

2019

STATE *of*
STAFFING

INDUSTRY GROWTH

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Staffing Hub

2019 State of Staffing Sponsors



Welcome to the State of Staffing Industry Growth by StaffingHub

We're happy to share the fourth annual State of Staffing Industry Growth Benchmarking Report with you. This year, we connected with 188 staffing industry professionals to gain insight into what strategies, tools, and tactics support success in today's competitive market.

To give you insights into what drives growth and what doesn't, we've separated the top-growth firms from their slower-growth counterparts. Our goal is to share real-world examples of how the fastest-growing firms operate differently.

This year, we changed things up a bit. We took a deep dive into the technology choices that drive success. And we found three overarching trends to keep in mind as you're scaling your staffing firm and building your tech stack:

1. **Faster is better:**
Firms that respond faster, grow faster.
2. **Intelligent automation is the future:**
As competition for talent tightens, the human touch matters more than ever. Fast-growth firms are automating repetitive tasks to give their recruiters time to build meaningful relationships.
3. **Trust matters as transparency increases:**
Talent is more informed than ever before, which means word of mouth marketing and reputation management are becoming increasingly important.

With this report, you can see how your staffing firm stacks up to the competition. By examining the tactics and strategies that the fastest-growing firms use and reevaluating your own methods, you can explore the gap between the status quo and what's possible.

What's more, this year, we've provided a strategic tool for building your tech stack. The strongest firms use objective criteria for selecting the technology that will differentiate them from their competitors. Firms are thinking more comprehensively about what tools will help their team best serve candidates throughout their entire lifecycle.

And to round it out, we've highlighted how you can continue learning by sharing the resources and the conferences that leading staffing firms use to remain in the know.

Our team at StaffingHub is grateful to be a part of an industry that helps people find careers they love. And we're excited to continue to learn and share resources with you to help move the industry forward.

David Folwell
President
StaffingHub



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1.0



The State Staffing Industry Growth

1.1 Staffing Industry Growth

1.2 Biggest Opportunities

1.3 Biggest Challenges

Get ahold of anyone, anywhere in real time.

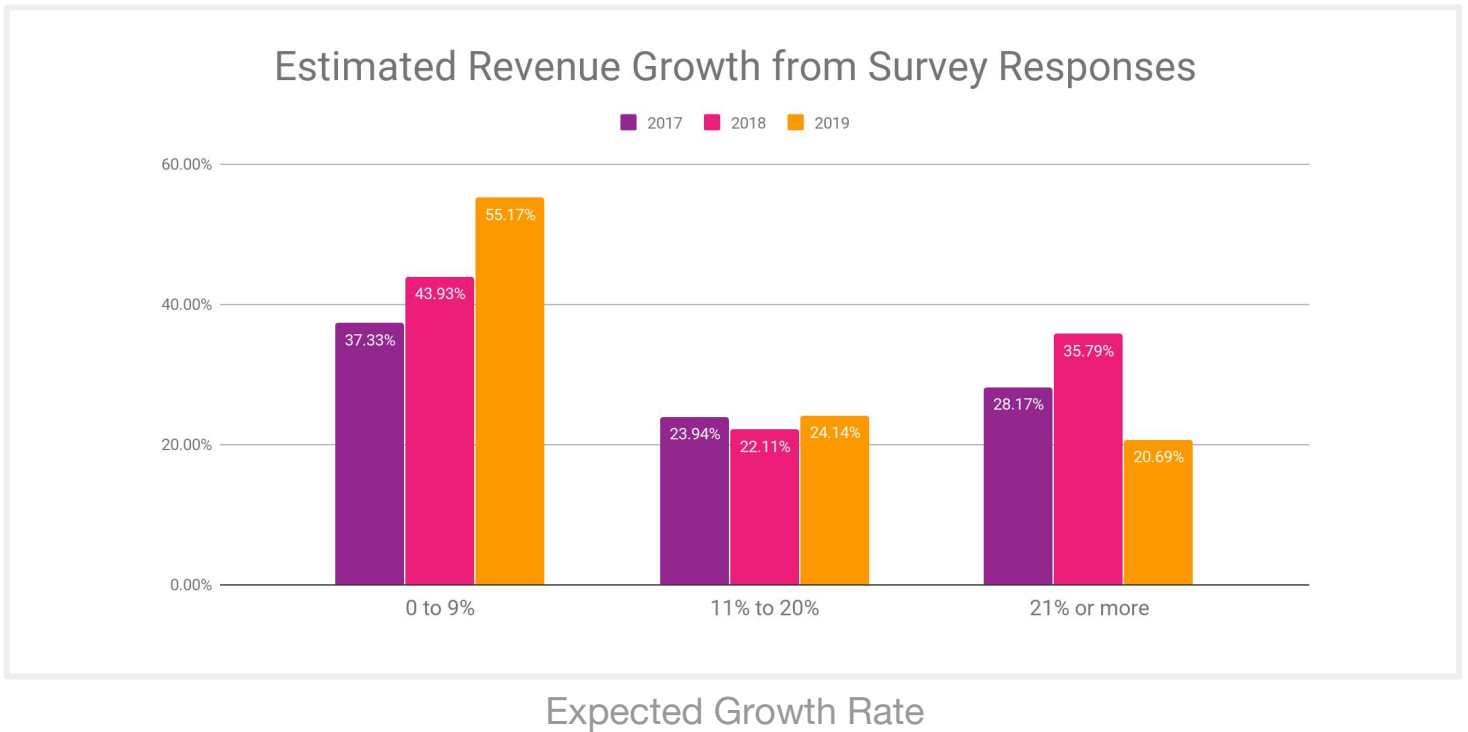


TextUs is the world's first real-time communication platform designed to dramatically improve how businesses communicate with their customers. With a 98% read rate and up to 40% response rates, TextUs delivers business-class text messaging™ combined with integrated cloud-voice features to connect businesses with their customers in real time.

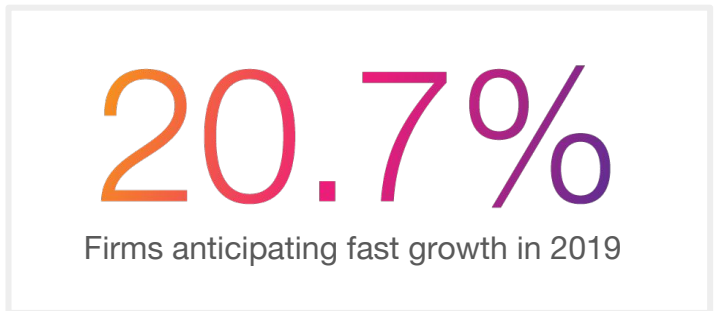
Trusted by over **60,000** business professionals every day.



Staffing Industry Growth



Fewer firms expect to see fast growth this year, just **21%**, compared to the **2018 high of 36%**.



Those anticipating middle-of-the-road growth have remained steady over the years -- **on average about 23% of staffing firms expect 11%-20% growth.**



Biggest Opportunities

When it comes to opportunities, staffing firms this year are looking at how to **balance the need for the right tech stack with the imperative to build the 1-to-1 relationships** the industry thrives on.

Here is a sample of the survey responses about key opportunities:

Harnessing technology to cultivate candidate relationships

*New Technologies -
Blockchain, AI, MC*

*Combining service
and technology*

Capitalizing on latest technology and leveraging AI to quicken the recruiting lifecycle. Specialize in Healthcare and Nursing jobs - it is the fastest growing segment in the staffing industry right now.

*Finding the middle
between personal touch
and technology.*

*speed to market with
candidate referrals*

Clients are hesitant to add to their overhead with the political unrest in the nation. We can take advantage of this by promoting our temporary staffing services.

Biggest Challenges

Finding qualified candidates presented the biggest day-to-day challenge for staffing firms across all growth levels and verticals. This challenge has remained the top issue for respondents for the past three years.

Here is a sample of the survey responses about top challenges:

Finding qualified, interested, and available candidates

Scalability

Creating a seamless integration with all of our systems.

Lack of candidates, and customers using technology to reduce need for agencies

*Best & Funniest Survey Response:
"My computer just broke"*

2.0



Sales Insights

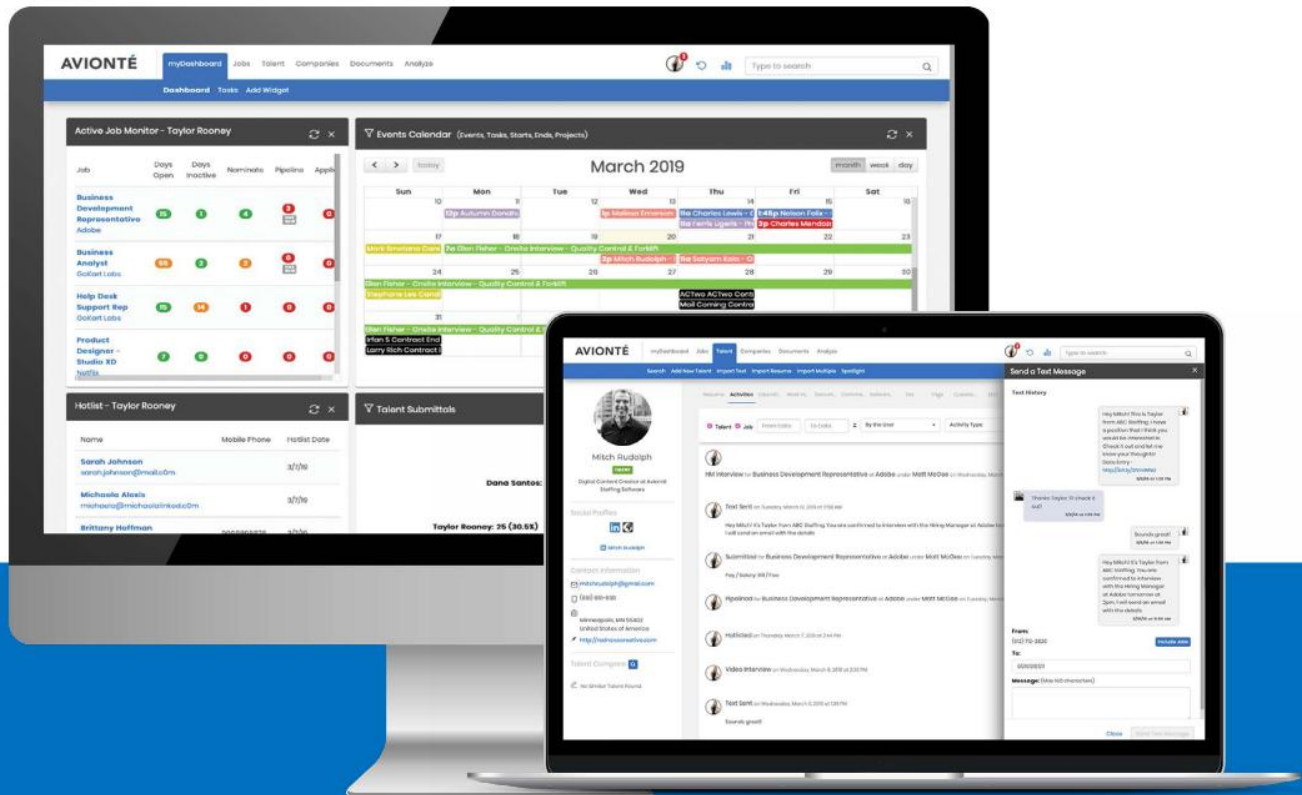
- 2.1 **Most Effective Lead Sources**
 - 2.2 **High-ROI Tactics**
 - 2.3 **Time to Close**
 - 2.4 **Cost per Hire by Industry Vertical**
 - 2.5 **Recruiting Style**
-

AVIONTÉ

The staffing and recruiting industry's most **comprehensive end-to-end software solution**

Our fully-integrated, front and back office staffing solution is built to solve the staffing and recruiting industry's toughest challenges - all from a single platform.

