sense

2025 State of Staffing Report

Insights from recruiters and staffing leaders on the trends that will define 2025

What does 2025 hold for the staffing industry?

Sense is proud to present our "2025 State of Staffing Report." We surveyed 256 staffing leaders and recruiting professionals and compiled their insights in a comprehensive report highlighting the latest developments and emerging trends in the industry. Our report explores key themes, such as:

How the staffing industry is expected to change in 2025	The main goals, challenges, and metrics shaping recruiting and business strategies	The growing role of AI in staffing and candidate engagement

As you'll learn in this report, all indications are that 2025 will be a pivotal year for our industry. After three years of stagnant growth, we're finally entering a period of declining inflation and economic easing. With a renewed sense of optimism, staffing firms are ready to redefine candidate engagement, strengthen client relationships, and fuel growth in 2025 and beyond.
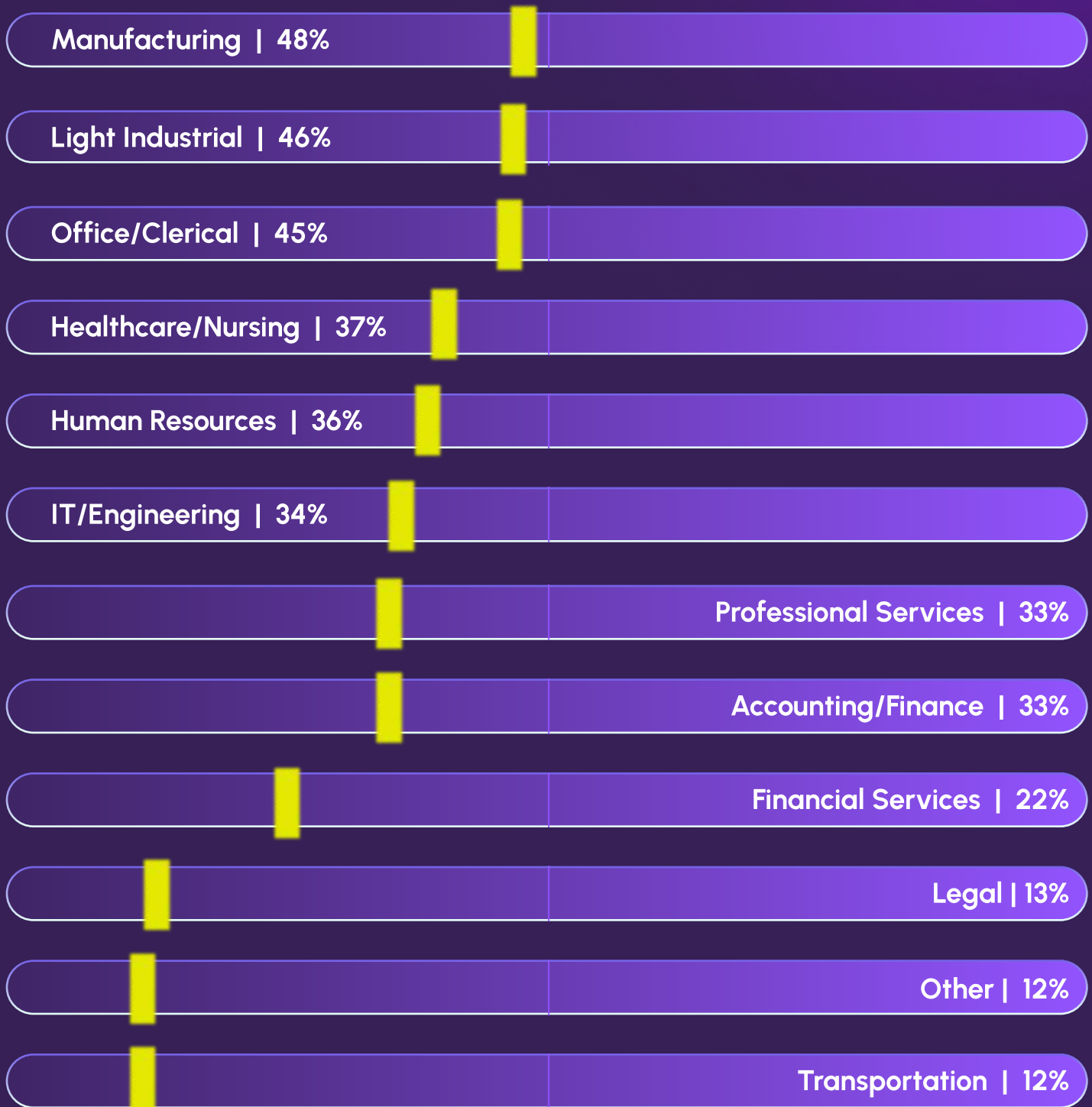
Contents

