

sense

STATE OF THE
STAFFING NATION
REPORT

*Data and trends from over 600 staffing leaders paired
with strategies + best practices for recruiting success*

US and UK Edition 2021



How the Staffing Industry is tackling 2021

As the economy recovers from the ravages of the pandemic and businesses aggressively resume hiring,

- How has the staffing industry responded?
- Have priorities changed?
- What challenges endure?

We surveyed
600+ staffing leaders



from over a dozen industries to get insights and perspectives straight from the source.



The **insights** are fascinating.

In an increasingly complex hiring landscape, driving recruiter efficiency and maximizing placement rates remain key goals. But with demand for talent outstripping supply by a factor of two in key markets, staffing organizations are seeking new and urgent ways to build deeper and lasting relationships with their candidates. Firms are also looking to maximize the ROI on their tech-stack, with an overwhelming majority increasing their spend on automation and AI to achieve those goals.

“

"We hope this report gives you a strategic view of the areas that industry leaders are focusing on to tackle continuing challenges and to bounce back from the effects of the pandemic."



Anil Dharni

CEO and Co-founder, Sense

Table of Contents

#1	Participant overview	.....	5
#2	Growth outlook	.....	8
#3	The big goals	.....	10
#4	Key challenges	.....	17
	Improving recruiter efficiency		
	New lead response time		
	Candidate placement rate		
	Manual/repetitive tasks		
	ATS challenges		
	Candidate drop-off		
#5	The way ahead	.....	35
	Automation to the rescue		
	Improving redeployment rate		
	Improving referral rates		
#6	Additional resources	46

#1

Participant overview

**614**

Staffing leaders,
managers and recruiters

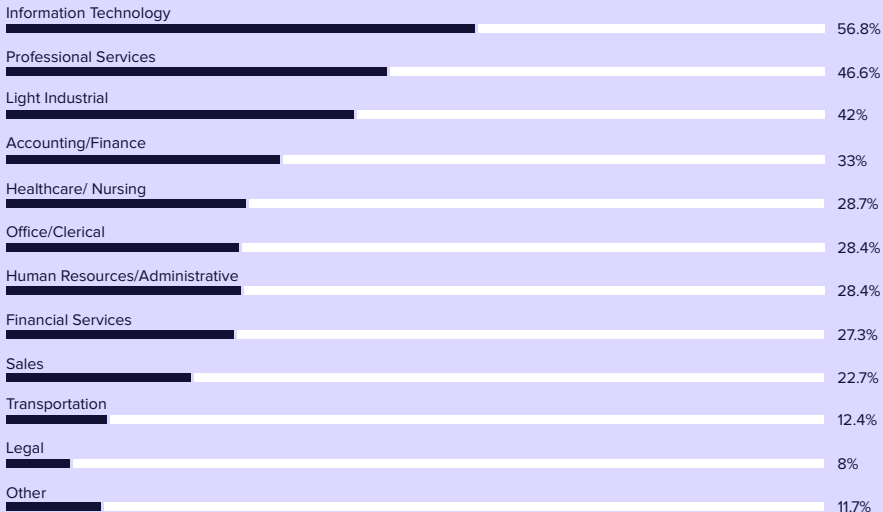
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Staffing firms

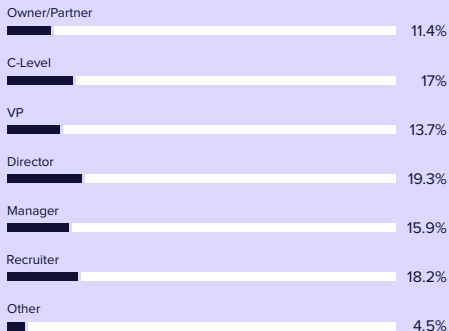
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Industry verticals

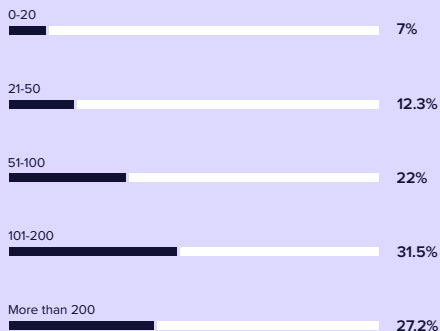
Which of the following verticals does your organization serve?



Which of the following titles best describes your role?



How many placements does your organization average per month?



#2

Growth outlook

A majority of staffing firms expect **10-30% growth** in annual revenue.