Trusted by over 900 firms since 2005.

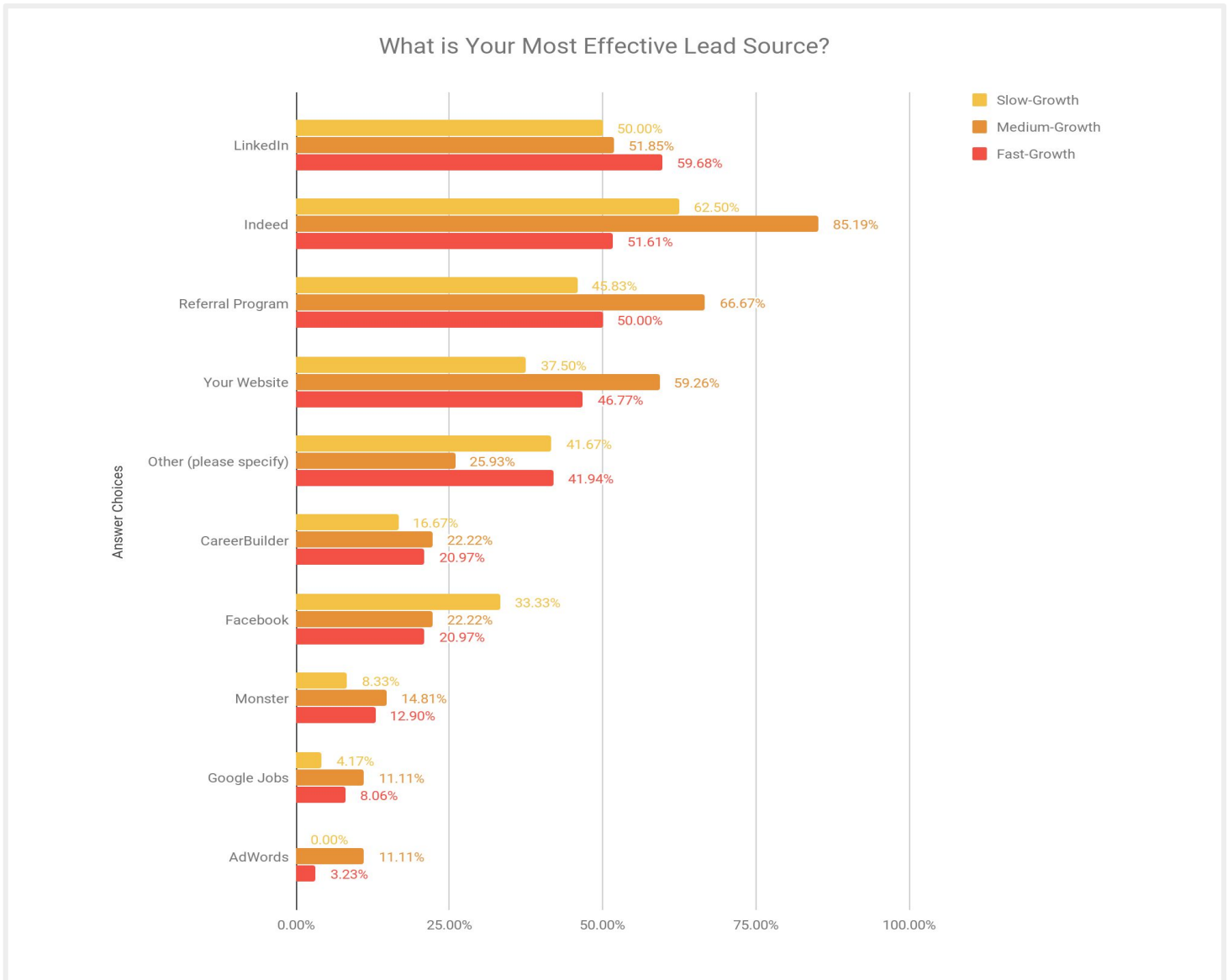


www.avionte.com | 651.556.2121

Inc.
5000
2012 - 2018



Most Effective Lead Sources

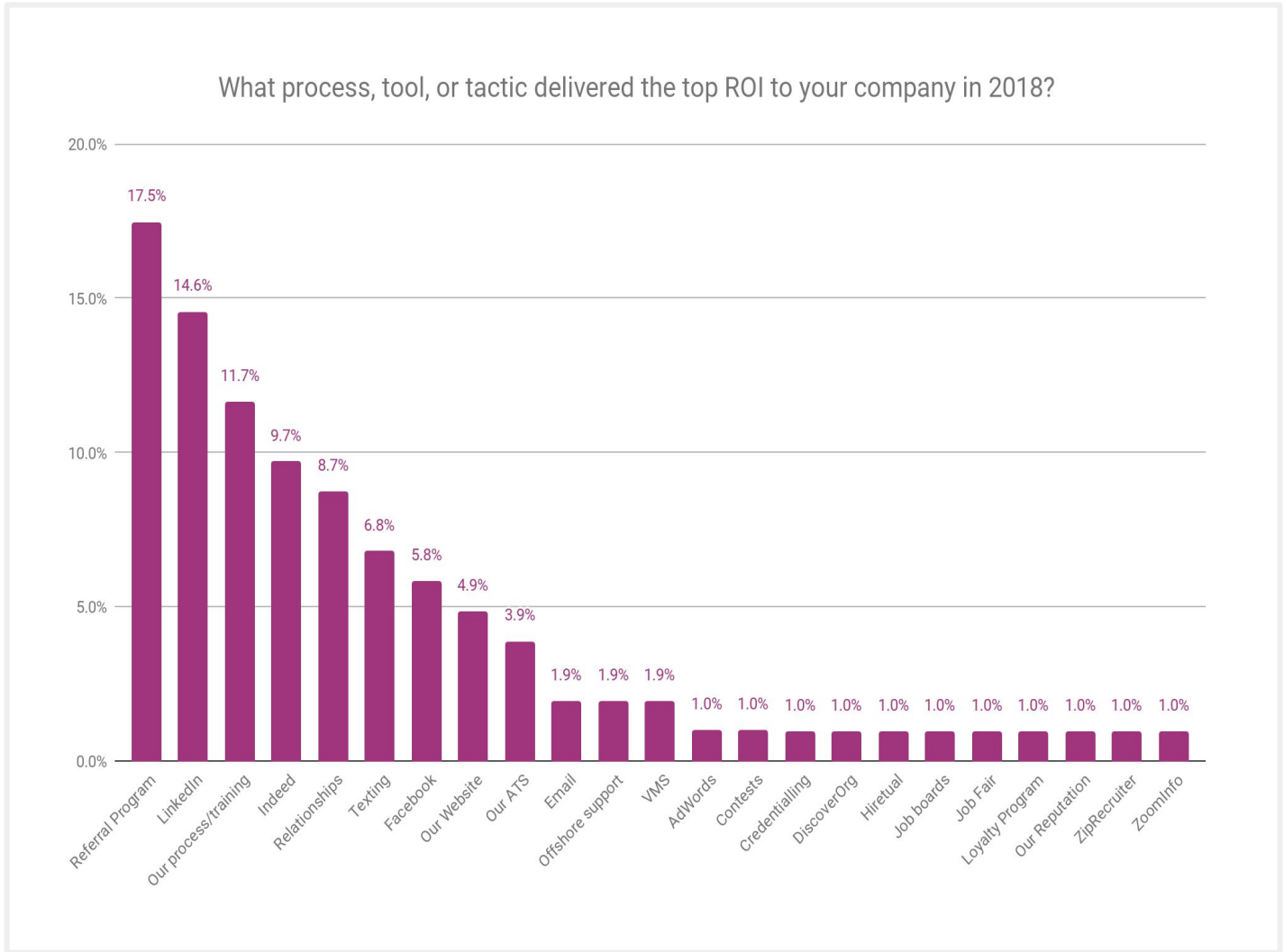


Taking a closer look at the most effective lead sources, **LinkedIn, Indeed, and referrals are ahead of the pack.** However, Indeed has dropped significantly in effectiveness since last year, perhaps due to the radical changes the platform has made in their job offerings. While Facebook was once a top contender in this category, it's become one of the least effective sourcing tools.



Staffing firms indicate that referrals are their most effective lead source

High-ROI Tactics



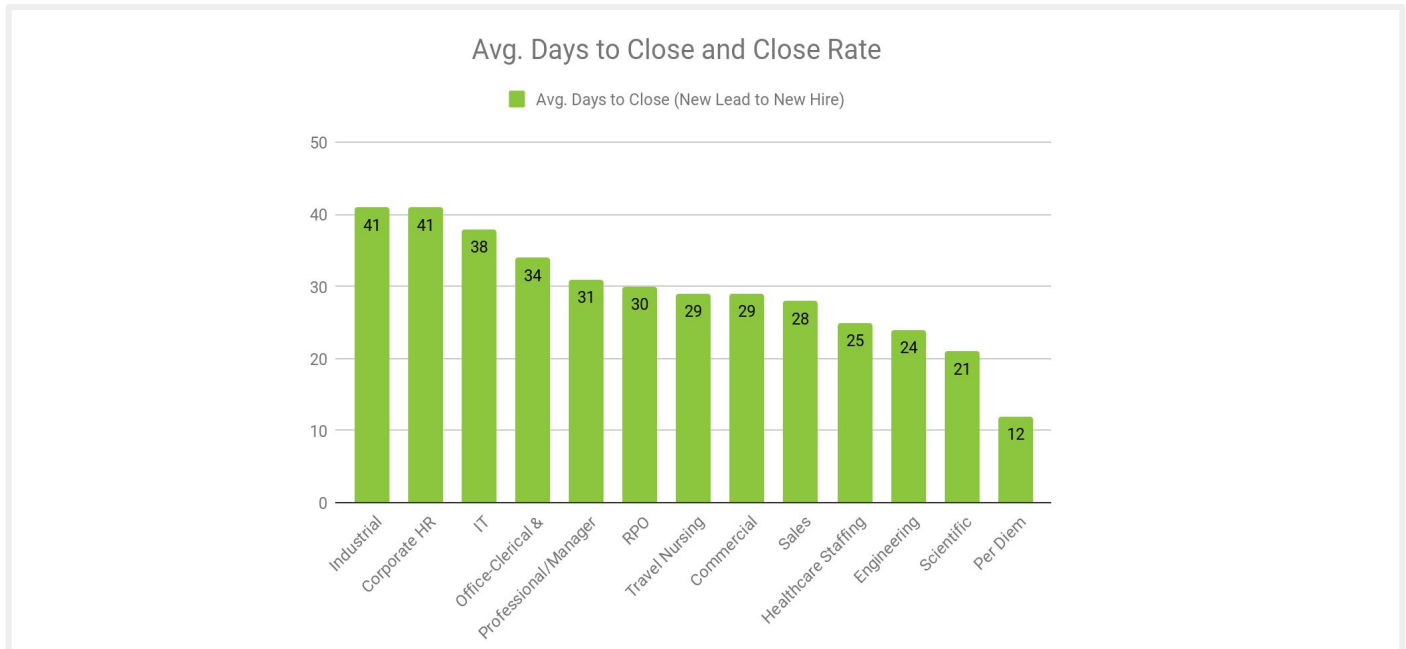
Referral programs and LinkedIn ranked as the top recruiting tactics with the highest ROI, along with internal processes (what you might think of as the secret sauce).

