

Insights:

Monthly Workforce Report



February | 2021



Executive summary

- Job openings continue to trend upward, with a 10% uptick. Job seeker behavior is not aligned, with job applications activity down 8%.
- Remote work and virtual hiring are here to stay; the percent of out-of-state applications is up 41% since January 2020.
- Time to fill is trending downwards across industries.
- Compared to January 2020, there is a 34% increase in the proportion of African American hires in tech.
- Millennial job applications return to pre-pandemic levels; Gen Z applications continue a three-month uptrend, with a 68% increase year over year.



Employers ready to resume hiring; job seekers not actively searching

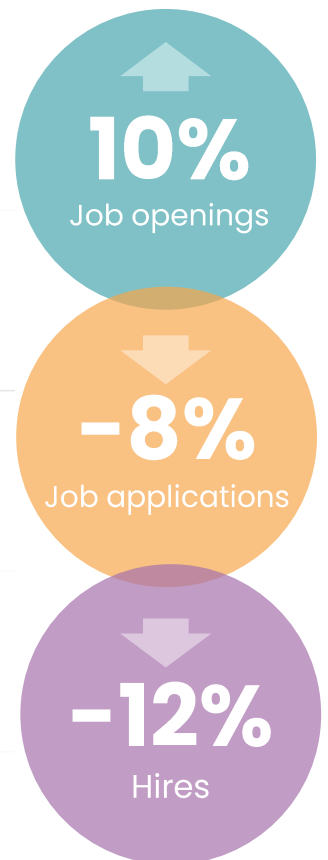
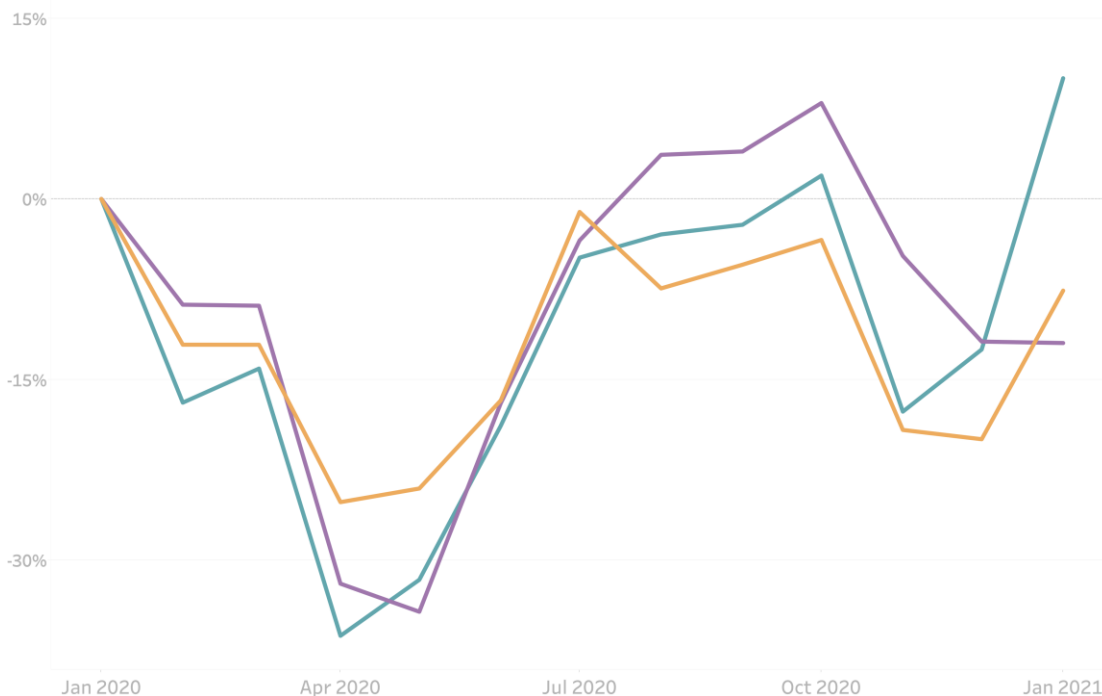
Corporate America is ready to get back to work, but job seekers are not currently looking for new opportunities.

iCIMS data shows job openings achieved double digit-growth in January. This is the second consecutive month of openings on the rise. As a leading indicator of hires, we anticipate hiring activity to begin rebounding over the next few months.