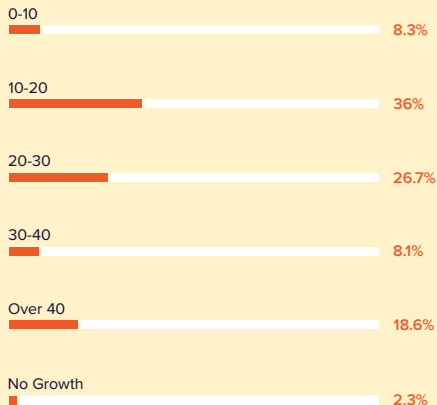
Midway into 2021,
most staffing firms are confident of
double-digit growth.



Less than **3%**

of respondents believe that their business will see absolutely no growth this year.

Compared to 2020, by how much do you anticipate to grow your annual revenue?



#3

The big goals

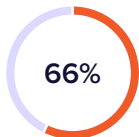
Time-to-fill and **cost-per-hire** are the most important performance metrics of 2021.



#3 The big goals

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In the staffing industry, high fill rate and low cost of hiring have always been the goals to chase. This year is no different.

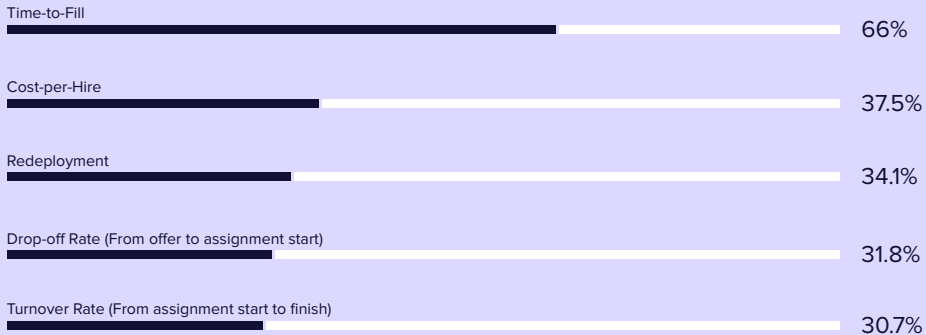


66% of respondents said that time-to-fill is the most important performance metric to watch in the next **12 months**. This is followed by cost-per-hire and redeployment rate, both metrics that indicate the health of the staffing business.

Other key metrics that staffing leaders are prioritizing are directly influenced by candidate experience: Drop-off rate from offer to start and turnover rate from job start to finish.



What performance metrics do you need to improve in the next 12 months?

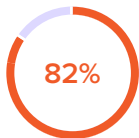


#3

The big goals

Staffing firms want recruiters to focus on **relationship building** and **active listening**.

How do top recruiters achieve their success? Our survey provides some insights into what leaders believe their top recruiters - in this case those who have reached 125% of their quota - do differently than their counterparts:



A whopping 82% of respondents said that **relationship building** is a key trait among their most successful recruiters. 64% said active listening is foundational to building candidate trust.

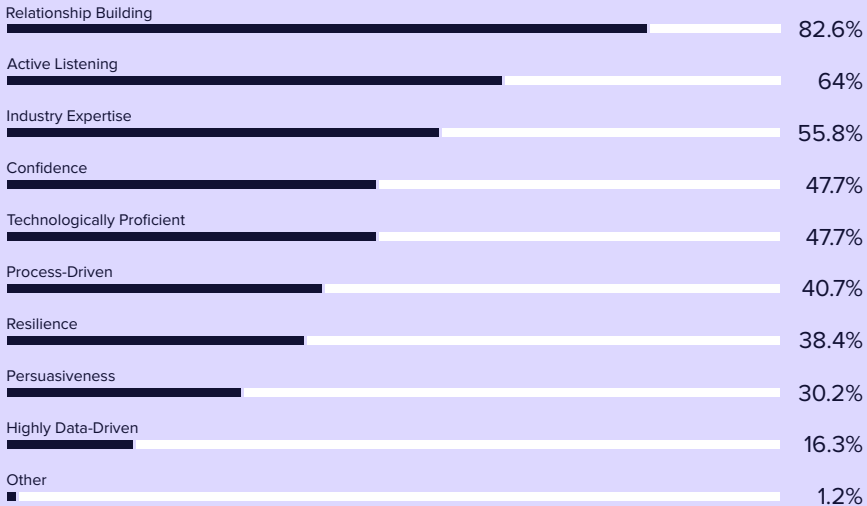
When recruiters demonstrate these traits, they are more likely to enhance their candidates' experience and win their trust, ultimately resulting in higher placements and a [stronger employer brand for staffing firms.](#)

Staffing leaders also believe that their top-performing recruiters are more willing to take the faith and embrace new technologies with nearly

48%

of the respondents saying technological proficiency is a key trait among their top recruiters. This is crucial as more millennials now begin to enter the job market, these individuals have a new way of communicating. Recruiters need to adapt to these new ways or risk being left behind.