Relationship-building also emerged as a key factor of success for staffing firms, while job fairs, AdWords, and tools like ZipRecruiter were among those tactics rated as having a lower ROI.

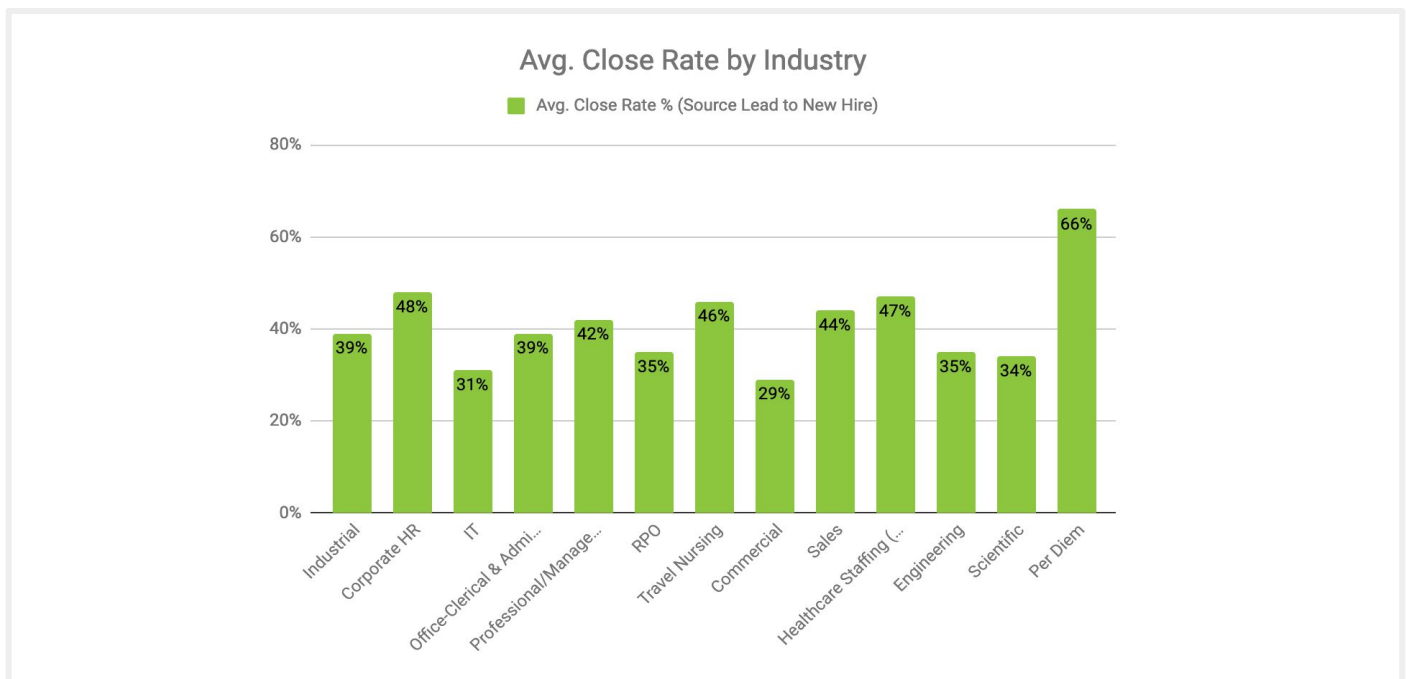
14.6%
Identified referral programs as the highest ROI recruiting tactic

17.5%
Identified LinkedIn as the highest ROI recruiting tactic

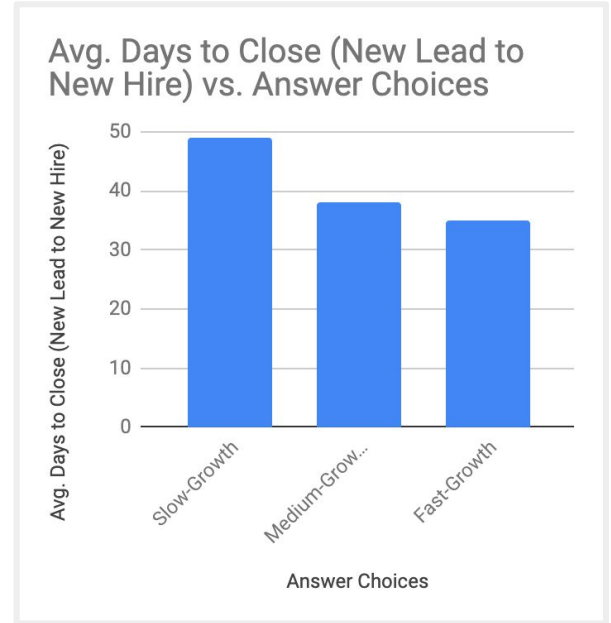
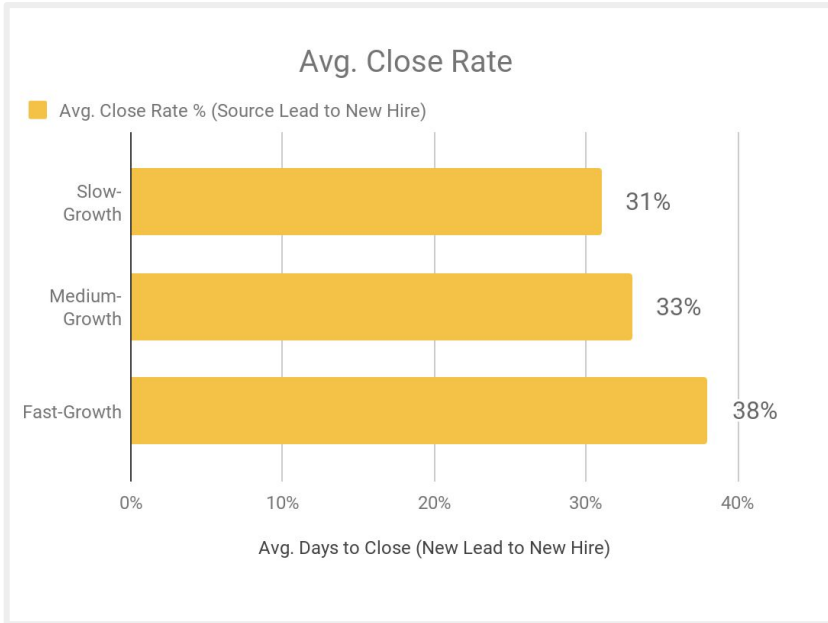
Time to Close



Industrial, Corporate HR, and IT see the longest selling cycles, while **Engineering, Scientific, and Per Diem** verticals see the shortest. Per Diem also has the highest industry close rate, while **Commercial Staffing** sees the lowest.



Time to Close



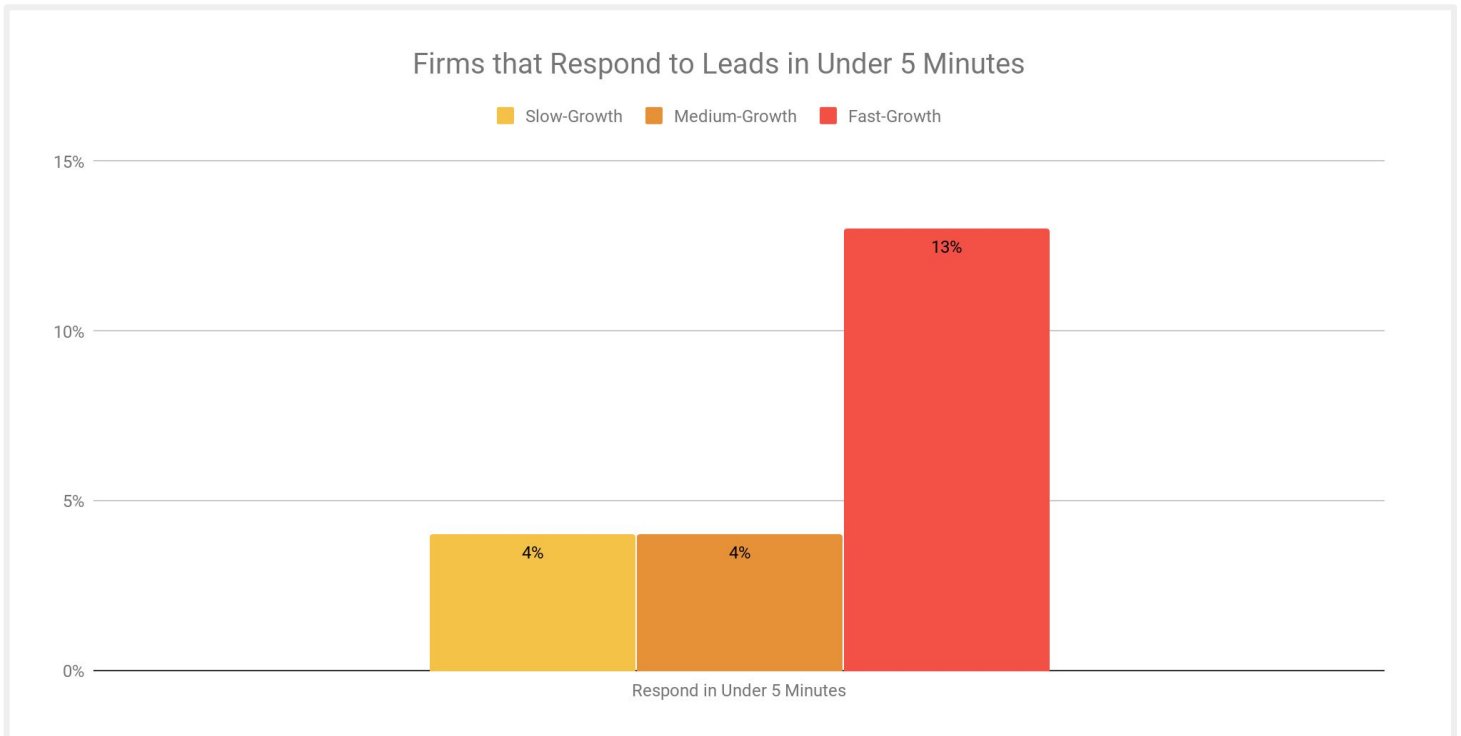
Fast-growth firms close 14 days faster than their slow-growth counterparts. What's more, the fast-growth firms' close rate is **22% higher on average than that of slow-growth firms.**