Survey Participant Overview

Chapter 1

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Which of the following verticals does your organization serve? *(multiple selections allowed)*

Manufacturing | 48%

Light Industrial | 46%

Office/Clerical | 45%

Healthcare/Nursing | 37%

Human Resources | 36%

IT/Engineering | 34%

Professional Services | 33%

Accounting/Finance | 33%

Financial Services | 22%

Legal | 13%

Other | 12%

Transportation | 12%

Which of the following best describes your role?

36%
Recruiter

22%
Manager

13%
Director

9%
VP

4 %
Team Lead

8%
Other

8%
Owner/Partner
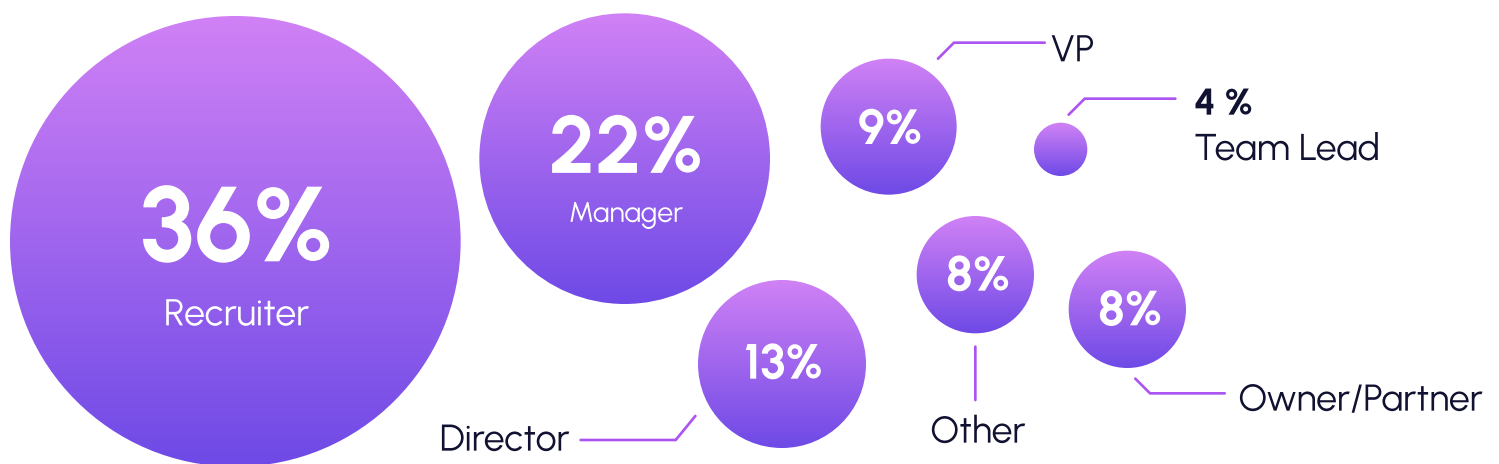
What staffing services does your firm provide? *(multiple selections allowed)*

