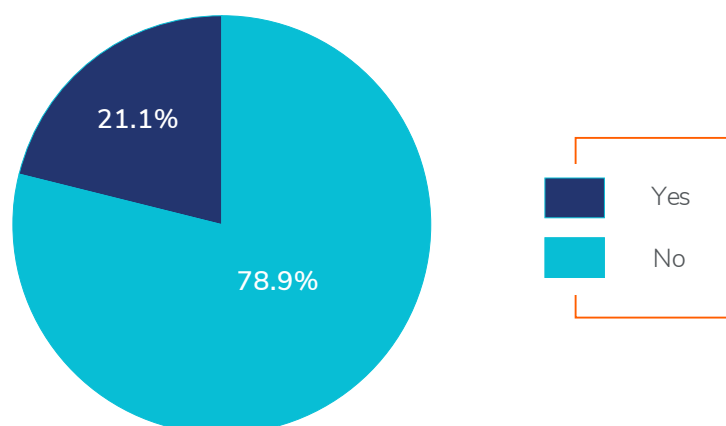
“In-person interviews work better in the spa industry. Seeing how an applicant reacts to questions and interacts personally is imperative for us to hire.”

What Traits are Employers Looking for in a COVID-19 World?

In-Demand Traits By Industry

The majority of companies have not changed their hiring profiles (i.e. the traits and skills they look for in candidates) since the beginning of the pandemic. Of the 21% that did change their hiring profiles, here's what their answers revealed.

Have you changed your hiring profiles as a result of COVID-19?



- Insurance** - This industry has been largely immune to COVID-related downsizing and revenue losses – in fact, many insurance businesses are growing. As a result, employers are looking for new hires to be fast learners, to be very self-motivated, and to be able to work independently. Employers also said that at a time when many are experiencing personal hardships, they are looking for empathy as a character trait when hiring new employees.
- Cleaning Services** - Employers in this industry say they require candidates to wear masks to interview. They also look for indicators that candidates are able to easily adapt to change and are interested in long-term employment beyond COVID-19. For their part, employers advertise that they are COVID-certified.
- Fitness** - Employers now look for candidates willing to participate in regular cleaning and regular mask wearing who require little supervision and can be flexible with duties. They are also hiring more part-timers than before.
- Healthcare** - Employers ask if candidates are comfortable going into the homes of COVID-positive patients if given proper PPE and training. They also prefer previous experience more than ever before.
- Hospitality, Entertainment, & Recreation** - Employers are looking for candidates who can be flexible with job duties as they need employees to do more than ever before thanks to COVID-19 protocols. They're looking for signs that an employee will be proactive on the job.
- Restaurants** - Employers are looking for candidates who are willing to comply with increased safety requirements and have the flexibility to take on more than one position.

How COVID-19 Affected Hiring Plans in 2020

How did COVID-19 affect your 2020 hiring plans?



Our survey found that **45% of businesses saw revenue losses in 2020**. Despite this tough financial year, companies haven't slowed down their hiring. 38.9% said their hiring plans did not change and an additional 20.8% said they actually hired for **more** positions than planned.

Downsizing

Only 13.4% of companies reported having to freeze hiring and lay off employees at some point in 2020.

Industries that saw the most layoffs:



Education & Child Care



Hospitality, Entertainment, & Recreation



Fitness



Restaurant & Food Service

Industries that were NOT affected by layoffs:



Cleaning Services



Personal Care



Healthcare



Insurance & Financial Services

Expert Insight: Insurance & Financial Services

The insurance industry has remained strong in 2020, with many industry leaders reporting growth in the sector. Some have pointed to the current rate environment as being a driver for their increased hiring needs.



“Due to rate decreases, I have decided to staff up and hire at least one extra employee right now and possibly another. It’s preparation for a better rate environment.”

Chris Bryant, State Farm Agent (Monticello, AR)



“Our company has positioned us in a very competitive rate cycle. After the base rate reductions, competitiveness is expected to be better than any period since at least 2010. This, in combination with the expectation of record shopping levels for auto insurance in the coming months, makes it essential that we have not only enough team members, but the right team members, in place in order to capitalize on the opportunity. I look at this as an opportunity for expansion.”