We are on the way to rebuilding a strong labor market, but new challenges lie ahead – beginning with ongoing hesitancy among job seekers. Despite a resurgence from December’s low number of applications, we are still seeing candidates submitting 8% fewer applications than they did in January last year; potentially indicating that individuals are unwilling to make moves or are unable to return to the workforce. This is especially atypical behavior when coupled with unemployment numbers. Historically, both points rise in tandem; at current this is no longer the case.

Platform Indicators

Job Openings, Applications, and Hiring Activity
January 2020 vs. January 2021





The remote work learning curve

Out-of-state applications have proportionally increased by more than 41% year over year. Overall, one in four (24%) applications are from out of state applicants and we see the remote work trend across all types of work.

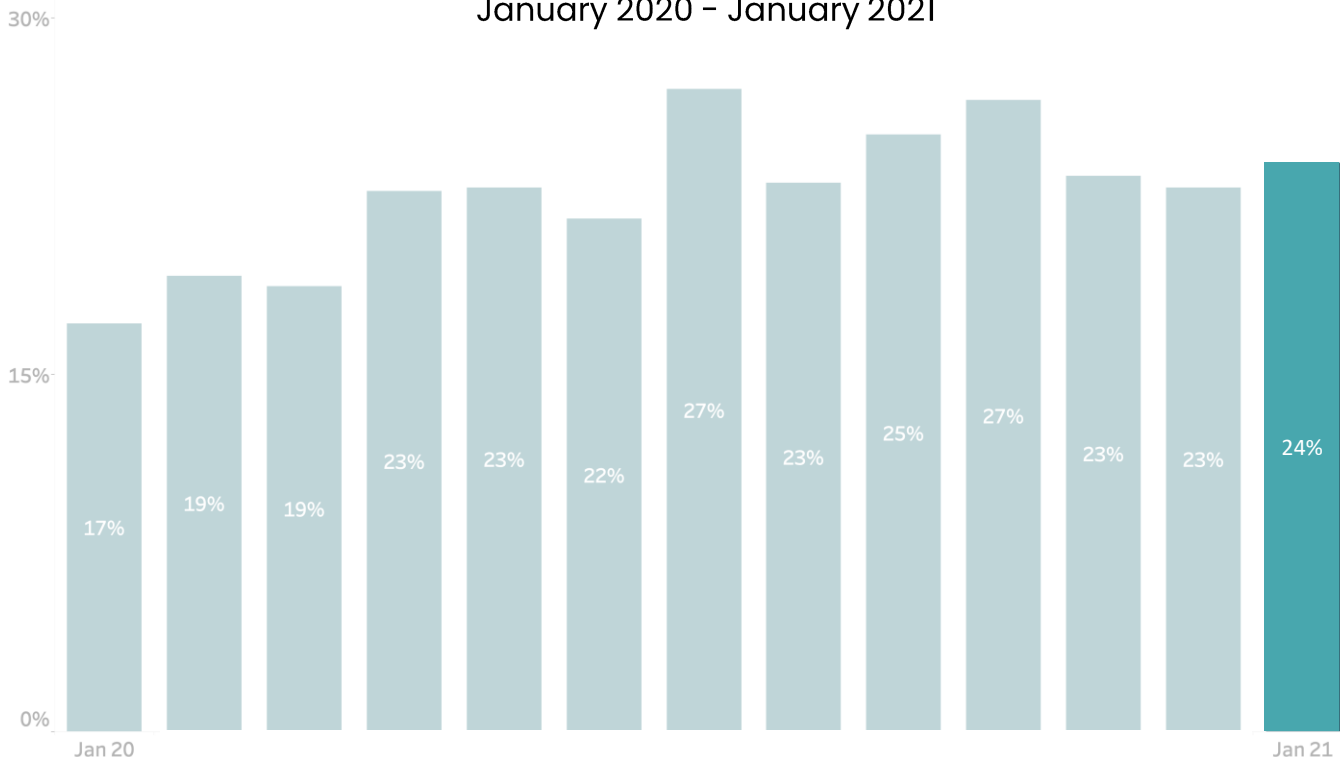
53% of applications to tech jobs were submitted to positions outside of the candidate’s home state. Remote work for these positions was not uncommon going into the pandemic, so it is no surprise that tech job seekers are ahead of the curve.