88%	86%	79%	21%	14%	6%	3%
Temp	Temp to hire	Direct hire	MSP	RPO	Freelance	Other
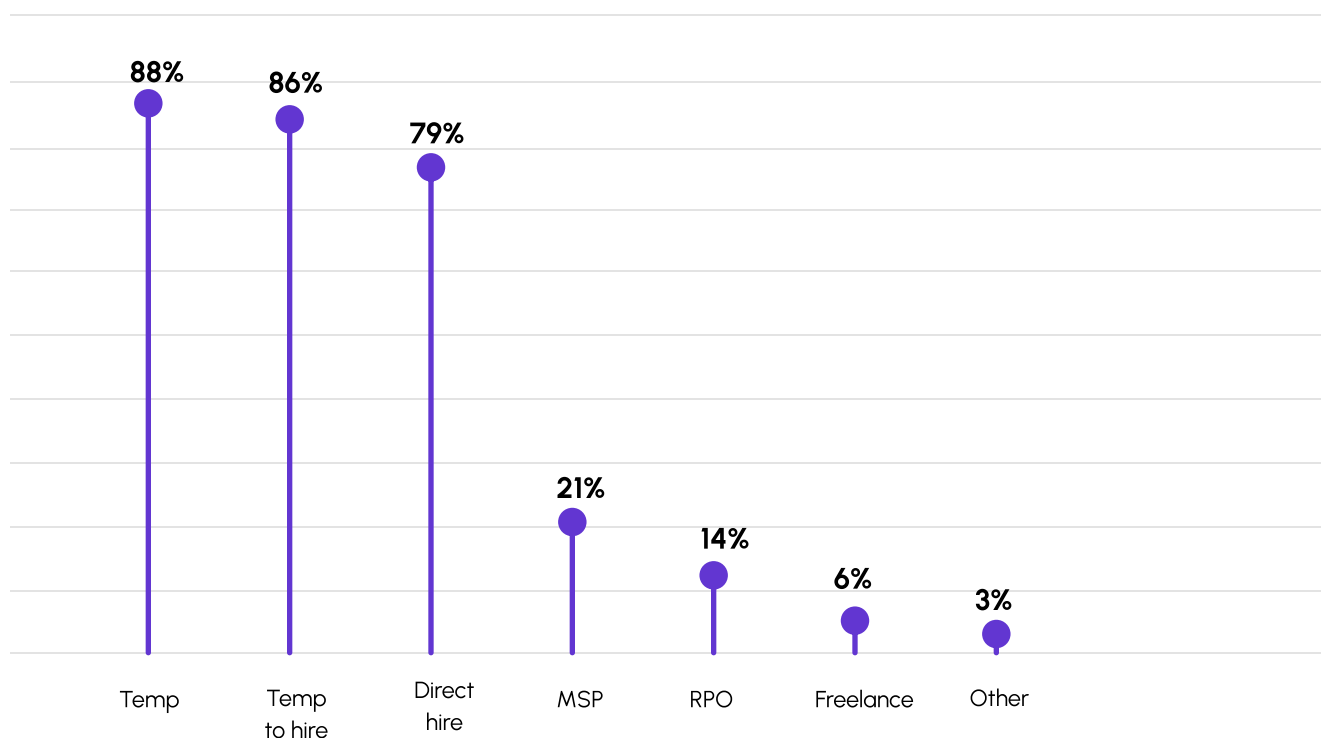
Growth Outlook

Chapter 2

Given the economic climate of the past few years, the growth outlook for 2025 was a logical starting point for our survey. And unsurprisingly, respondents say that financial challenges continue to persist. An overwhelming 95% of staffing professionals indicated that economic conditions have impacted their business. There was also a notable increase in those reporting significant effects—up to 59% this year from 50% last year. Only 5% reported no impact at all, a slight decrease from the 10% who provided this response last year.

97% of staffing firms expect to grow in 2025

Despite the economic pains, staffing firms are largely hopeful about growth in 2025. Growth expectations in the 0–10% and 11–20% ranges are higher this year than last year, suggesting that firms are recalibrating and anticipating modest increases. Only 9% of firms anticipate growth above 40%, but the proportion expecting no growth has dropped to 3%, reflecting improved sentiment within the industry.

The staffing industry thus faces a mixed outlook. While firms have been enduring economic headwinds, the prevailing attitude heading into 2025 leans toward cautious optimism. Adaptability will be key in navigating ongoing challenges, as firms prepare for a year of incremental growth and a return to business as usual.

Has the current economic situation impacted your staffing firm?