What qualities do you believe are most common among your top recruiters?





"To build a strong relationship with your customers, you have to know their KPIs and how they are measured. When you have that in mind, you can have deeper conversations and be a true extension of what they are trying to achieve."



Andrew Limouris

Founder, President and CEO
Medix

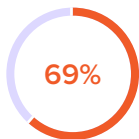
#4

Key challenges

Increasing recruiter efficiency is staffing's **#1** challenge.



#4 Key challenges



According to hr.com, 69% of HR professionals report having tackled high-volume recruiting scenarios in the past year.

The pandemic has spiked talent demand in a number of industries, including



Healthcare



Frontline essentials



Shipping



Delivery

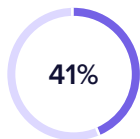


Transportation

Conversely, recruitment team sizes have remained more or less the same. With recruiting teams working remotely or in a hybrid setup for over a year, it has never been more important for staffing firms to identify ways to maximise resources to reduce recruiter stress and help them improve their productivity.

What are the top challenges in your recruiting process?





respondents say that their recruiters take over 6 hours to respond to new leads.

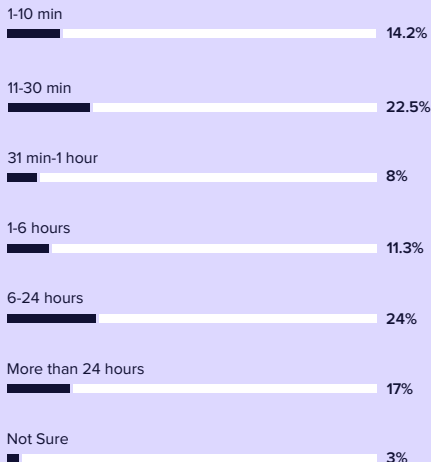
#4 Key challenges

For recruiters, the ability to respond quickly to job inquiries is a superpower. Not only does it help them build a better relationship with candidates, but it also has a direct impact on their ability to close more openings.

Unfortunately, given the volumes that recruiters are handling, it is not always possible for them to get back to new leads in time. By the time they do, the job seeker may have already moved on.

But as many staffing leaders admitted, optimizing recruiter response time is foundational to building a candidate-centric hiring process.

On average, how long does it take your team to respond to a new lead?





Only 14% of recruiters are able to place new candidates within 5 days.

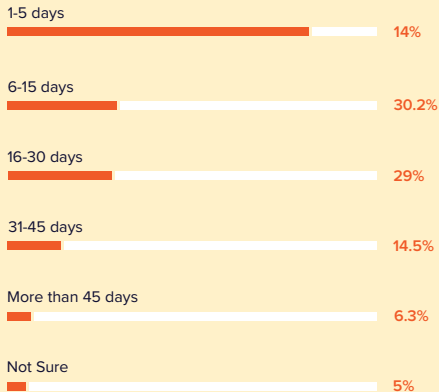


60%

of our survey respondents say that they take anywhere from 6 days to 1 month to place a new candidate. Given that time-to-fill directly reflects the performance of hiring teams and has also been reported as a key performance metric for the year, improving this number is of vital importance to staffing firms.

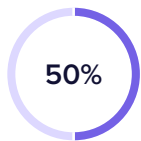
But first, let's look at *why* this happens.

On average, how long does it take your team take to place new leads?



#4 Key challenges

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Recruiters spend up to **50%** of their time on manual/repetitive tasks.

We've seen that staffing firms want their recruiters to focus on people-centric activities. However, reality is different.



40% of respondents admit that their recruiters spend up to half their time on repetitive administrative tasks while **19%** believe that this number could be even higher.