However, we see this trend occurring in healthcare occupations as well. Despite more operational challenges for remote work in this field, nearly 12% of applications to healthcare positions are coming from out of state applicants – a 13% increase year over year. Given the surge of telehealth in response to the pandemic and increased resources to support virtual work, we may see these numbers rise over time.

While this opens up opportunities for employers to bring on talent from anywhere, it ups the competition for the best candidates.

Percentage of Applications from Out-of-State

January 2020 – January 2021

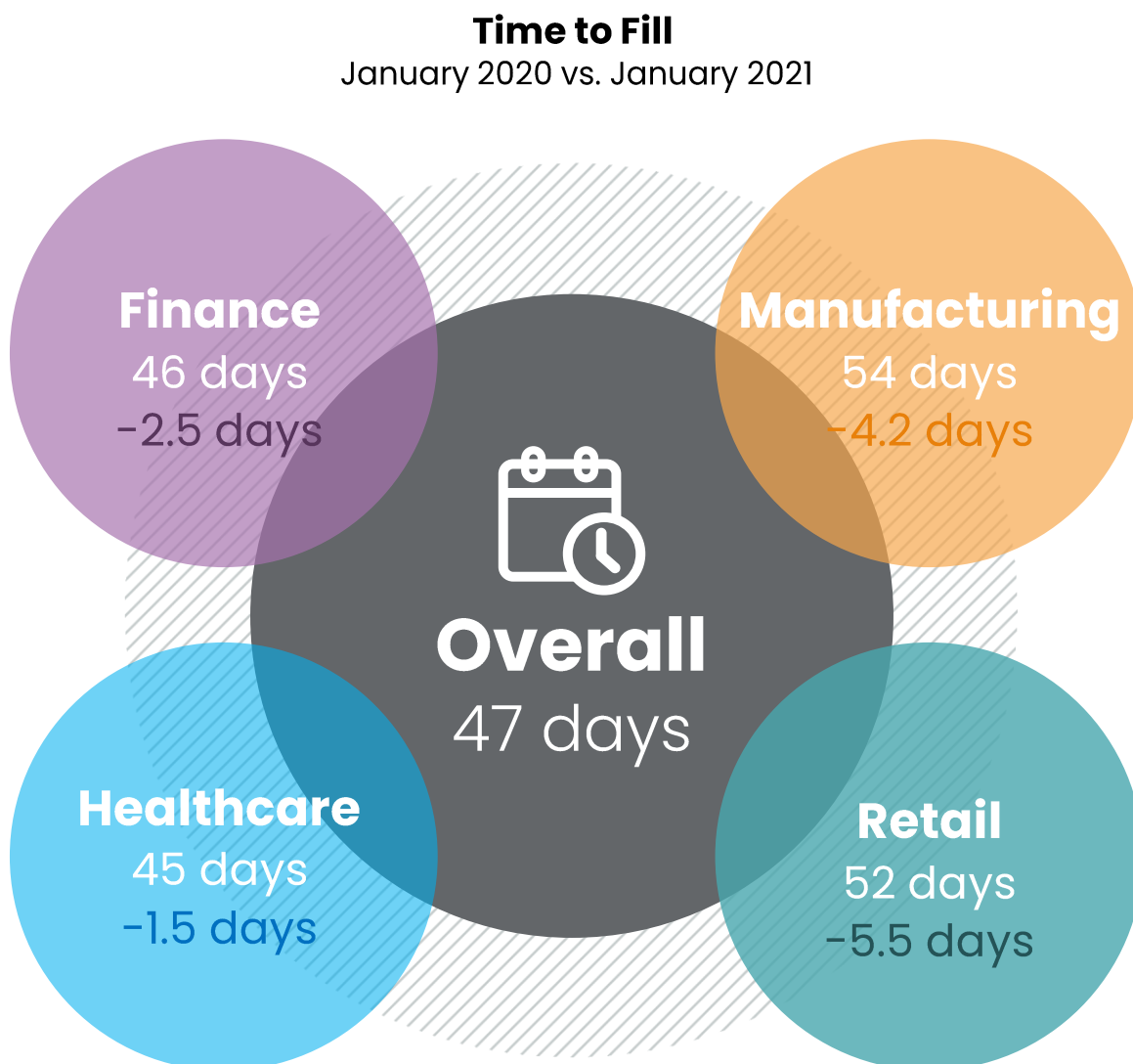




Virtual hiring decreases time to fill rates

Despite new hiring challenges and less applications coming in, overall time to fill is down nearly 2 days and is holding steady or declining across most industries compared to January 2020.

The acceleration of digital transformation and increased adoption of virtual hiring tools is enabling employers to identify the right talent and get them in seat faster. iCIMS' [2021 Workforce Report](#) found that more than half of organizations have made investments in virtual recruitment and plan to continue putting resources toward remote work technology and tools this year.





DIVERSITY UPDATE:

Diversity in the tech industry

Diversity in tech has been under the lens for years. While there is still much room for improvement, our data shows a steady rise in hires of racially and ethnically diverse professionals into technology roles.

Compared to January 2020, we see a 34% increase in the proportion of African American hires in tech. There is also an uptick in diverse hires as a whole; racially and ethnically diverse hires increased from 42% in January 2020 to 52% in January 2021.

As we travel further into this new world of work, we may see the remote work model help spur increased diversity in tech. At current, 84% of HR pros are concerned their organization's current recruiting and hiring tools [aren't reaching diverse talent pools](#). With geographic location no longer a consideration, there is an opportunity to reach new talent and build more diverse workforces.