59%

Yes, Significantly

36%

Yes, but only minimally

5% No, Not at all
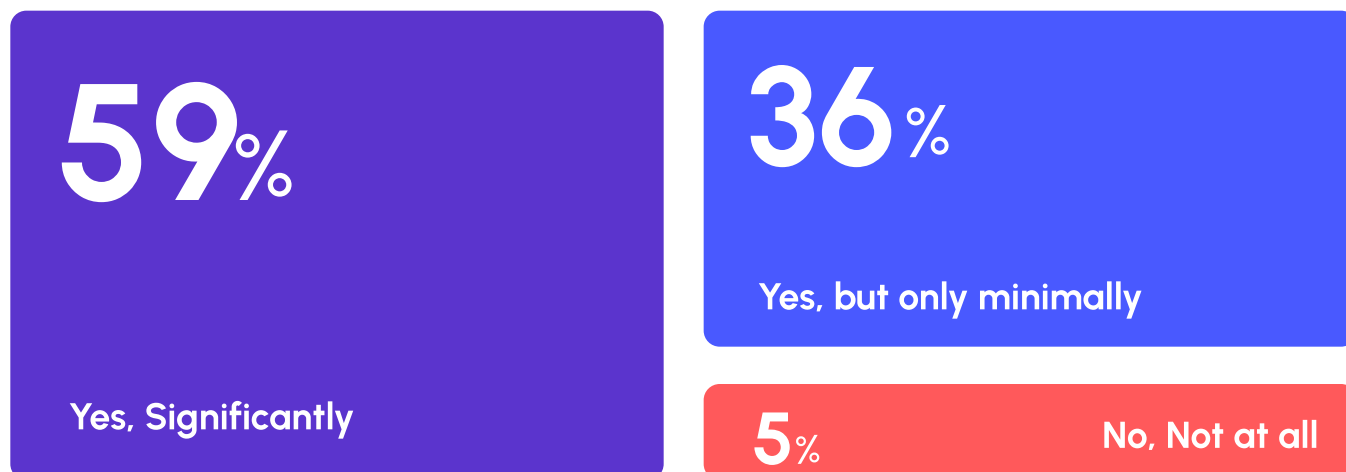
Compared to 2024, how much does your staffing firm anticipate to grow in 2025?

27% 0-10%

32% 11-20%

24% 21-30%

5% 31-40%

9% more than 40%

3% We don't anticipate to grow
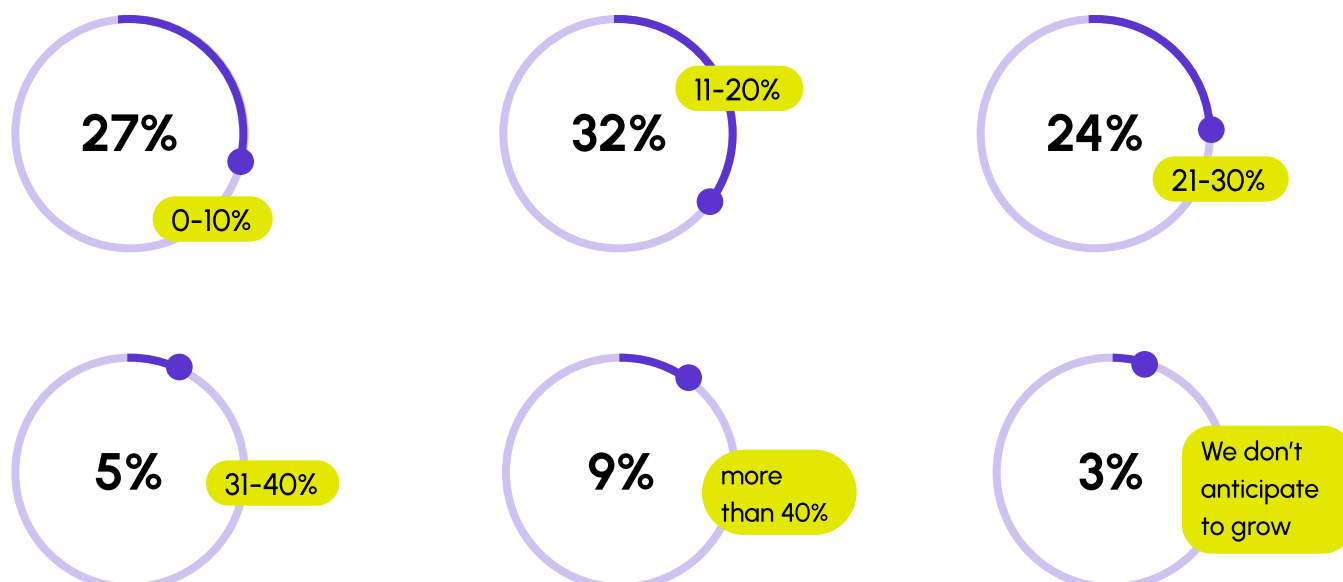
Big Goals

Chapter 3

As financial challenges begin to subside, staffing leaders are sharpening their focus on generating revenue. This year an even larger majority (68%) ranked client acquisition and revenue growth as their top organizational priority—a slight increase from 63% last year. This indicates that many staffing firms see the opportunity to grow their client roster as macroeconomic conditions improve.