The problem is that a number of tasks essential to recruiting, from screening candidate profiles to scheduling conversations and updating information in the applicant database, **continue to be performed manually.**

The answer to this challenge, however, could lie in tech solutions powered by AI. For instance, AI can be used to create custom workflows and automate up to

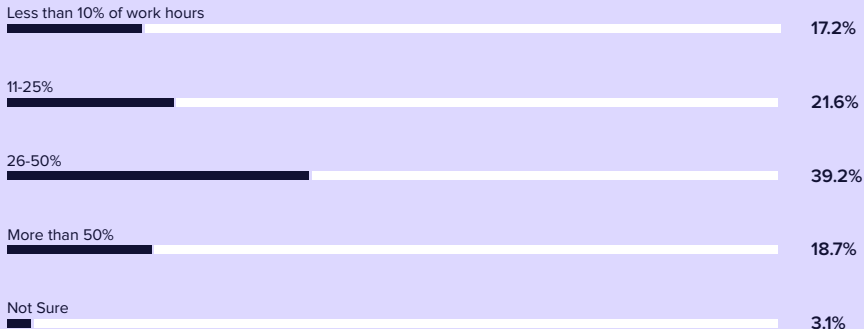
90%



of application and pre-screening, leaving recruiters free to spend their time building much-needed rapport with new candidates.



What percent of your recruiter's time is spent on manual/ repetitive/administrative tasks?





"With tools like AI Chatbot, you are able to remove all the repetitive activities your top recruiters have to do like screening and scheduling, and that immediately expands their capacity. We started our implementation with 7 large enterprise clients, and we doubled our placements by the end of 6 months as a result of that increased capacity."

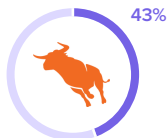


Lauren Griffin

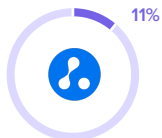
Senior Vice President
Volt Workforce Solutions



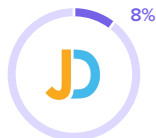
What Applicant Tracking System do you use?



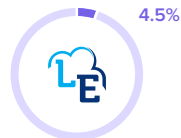
Bullhorn



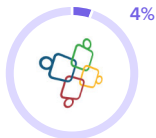
Avionte



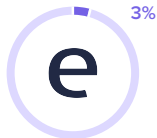
Jobdiva



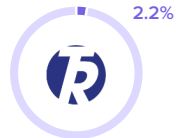
LaborEdge



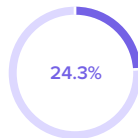
Tempworks



eRecruit



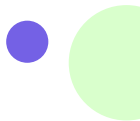
TargetRecruit



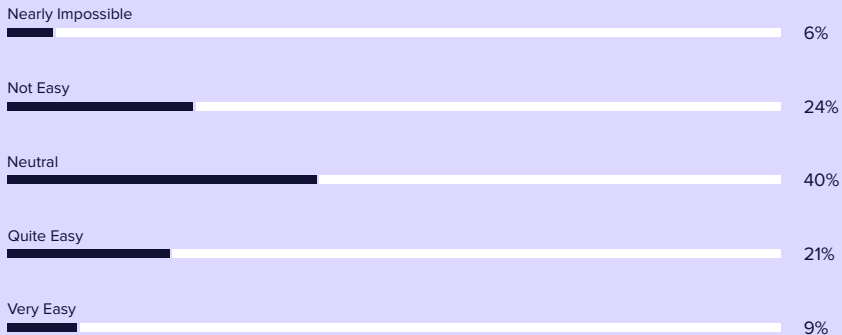
Others



staffing firms want more value out of their **Applicant Tracking System (ATS)**.



With your ATS, how easily are you able to find the highest-quality matches for open positions in real-time?



Did you know that more than half of new candidates sourced could already be in your database? Yet, staffing firms continue to spend heavily on job boards and sourcing platforms.

Your ATS can be a rich source of "high-quality" matches provided it is regularly updated with the latest candidate information and you have the capability to run outreach campaigns to re-engage passive talent. And when backed by predictive analytics, your ATS can alert you to candidates who are ready for new opportunities or are likely to churn.