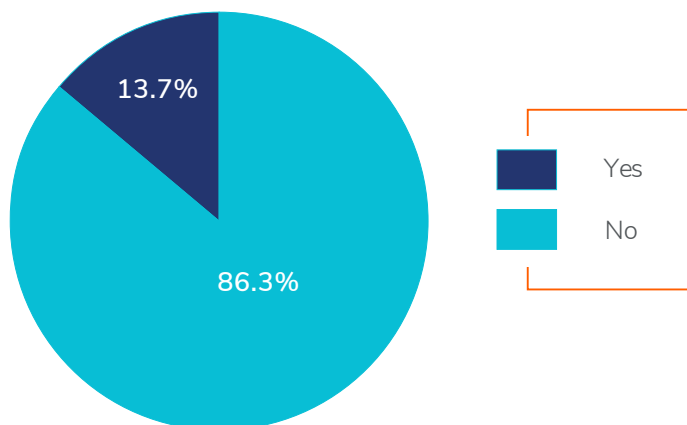
Heather Thies, State Farm Agent (Clemont, FL)



Further Reading: For more insight into the insurance industry’s hiring outlook, read our article, [State Farm Agents Share Advice for Hiring During COVID-19](#).

New Roles Created for COVID-19

Did you create any brand new roles as a result of COVID-19?



The majority of companies have **not** created new positions as a result of COVID-19 – only 14% did.

For those industries that said they created new roles as a result of COVID-19, here are some of their responses.

Home & Commercial Services - “COVID Guidelines Associate, who is in charge of making sure we are meeting current CDC guidelines for social distancing, face coverings, and disinfecting our properties and equipment.”

Insurance & Financial Services - “Virtual Administrative Assistant.”

Restaurants - “Recruiting Assistant, Assistant Human Resources Director, Sign Spinner, Guest Service Attendant (informs the guest upon arriving how to dine with us safely).”

Expert Insight: Home & Commercial Services

“One new role we’ve seen emerge is social media salesperson. During the pandemic, home service businesses have had to find ways to sell their services 24/7, online. And at the same time, consumer expectations are changing. Customers don’t want to call 3-4 different companies throughout the day to discuss quotes. They want to message someone on Facebook or Instagram and book a job right there. The businesses that have adapted best to this are hiring sales employees who know how to communicate online and can meet customers where they are — even if that’s on Facebook at 8 p.m.”

- Moly Milosovic, Community Marketing Manager, [Jobber](#)

Expert Insight: Restaurants

Restaurant scheduling software company [7shifts](#) produced a dataset tracking trends in new restaurant roles created since March 2020 as a result of COVID-19.

There was a significant increase in the following roles:

- “Delivery Driver” – 859%
- “Delivery” – 312%
- “Driver” – 103%

When comparing pre-COVID figures to post-COVID figures, 7shifts reports the following trends:

- 72 “**delivery**” roles were added in the 9 months pre-COVID, and 297 have been added in the last 9 months.
- 27 “**delivery driver**” roles were added in the 9 months pre-COVID, and 259 have been added in the last 9 months.
- 155 “**driver**” roles were added in the 9 months pre-COVID, and 872 have been added in the last 9 months.