Business growth is the top goal for more than two-thirds of staffing firms

Attracting and placing qualified candidates ranked as the second-highest priority, cited by 17% of staffing professionals. This focus showcases the importance of building a strong candidate pipeline to meet client needs and support long-term growth.
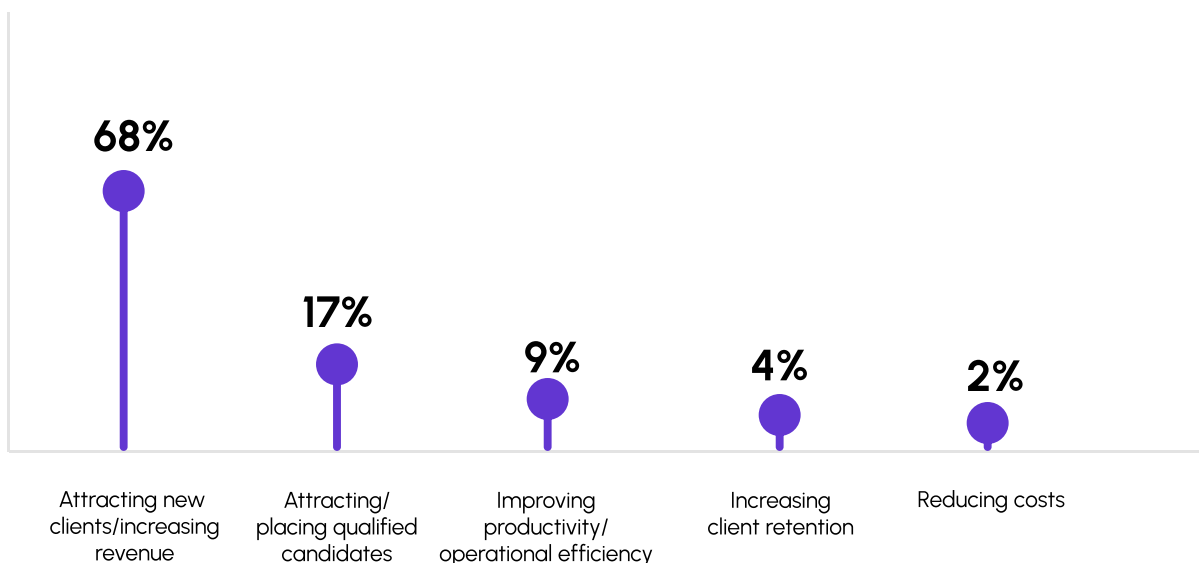
Improving productivity and operational efficiency ranked third, with 9% identifying it as a top goal. Cost reduction was a lower priority, with only 2% identifying it as their primary focus.

Interestingly, increasing client retention is only a key priority for 4% of respondents, suggesting that staffing professionals potentially view client acquisition as a more effective avenue for growth than maintaining existing relationships.

Overall, there is a clear takeaway from our survey this year: Staffing leaders are ready to capitalize on the opportunities 2025 presents and move the needle for their businesses.

Which of the following is your biggest organizational priority for 2025?

Attracting new clients/increasing revenue	Attracting/ placing qualified candidates	Improving productivity/ operational efficiency	Increasing client retention	Reducing costs
68%	17%	9%	4%	2%

Key Challenges

In addition to being the top goal, attracting new clients and increasing revenue was cited as the top challenge by nearly two-thirds of survey respondents. While there are growth opportunities, the business side of staffing firms face various difficulties that we'll explore in more detail in the next chapter.

When it comes to recruiting-specific challenges, 55% of staffing professionals indicated that attracting qualified candidates is a critical hurdle. This is unsurprising given that more than half of respondents (58%) also identified sourcing as the most difficult stage in the hiring process.

When we explored this challenge in more detail, we found that candidate expectations have increased notably —as 66% of respondents reported that the people they hope to hire are demanding more from recruiters.

Today's candidates simply want faster recruiting processes, more frequent communication, and personalized experiences—and they'll continue to explore opportunities until they find recruiting teams that provide what they want and deserve

More than half of staffing professionals struggle with sourcing

66% of survey respondents say candidates are expecting more from recruiters

Additionally, boosting recruiter productivity (36%), preventing candidate drop-off or turnover (36%), and staying ahead of the competition (35%) all finished in the middle of the pack for challenges.

The staffing firms that tackle these challenges head-on in 2025 will win, while those that continue to rely on outdated business and recruiting practices will ultimately fall further behind.

What are your top challenges heading into 2025?