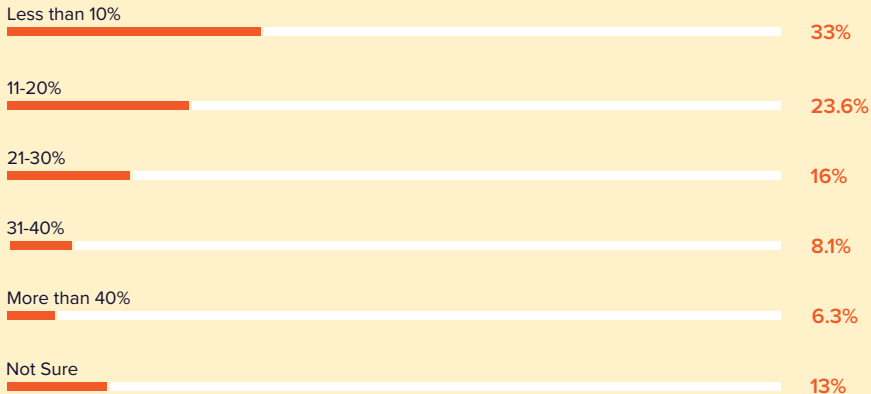
With AI-powered solutions, you can not only engage hidden talent in your ATS, but also auto-enrich profiles with the latest information, thereby turning your ATS into your most powerful sourcing tool.

44%

- see more than
- **1 in 5 candidates**
- drop off from
- job offer to start.



What is your current drop-off rate? (From offer to start)



Your recruiters have done all the hard work and shortlisted some great candidates. Offers are rolled out and then, suddenly, some candidates begin to drop out of the process. A few may offer an explanation, but most simply ghost your recruiters.

There are many reasons to explain this behavior. Perhaps, the hiring process took longer than expected. Or the candidate didn't hear back from the recruiter soon enough. Or the candidate's early interactions didn't leave them with a great experience.

Whatever the reason, timely, personalized communication can make a meaningful impact in increasing candidate engagement and response rates. In a world where most of us spend much of our free time on our phones, engaging with candidates via texting is a great way to keep them updated on the process and check in on how they're feeling. This helps recruiters identify red flags early and plan interventions.

The good news is that today's technology can help you automate and scale your communication across multiple channels without losing the human touch.



"Automation in sourcing and talent communication has been critical for us. In 2020 alone, we went from 15 automated workflows to 81, resulting in an unprecedented talent engagement rate of 94%. We estimate automation has saved us over 30,000 recruiter hours."



Emily Giltner

CSC, CSP

SVP, Enterprise Operations

Staffmark Group

#5

The way ahead

To address these challenges and meet their goals, staffing firms are investing in **automation capabilities** that work with their ATS to maximize recruiting ROI.

The way ahead

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For staffing firms -
automation is **table stakes** now.

AI and Automation can help at every stage of the hiring cycle: from candidate sourcing and pre-screening to interview scheduling and from post-offer engagement to onboarding.

According to this survey, over 40 percent of staffing firms have implemented automation capabilities to scale personalised communication to both candidates and clients, and over 30 percent have the capability to drive text and email outreach.

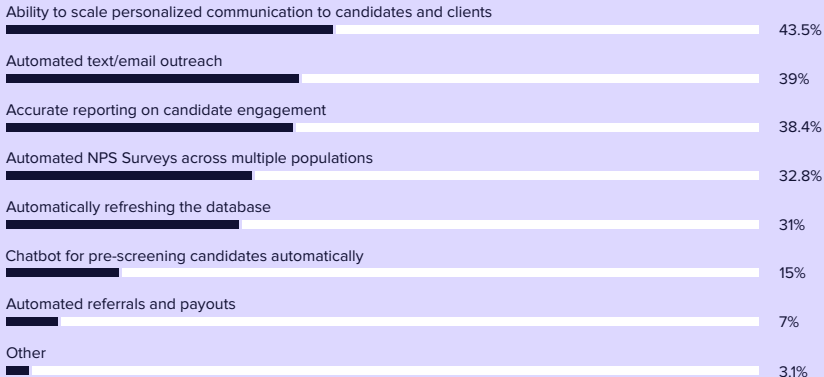
When it comes to planned investments, these two remain the biggest areas of interest, followed closely by chatbots to automate pre-screening and interview scheduling, along with auto-enrichment of ATS.

While only



of respondents said they have automated pre-screening and scheduling, nearly **40%** say they are planning to invest in these this year. Given that respondents said their **#1 challenge** is improving recruiter efficiency and speed of hire, this jump in spend allocation is no surprise.

Which of the following automation capabilities has your organization implemented?



Data becomes more crucial
to maximize **ROI**.



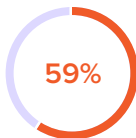
Our research shows that **even the top staffing firms in the country redeploy only 2-5% of their candidates.**

That's right - up to

98%

of the candidates do not come back to the firm for another gig!