14 DAYS FASTER

Fast-growth firms close 14 days faster than slow-growth firms

Time to Close



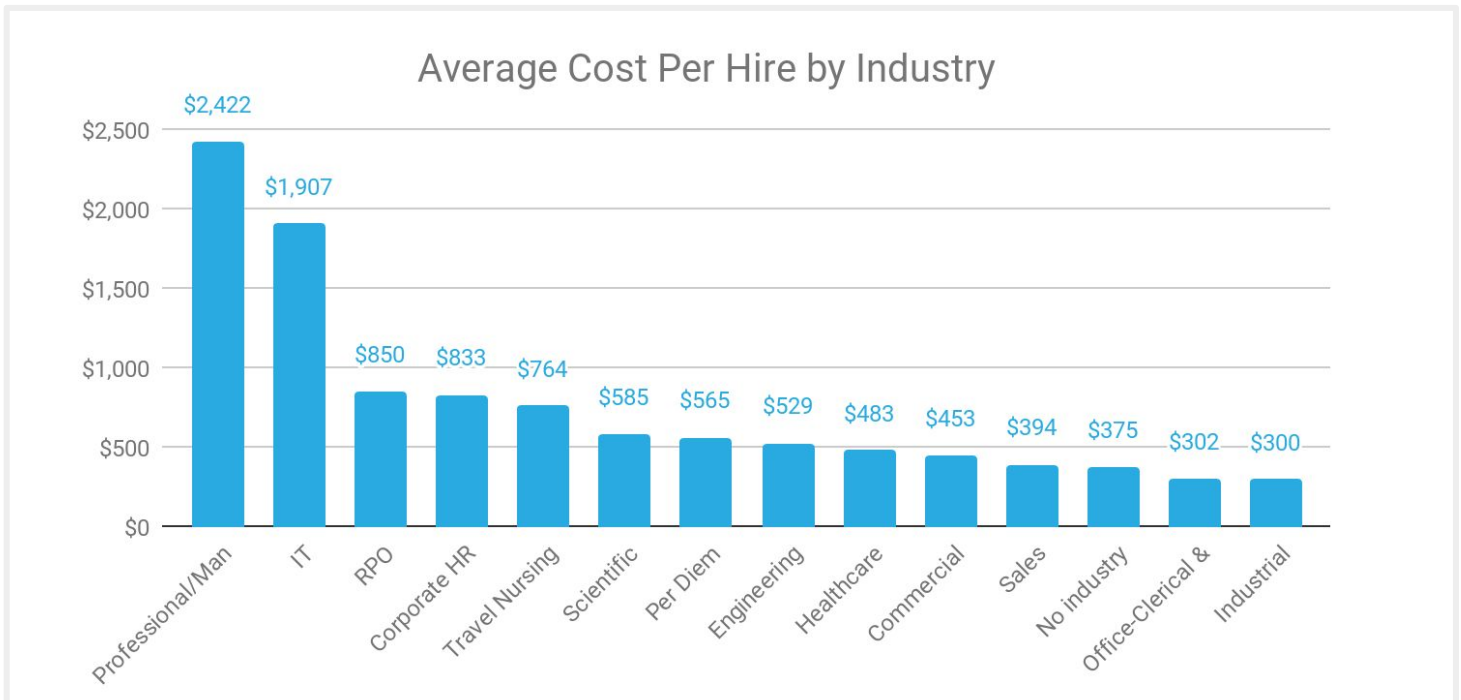
3X
More likely to
respond within



5
Minutes

Real-time means right now - **fast-growth firms are more than 3x more likely to respond to a lead within 5 minutes** than their slower-growth peers. This suggests that speed of response is crucial in staffing success.

Cost per Hire by Industry Vertical



Office/Clerical and Industrial staffing saw the lowest cost per hire, while Management-level and IT staffing saw the highest. Though these numbers may vary widely from firm to firm, verticals with higher cost per hire may benefit from investigating the top ROI sourcing tactics.

Highest cost per hire

\$2,422

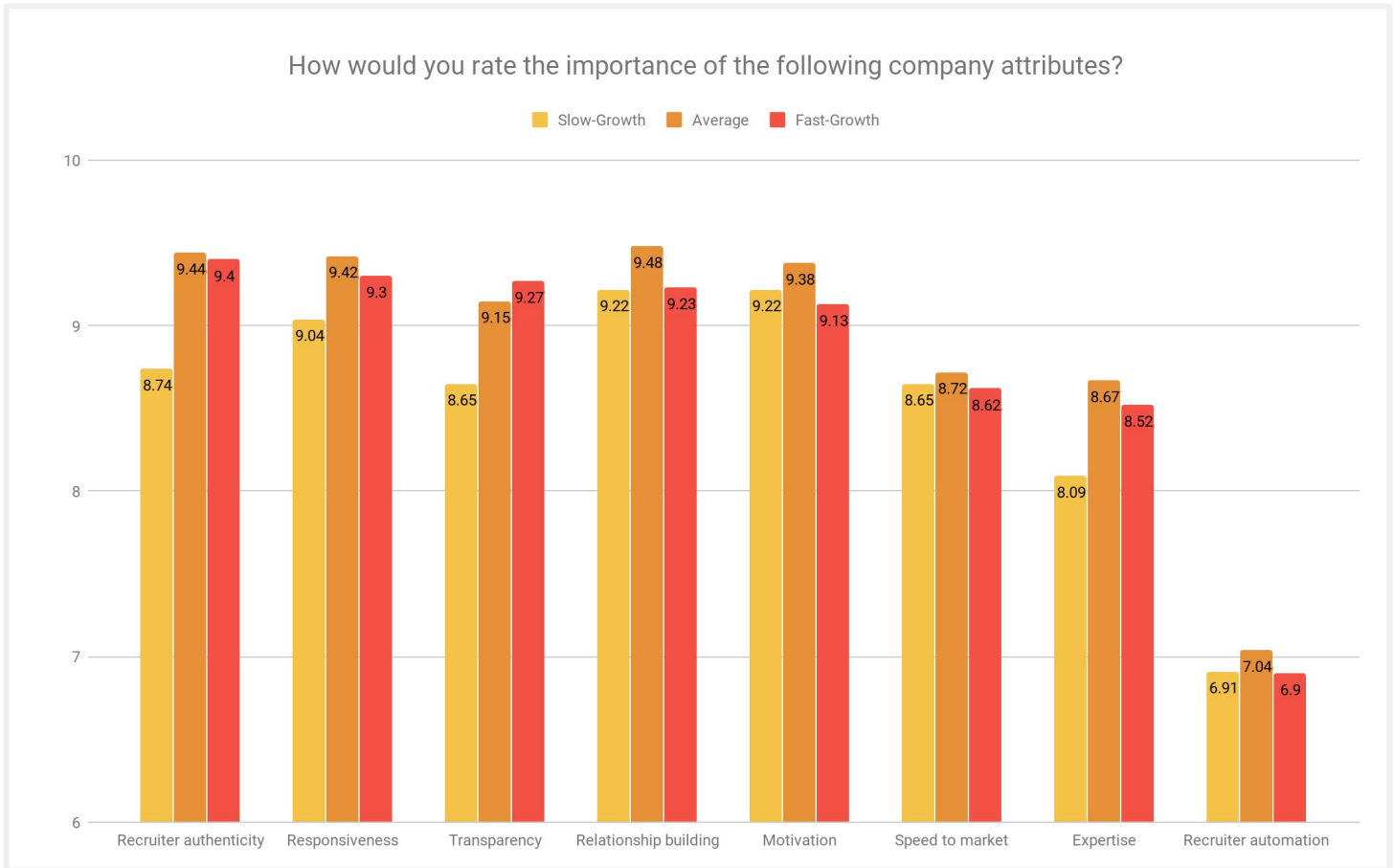
Professional/
Management-level

Lowest cost per hire

\$300

Office/Clerical and
Industrial

Recruiting Styles



TRANSPARENCY

AUTHENTICITY

RESPONSIVENESS

Across all growth rates, **authenticity and responsiveness are more crucial to success than automation**. While automation gets a lot of discussion among staffing executives, at conferences, and in industry articles, according to our survey results it's actually not as important to staffing success as traditional relationship-building skills.

3.0



Technology Insights

- 3.1 Early Adoption and Growth**
 - 3.2 Text Messaging Software**
 - 3.3 Marketing Automation Software**
 - 3.4 Applicant Tracking Software**
 - 3.5 Referral Management Software**
 - 3.6 How to Choose the Right Tech Stack**
-

THE #1 RECRUITER REPUTATION MANAGEMENT PLATFORM

Get Recruiter Reviews

Improve Candidate Experience

Protect Your Brand



COMPANY RANK	RECRUITER	REVIEWS	UNSOICITED	SOLICITED	RECOMMENDED	RESPONSE RATE	REFERRALS	SCORE
1	Jeff	154	11	143	149	38%	15	4.8
2	Mel	143	3	140	139	29%	12	4.8
3	Michael	145	5	140	142	35%	22	4.7
4	Andrew	137	5	132	134	27%	6	4.7
5	Courtney	133	10	123	130	23%	12	4.7
6	Karen	113	5	108	112	25%	7	4.7

WHY GREAT RECRUITERS?

Get Recruiter Reviews

With Great Recruiters you create an open door for candidates to share their experiences with solicited and passive feedback. If you're not asking, you don't know what you're missing.

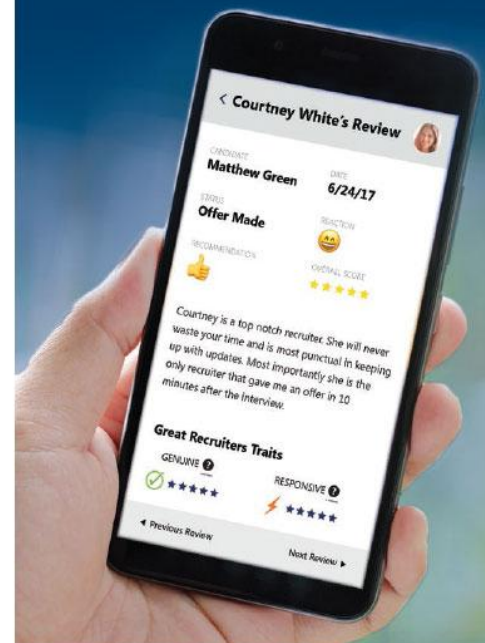
Improve Candidate Experience

By opening the door for feedback, you're heightening recruiter performance and providing transparency, therefore improving the candidate experience.