(three selections allowed)

Attracting new clients/increasing revenue

65%

Attracting qualified candidates

55%

Increasing recruiter efficiency

36%

Preventing candidate drop-off/turnover

36%

Staying ahead of the competition

35%

Retaining existing clients

27%

Reducing costs

18%

Providing a positive candidate experience

17%

Meeting client expectations

17%

Which stage of the recruiting process is the most challenging/time-consuming?

58%
Sourcing

19%
Onboarding/start-date preparation

7%
Interviewing

16%
Screening
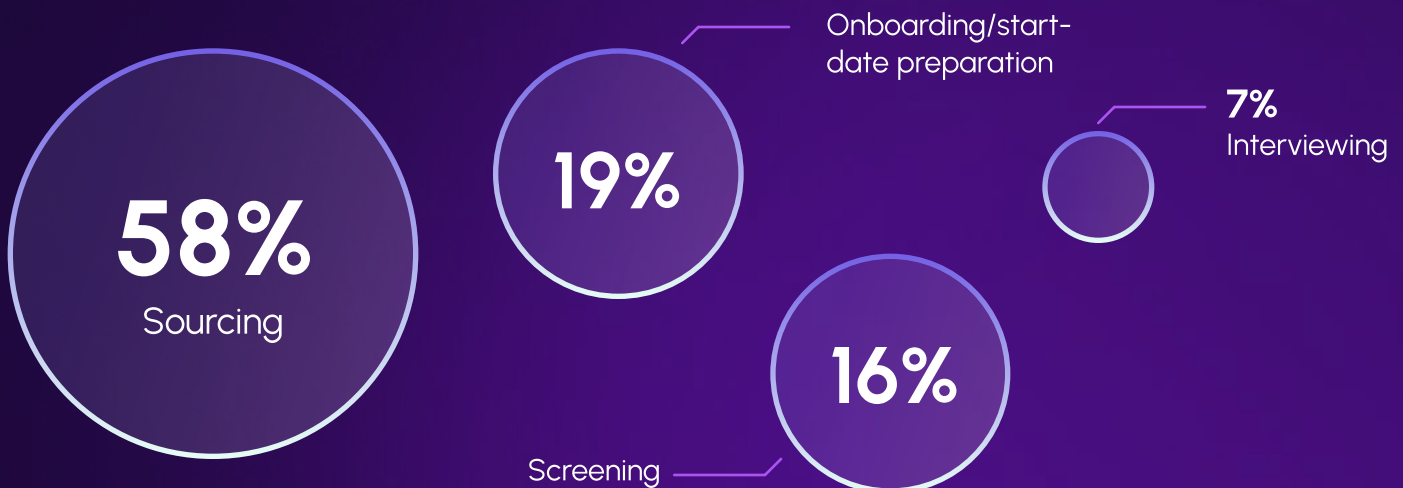
In the past year, are candidates expecting more from recruiters, expecting less, or having the same expectations?