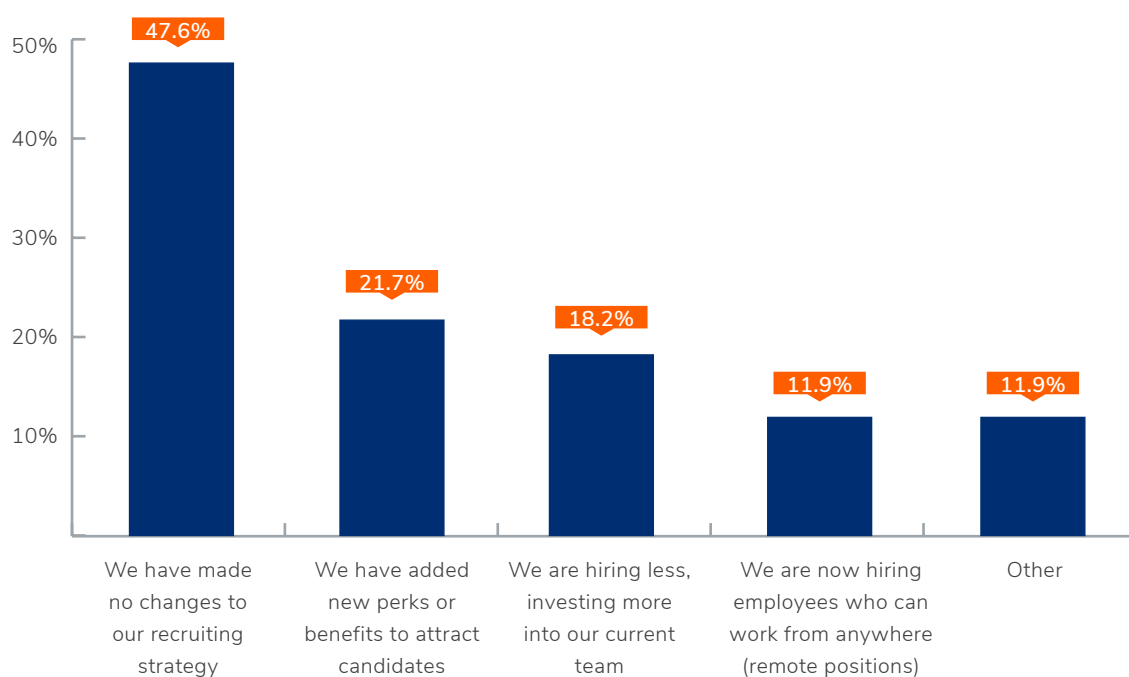
There has been a total **increase of 243% in delivery-related roles** since COVID-19 began.

KEY TAKEAWAYS

- ➔ Unsurprisingly, many new roles that have been created are those with job duties focused on mitigating the risk of COVID-19's spread.
- ➔ In-person businesses have created roles to implement physical safety measures, while office environments such as the Insurance & Financial Services industry can hire virtual administrative assistants instead of in-office administrative assistants.
- ➔ 2020 has also seen the rise of the Sign Spinners, which help on-the-ground marketing efforts to make people aware that a restaurant is open, particularly when take-out only restaurants might appear closed.

COVID-19 Inspired Some Changes to Recruitment Strategy

What changes have you made to your recruiting strategy as a result of COVID-19?



Almost 50% of respondents said they made no change to their recruiting strategy as a result of COVID-19.

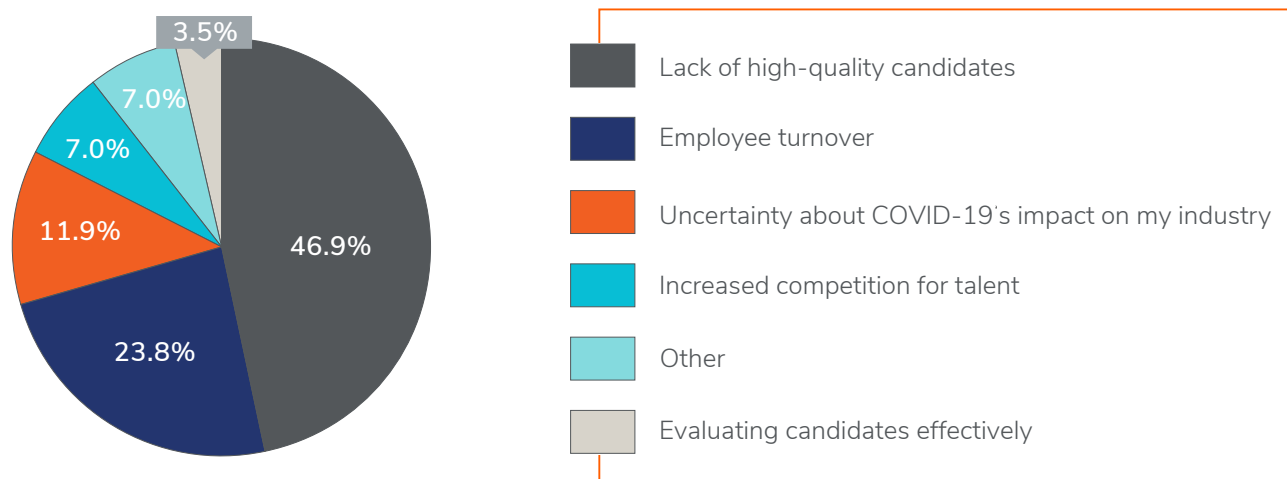
Of the businesses that made changes to their recruitment strategies, the number one change reported was adding new perks or benefits to attract candidates.