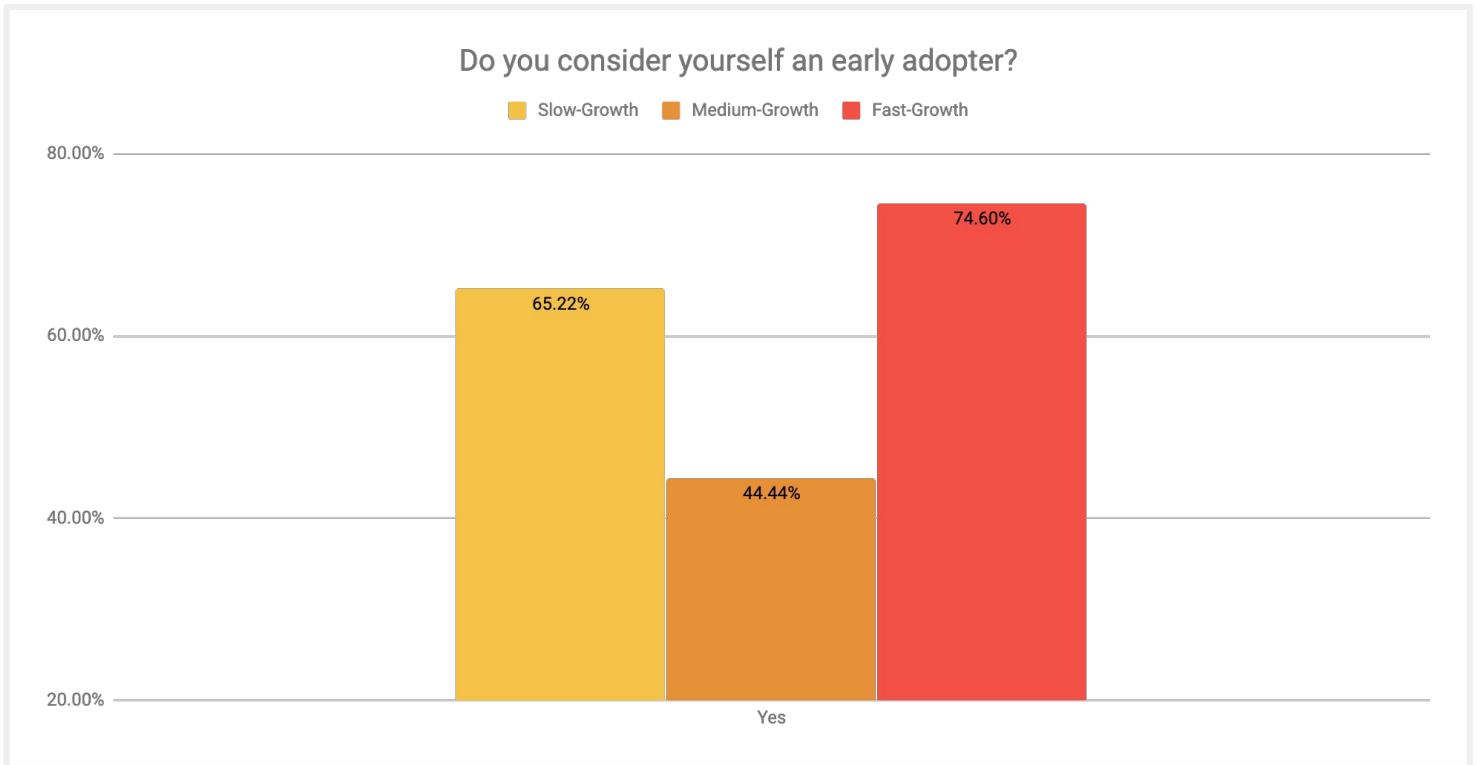
Protect Your Brand

Now it's time to take that candidate feedback and improved recruiter performance and shout it from the rooftops. With Great Recruiters Social Boost and your own company microsite, you can publish your 5-star reviews to LinkedIn, Twitter, and Facebook, and drive traffic to your microsite.

greatrecruiters.com
248.658.9494



Early Adoption and Growth

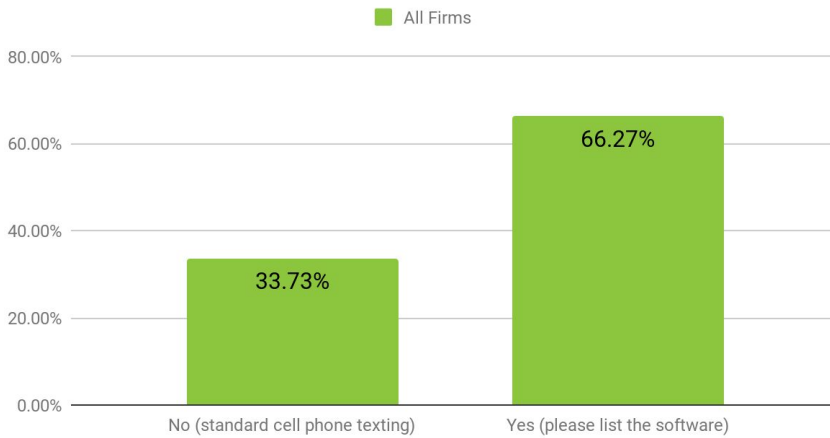


75% of the fastest-growing firms consider themselves early adopters, suggesting that building a cutting-edge tech stack is an integral part of staffing firm success.

75% OF FAST-GROWTH FIRMS
CONSIDER THEMSELVES
EARLY ADOPTERS

Text Messaging Software

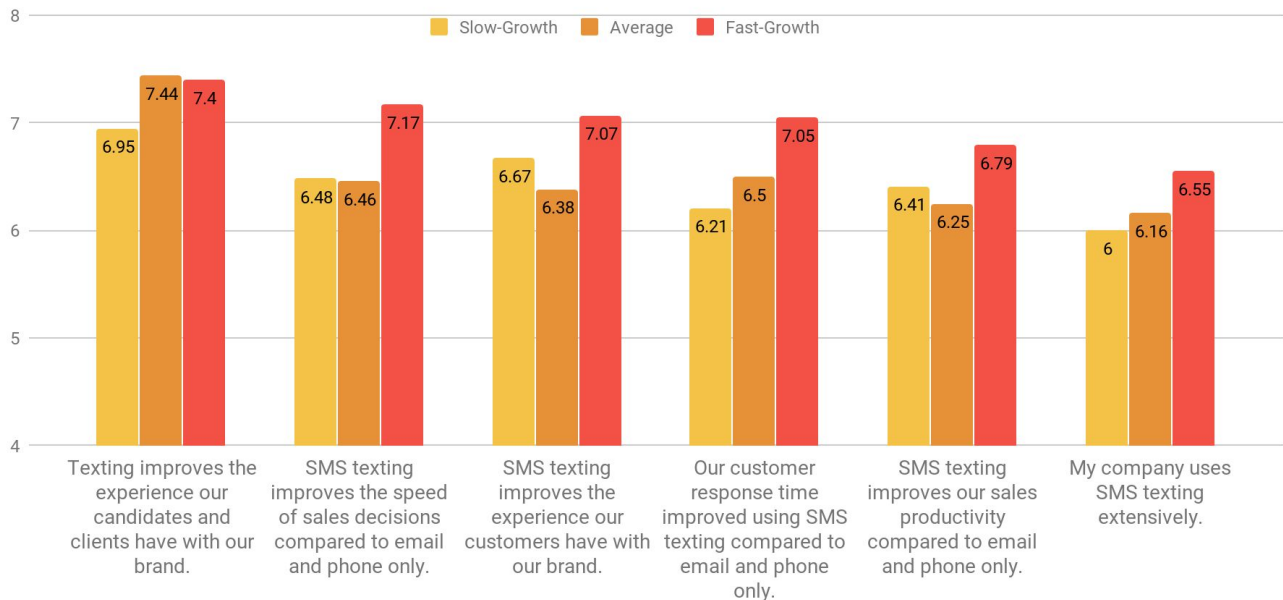
Does your company use text message management software?



The majority of all staffing firms now use text messaging software to communicate with candidates.

The fastest-growing staffing firms send texts more frequently and see text messaging as a critical component of the candidate experience.

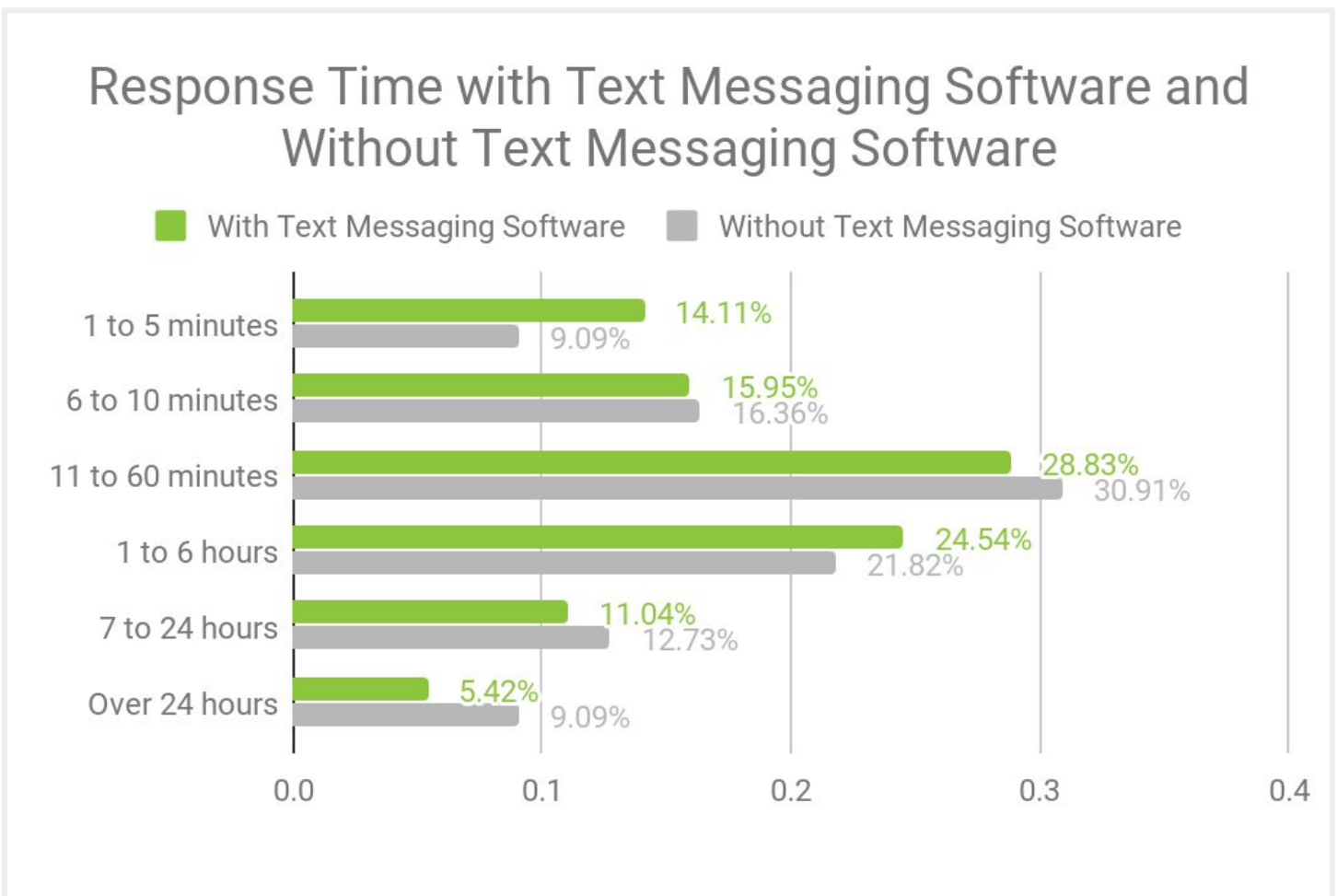
How much do you agree with the following statements related to text messaging? (1: I do not agree | 10: I agree completely)