66%
Expecting more

33%
Having the same expectations

1%
Expecting less
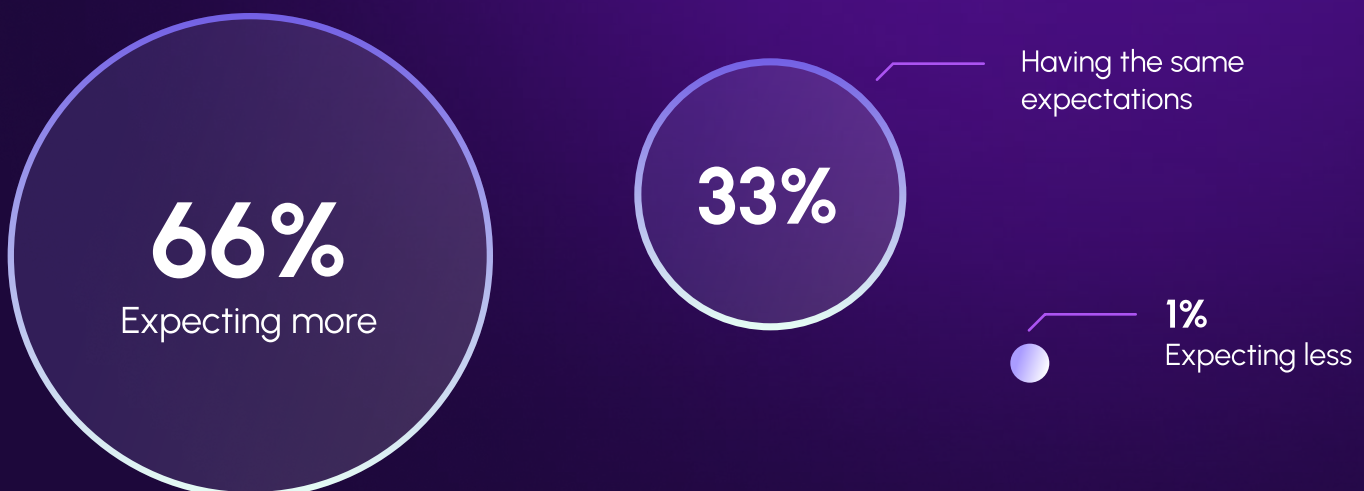
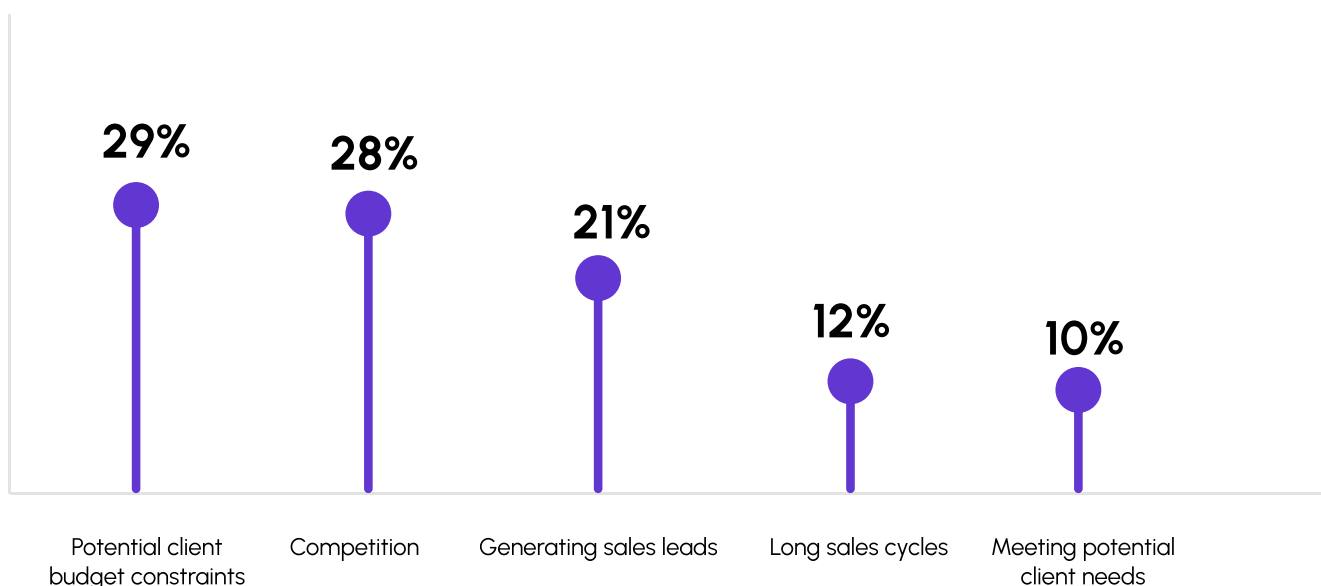# Sales, Goals & Challenges

Chapter 5

Given that client acquisition and revenue growth are top goals and challenges, it's important to take a closer look at business development within staffing firms. Our survey revealed that the most pressing sales-specific challenge, cited by 29% of respondents, is potential client budget constraints. This makes sense given that many organizations scaled back hiring over the past few years, though there is hope this obstacle will ease in 2025.

Competition and generating leads rounded out the top sales concerns (cited by 28% and 21% of survey participants, respectively) demonstrating that those in need of staffing services have multiple options in who they work with.

Focusing on lead generation, we found that cold outreach has become the most effective source of new sales leads, with 39% of respondents pointing to it as a top method. Client referrals followed at 22%, emphasizing the importance of nurturing strong relationships with satisfied clients to drive new business. Other sources included LinkedIn (14%), company website (13%), and digital advertising (12%).

These insights show that succeeding in the staffing industry is no easy feat. Competition is fierce and firms must take a thoughtful approach to building their brands, demonstrating value, and engaging potential clients.

What is your biggest sales challenge?