Further Reading: For more insight, read our article, [Competitive Employee Benefits to Offer in a Post-Pandemic World](#).

Businesses Still Face Non-COVID Related Hiring Challenges

What's the #1 challenge you are facing when it comes to hiring?



KEY TAKEAWAYS

- ➔ It's clear that the #1 challenge facing businesses is a lack of high-quality candidates, followed closely by employee turnover.
- ➔ Only 12% of companies reported that uncertainty over COVID-19 is their primary challenge. Hiring challenges remain mostly evergreen issues, not necessarily COVID-19 related.

Our Advice

One potential correlation in the data is that nearly half of respondents claim that their #1 challenge is a lack of high-quality candidates, which is the same number of respondents who claimed that they haven't made any changes to their recruitment process. Businesses should see this as an opportunity to evaluate their employer branding strategy. Is there something you could improve in your recruiting strategy, job postings, or candidate experience?



Further Reading: For more insight, read our article, [Attracting High Quality Candidates: 6 Strategies That Work](#)

Outlook on Hiring in 2021

When asked what their outlook on hiring is for 2021, here's a sample of what employers in each industry had to say:

- **Cleaning Services** - "We are growing rapidly and plan to aggressively hire in 2021."
- **Education & Child Care** - "We will likely continue to hire as our business continues to grow back to pre-COVID levels. About half of our staff elected not to rejoin us, which is why we are bringing new people in."
- **Fitness** - "We are hopeful to hire more positions and roles in 2021, but uncertain based on COVID-19."
- **Healthcare** - "My outlook is hopeful. We are in a growing essential field, so we are continuously gaining clients. We do need to hire more staff to keep up with the demand, and I am hoping that as more people graduate or look for a career change, that they look to mental health fields."
- **Home & Commercial Services** - "The outlook looks solid going into next year. Business is starting to pick back up."
- **Hospitality, Entertainment, & Recreation** - "We are beginning to grow revenue and will need to continue to hire slowly, but consistently get employees to stay."
- **Insurance & Financial Services** - "I'm feeling confident as more people are seeking remote opportunities that I have the ability to offer."
- **Personal Care** - "With the challenges of finding quality candidates in 2020, I expect to continue to increase hiring for 2021."
- **Restaurant & Food Service** - "We are not looking to reopen dining room services for some time, so currently we are evaluating our level of drive-thru and are moving on a more month-to-month basis."
- **Retail** - "Looking to hire more with the growth we plan, but hoping for better turnout on applicants who are qualified."

Preparing for the Future

- ➔ The majority of employers we surveyed gave an optimistic outlook for hiring in 2021, citing increased hiring needs across most industries.
- ➔ Some industries that have been harder hit by COVID-19 restrictions report that they will take a more cautious approach, knowing that the uncertainty of the pandemic could still impact their operations. For these businesses, **retention of current employees will be a key recruiting strategy in 2021.**
- ➔ Across all industries, businesses consistently reported a **lack of high-quality candidates** as being a top challenge. In 2021, businesses should evaluate their recruitment strategy and make changes where needed. Remember: The best candidates will always have the freedom to be picky about where they choose to work. If your business isn't bringing in quality applicants, take a look at your [employer branding](#) and figure out how you can improve in order to attract the right candidates for your roles.



ABOUT CAREERPLUG

CareerPlug is a software company on a mission to solve the #1 challenge of running a business: attracting and hiring the right people. More than 10,000 clients love working with us because we give them a proven playbook to make the right hires. And you don't need to be an HR pro to succeed, since our software is easy enough for anyone to use. We're so committed to making hiring easier that we require every one of our employees to become a certified Hiring Expert so that they can contribute to our mission.

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