Text Messaging Software

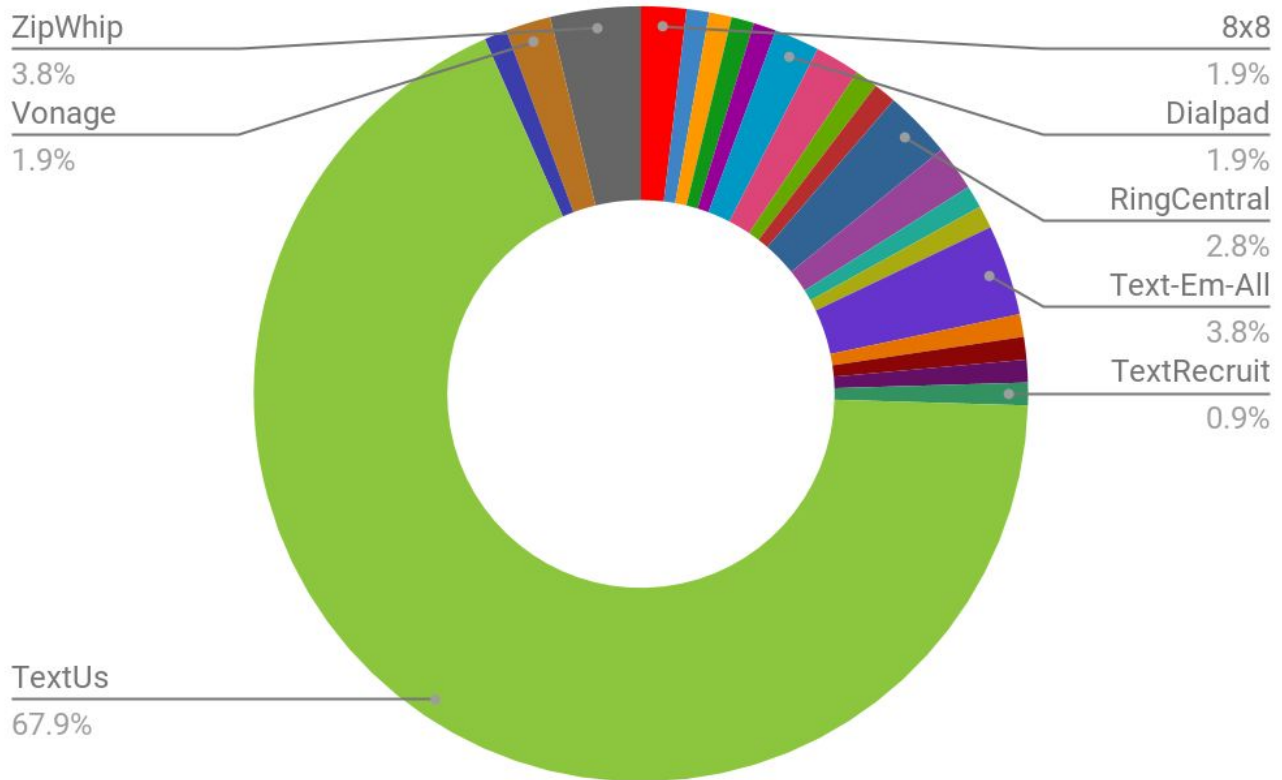


Speed matters -- firms that use text messaging software are **55% more likely to respond within 1 to 5 minutes** compared to firms that don't use text messaging.



Text Messaging Software

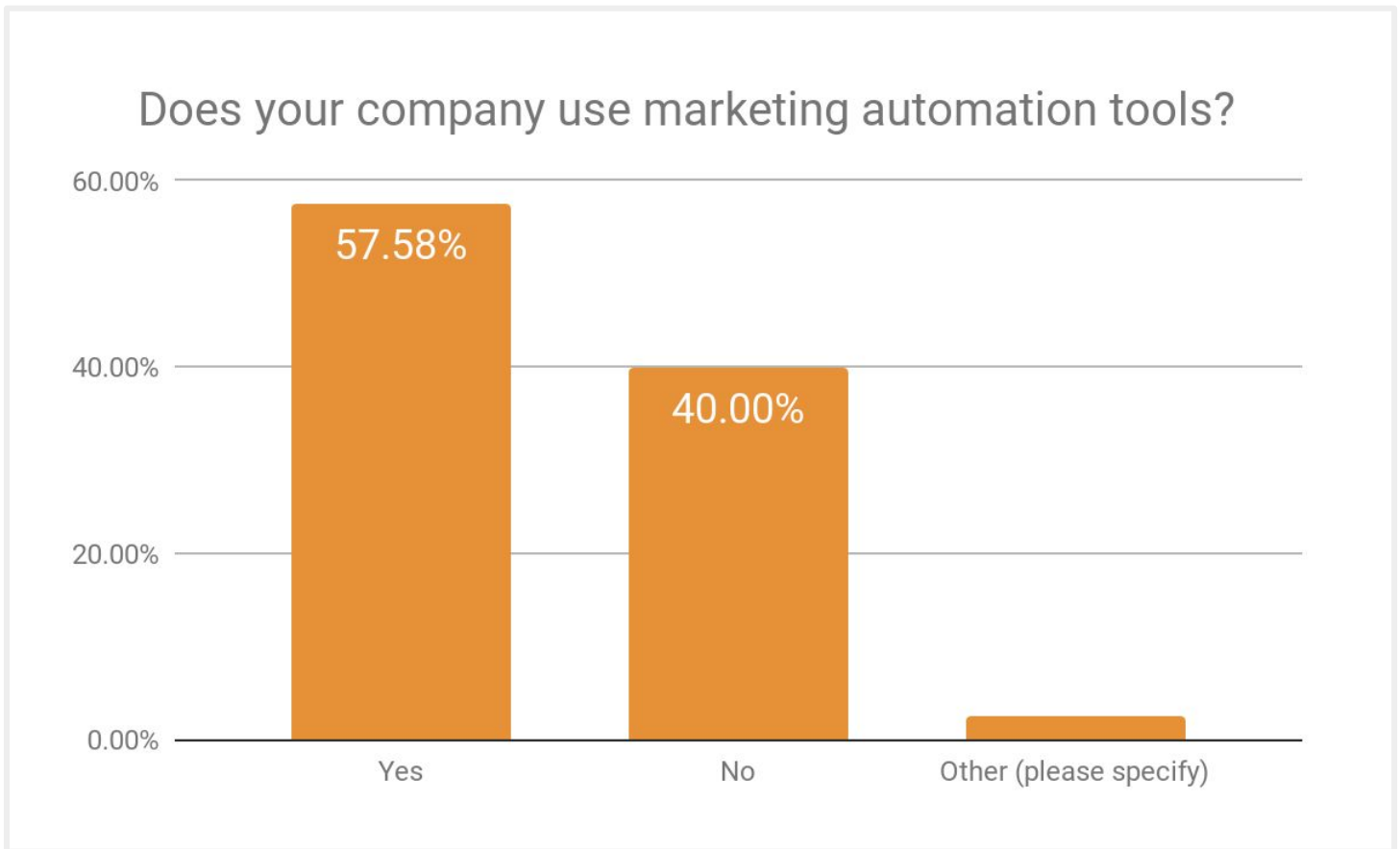
Which Text Messaging Software Do You Use?



TextUs topped the SMS software list, used by 67.9% of respondents. TextRecruit rounded out the bottom of the list, with less than 1% of staffing respondents using the tool.



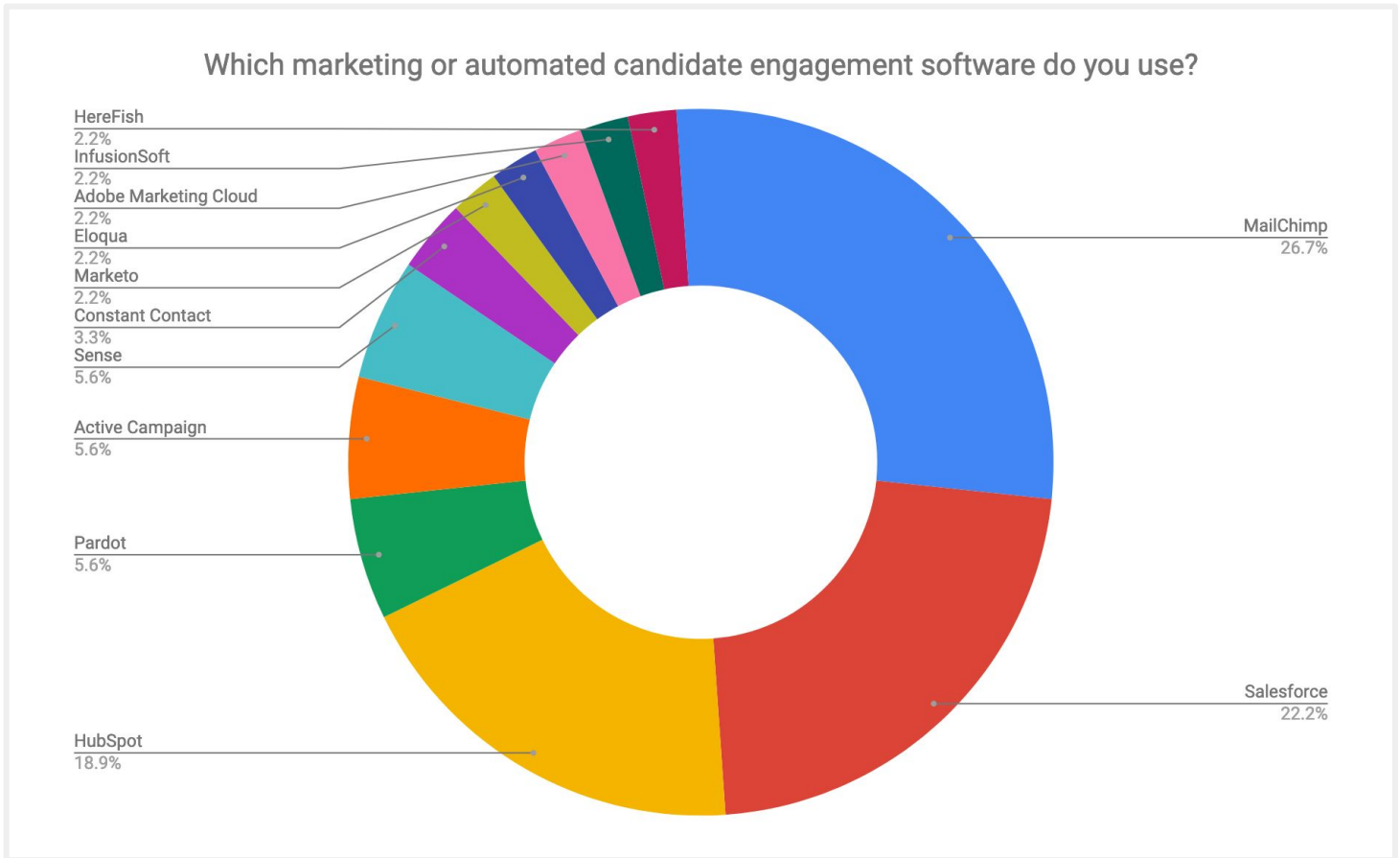
Marketing Automation Software



Across all growth categories, **nearly 60% of staffing firms use some form of marketing automation** to help them reach candidates. Marketing automation tools help accelerate candidates through your talent funnel.