Considering the time and effort spent on identifying top talent and building a relationship with them, this number represents an incredible opportunity to make an impact on your bottom line.

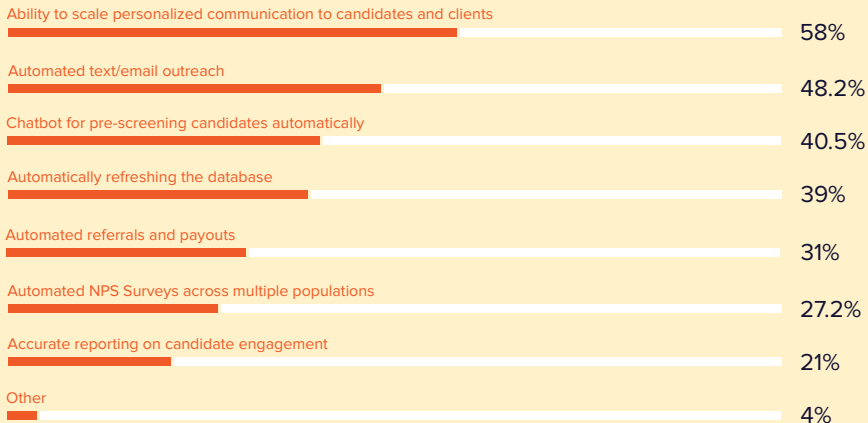


No surprise that redeployment is high on the priority list of **59%** of respondents who are investing in automation to scale personalization across the talent journey.

With automation, staffing firms can also enrich candidate profiles with the most recent and accurate data and ensure recruiters are proactively engaging qualified candidates who are ready for their next opportunity. And with regular check-ins, recruiters have the ability to build deeper and lasting relationships with their candidates.

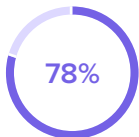
This, in turn, makes ATS a far more effective and reliable lead source, helping firms optimize costs and reduce spend on expensive acquisition channels.

In which of the following automation capabilities do you plan to invest this year?



Automate referral programs
for more **effective lead generation.**





of candidates who had a bad experience during the hiring process will share that with friends and family. How much more valuable is positive word of mouth?

Research has consistently shown that candidates who feel they've been treated well stay longer and refer your firm more often. Referral candidates not only save your recruiters time and effort - because the person who referred them has already done some groundwork - but are more likely to start and finish their assignment.

Automation simplifies the running of contractor referral programs by allowing you to create segments, target referral requests and customize referral communication.

It is heartening to note that

31%

of respondents plan to invest in automation capabilities specifically to automate referrals and payouts for their firm.



"Automation ensures that everyone is getting the highest level of service. It's consistent, it's happening on a centralized basis, and it's saving time for our recruiters and our staffing offices."



Cheryl Rhody

AVP of Marketing at HealthTrust

Conclusion

For staffing organizations, change is here to stay. While Covid-19 has introduced new trends, it has also accelerated the rise of other enduring trends.

To lead a staffing org through this change, staffing leaders must factor that:

- Automation is now table stakes
- Investing in data-enrichment is crucial for success
- Top-performing recruiters are more candidate-centric than their counterparts
- Technology provides the key pathway to scaling candidate and client engagement
- Long-term metrics such as time-to-fill and cost-per-hire will remain on the forefront

Incorporating these changes into your staffing organization will prepare you for the future that is approaching faster every day.

#6

Additional resources

A ready reckoner for **HR** teams.

2021 HR events & conferences

From talent optimization and HR tech to strategies for the gig economy, 2021's HR events are all about being future-ready. Our team has curated a list of the most interesting HR events of 2021 for you and your team.

[Discover events](#)

HR tools for a virtual world

The pandemic may have hastened the arrival of virtual and hybrid workplaces but now, they are here to stay. Think beyond virtual meeting aids with this list of handpicked HR tech solutions our team has identified.

[Explore HR tools](#)

sense

Sense is the leading AI-powered talent engagement and communication platform that enables recruiting teams to personalize their interactions with talent at every stage of the employment cycle. Founded in 2015 by serial entrepreneurs with deep expertise in staffing and software, Sense is used by over 400 customers and top staffing agencies, including Kelly Services and Recruit. Its solutions are fully integrated with leading ATS platforms, which ensures consistency in data from one source to another. Based in San Francisco, Sense has raised capital from Avataar Venture Partners, GV, Accel, Khosla Ventures, Signia Ventures, and IDG SF.

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