Diverse hires increased

42% → 52%

January
2020

January
2021

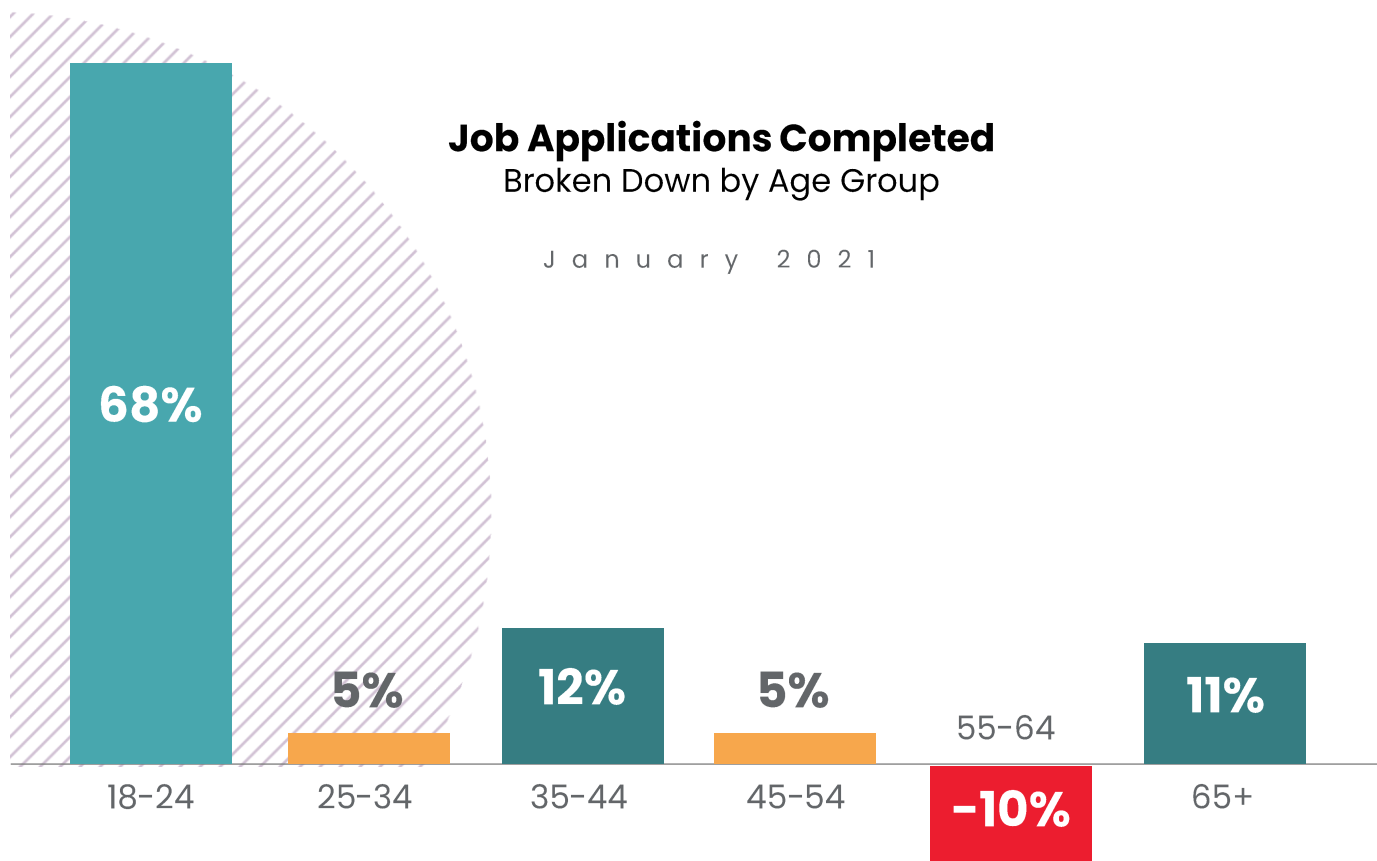


DIVERSITY UPDATE:

Workforce shifts continue

We are beginning to see millennial job seekers (25–44 years old) return to pre-pandemic application levels after seeing a significant slowdown at the end of 2020. With many working parents still trying to [balance work, virtual school, childcare](#), and others forced to leave the workforce permanently, this may be a blip or it may be an early indication that we're settling into a new normal. We'll keep an eye here as the year goes on.

We also continue to see increases in job applications completed by Gen Z (18–24 years old) job seekers (up 68%) compared to January 2020. Entry-level job seekers have been especially hard hit in this economic climate. [Hiring for entry-level college graduate](#) positions fell 45% since the start of the pandemic (March 2020), leaving last year's college graduates continuing to look for work and this year's class set to enter a struggling job market. This group also faces additional increased competition from itself as many have chosen to [delay college enrollment](#) and enter the workforce or take on full-time work while attending college remotely.





About iCIMS

iCIMS is the talent cloud company that empowers organizations to attract, engage, hire, and advance the right talent that builds a diverse, winning workforce. iCIMS accelerates transformation for a community of approximately 4,500 customers, including nearly half of the Fortune 100, that employ more than 35 million people worldwide. For more information, visit www.icims.com.

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