57% OF THE INDUSTRY
USES MARKETING
AUTOMATION TOOLS

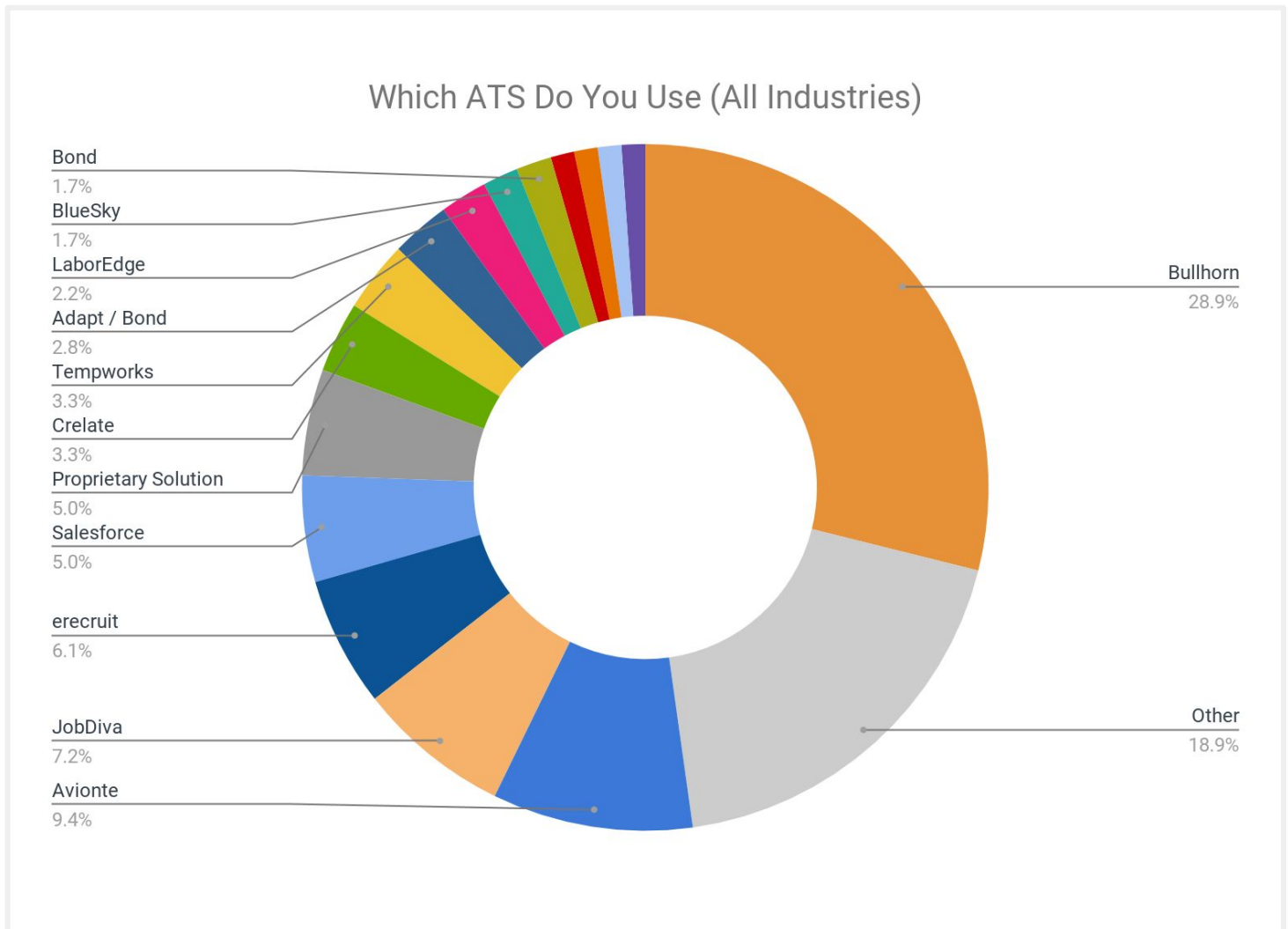
Marketing Automation Software



MailChimp, Salesforce, and Hubspot are the most popular marketing automation tools in the industry.



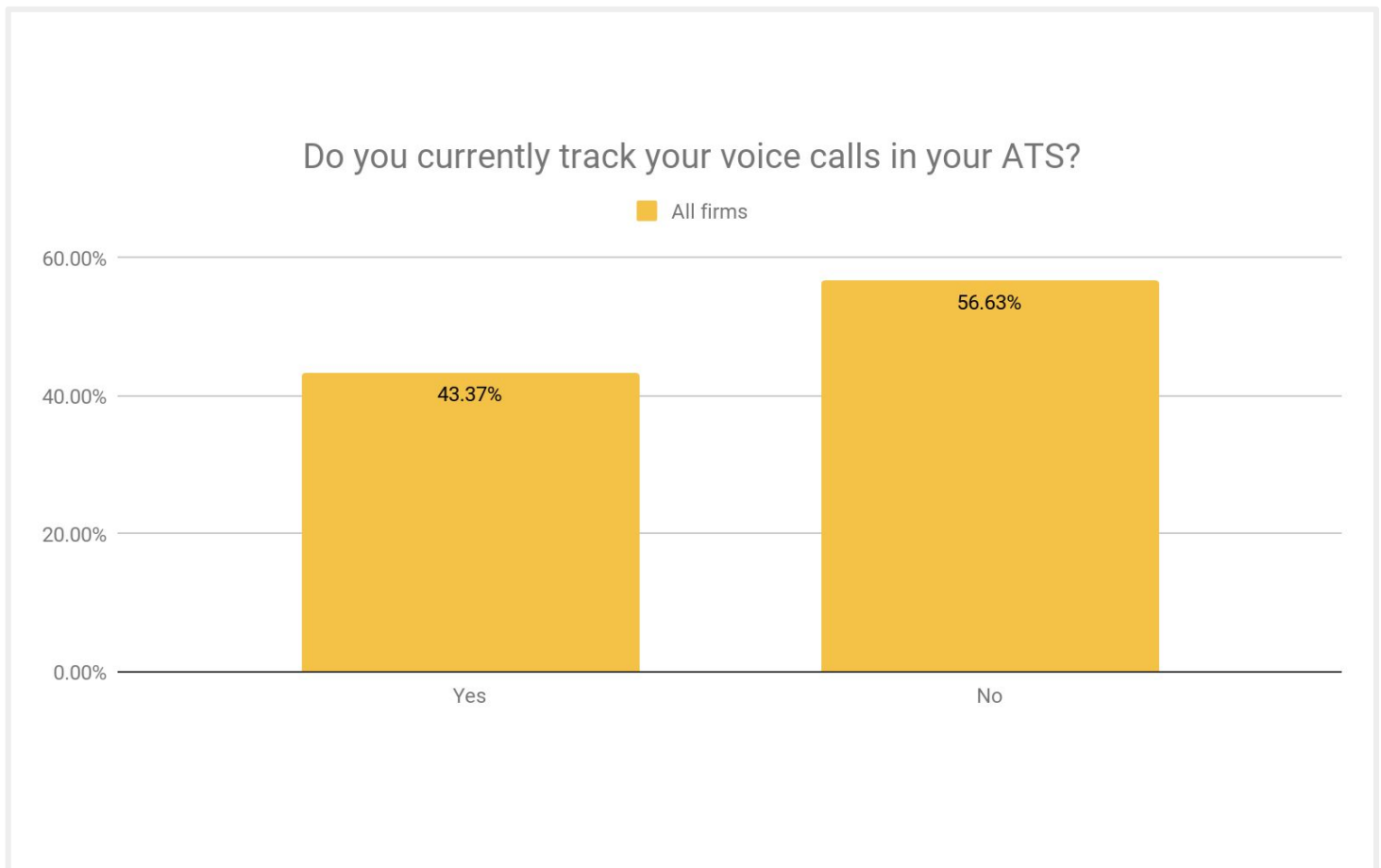
Applicant Tracking Software



Nearly 30% of staffing firms use Bullhorn for their ATS. This is up from just 16% last year. Avionte climbed to the #3 spot this year.



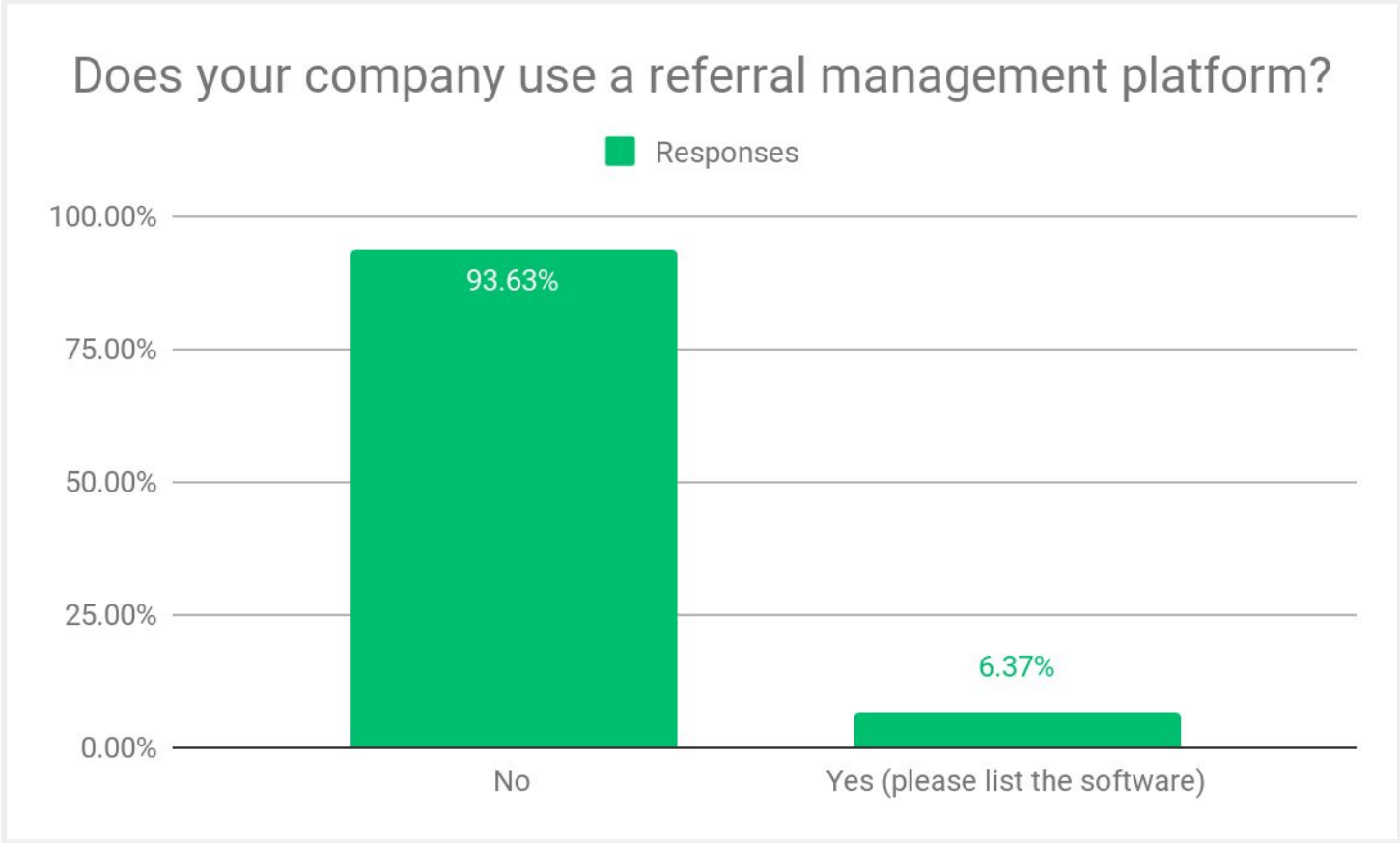
Applicant Tracking Software



The majority of staffing firms do not yet track their phone touches in their ATS, despite the fact that calls still make up an important part of firms' outreach strategy. Tracking phone calls can lend extra insight into what's working in a firm's process -- and what's not.

TECH STACK GAP | **LACK OF PHONE CALL TRACKING IN ATS**

Referral Management Software



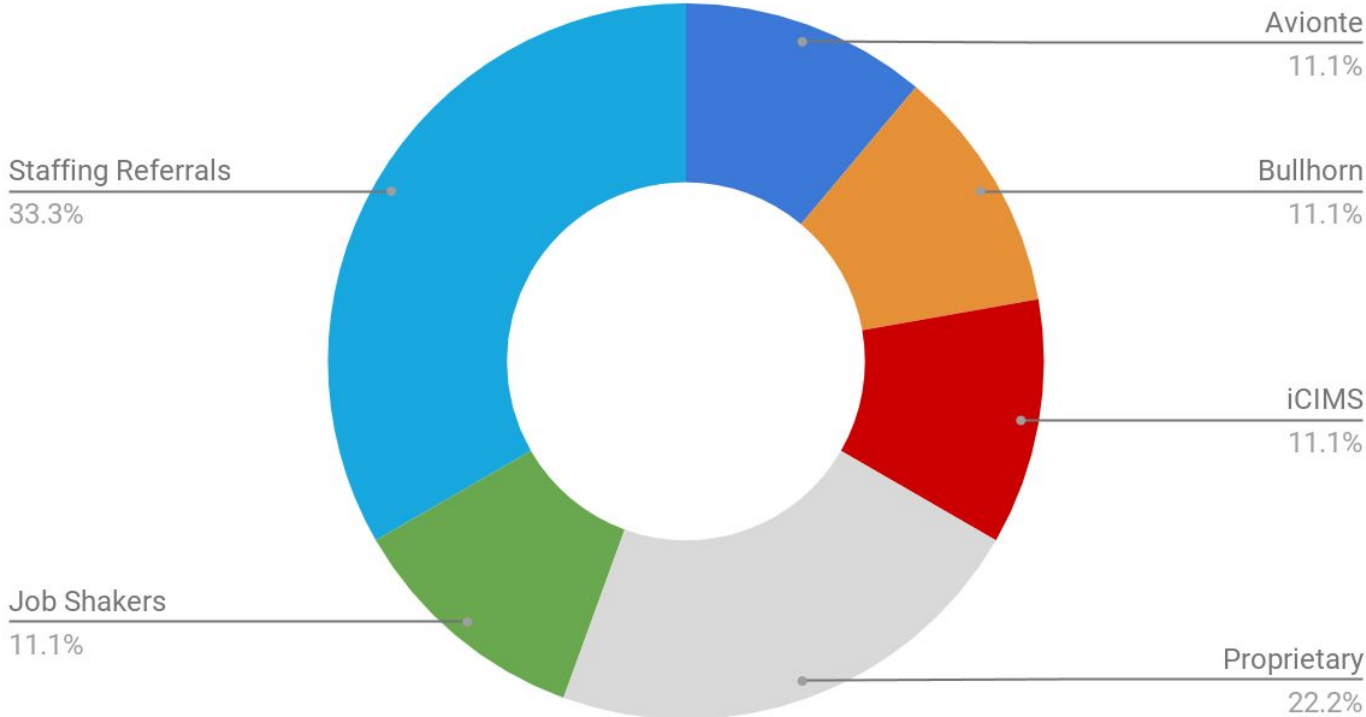
As staffing firms continue to identify new technology to source smarter, **referral management software usage has more than doubled since last year**. We expect adoption of digital referral platforms to accelerate over the next few years.

TECH STACK GAP

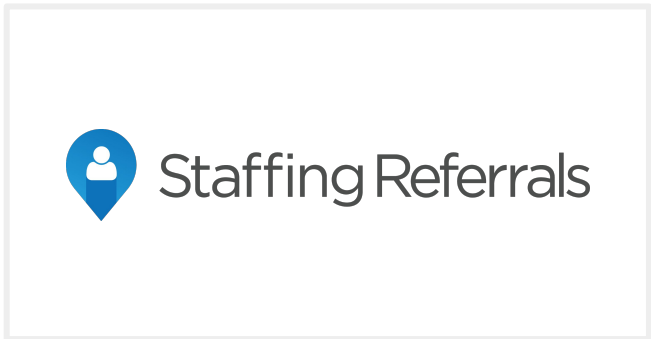
NO REFERRAL MANAGEMENT SOFTWARE

Referral Management Software

Which referral management platform do you use?



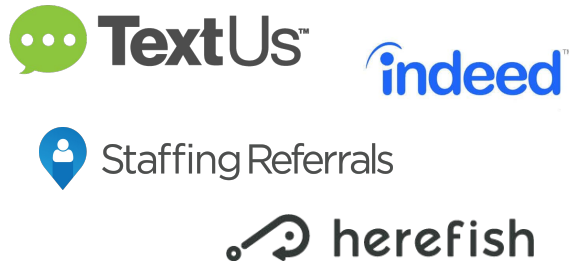
Of those firms that do use referral management platforms, one-third of firms use Staffing Referrals. Proprietary solutions are also popular.



How to Choose the Right Tech Stack

Sample Tech Stack

Sourcing



ATS (Full-cycle)



Qualifying
Placement



erecruit™

Renewal



AVIONTÉ

Getting your tech stack right can make the difference between hitting your annual goal and missing by a long shot. That's why it's crucial to choose the tools that empower your team, integrate seamlessly with each other, and remain on the leading edge of what's possible in staffing.

How to Choose the Right Tech Stack



IMPACT
Estimated ROI



COST
Cost to Your Business



EFFORT
Time to Implement



PRIORITY SCORE
1: Top Priority
10: Not Priority

Choosing the right tools to support your team is a complex decision. Evaluate potential solutions on how they will impact your business, what they will cost, how easy they are to implement, and how urgently you need them.

[Click Here to Download a Free Tech Stack Evaluation Tool](#) 



&



Staffing Hub

4.0



Innovation in Education

4.1 **Staffing Industry Resources**

4.2 **Staffing Industry Conferences**

Find Qualified Talent Faster

Get Up to 60% More Referral Leads with Staffing Referrals



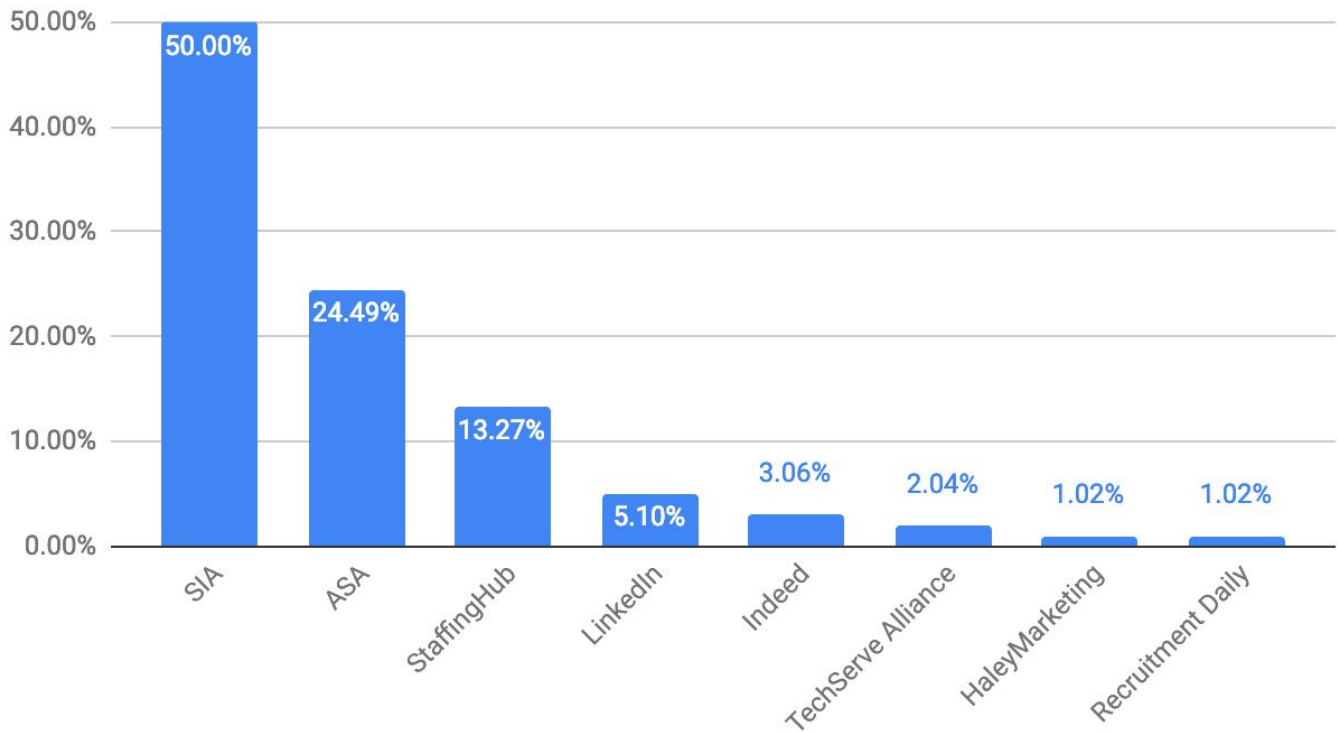
Staffing Referrals



staffingreferrals.com

Staffing Industry Resources

What is your go-to staffing industry resource?



SIA, ASA, and StaffingHub ranked as the top three go-to staffing industry resources.



Staffing Hub

Staffing Industry Conferences

Attending conferences like **StaffingTec**, **Executive Forum**, **Staffing World**, and **StaffingHub Live!** can help you to identify the best tech stack for your firm and the trends that will help you beat this year's growth slump.



STAFFING WORLD[®]
ASA Convention & Expo

Staffing Hub



Defining the future of staffing.



About the Team

Team:

Author: David Folwell

Editors: Caitlin Delohery, Krista Garver

Methodology:

In December of 2018, StaffingHub fielded a nationwide survey. The responses were sourced via email invitations, blog promotion, and social sharing.



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