29%	28%	21%	12%	10%
Potential client budget constraints	Competition	Generating sales leads	Long sales cycles	Meeting potential client needs

What is your best source of new sales leads?

Cold outreach | 39%

Client referrals | 22%

LinkedIn | 14%

Company website | 13%

Digital advertising | 12%
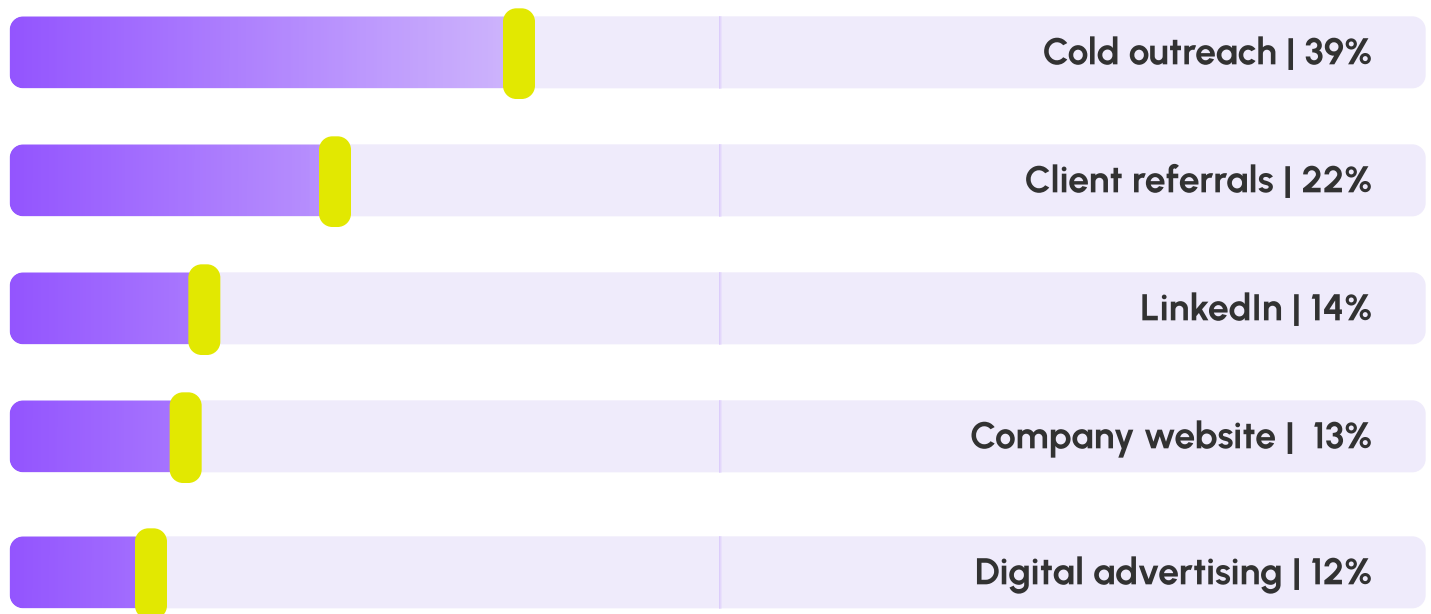
Grow your staffing business with AI and automation

- Watch on-demand webinar
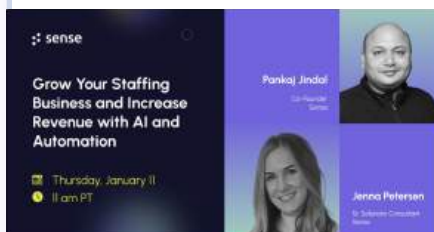
Use Sense for sales and marketing

- Get the guide

Sales and marketing tactics for staffing firms

- Check out the blog post

Candidate Expectations

Chapter 6

Continuing with our deeper look at the top goals and challenges, let's explore what it takes to meet the expectations of modern candidates. Our survey revealed that frequent communication is the most critical factor, cited by 69% of respondents. A fast recruiting process (55%) and transparent job descriptions (47%) followed closely, showing that candidates prioritize quick placements and a clear understanding of the job before moving forward.

Heading into 2025, tailoring the recruiting experience to each candidate will be of the utmost importance. Personalized communications and job recommendations were also identified as key contributors to a positive experience by 39% and 28% of respondents, respectively. Additionally, 25% of staffing professionals noted that candidates value flexible interview scheduling and an efficient interview process. This makes sense given that streamlining the interview stage goes a long way in accelerating the overall hiring process.

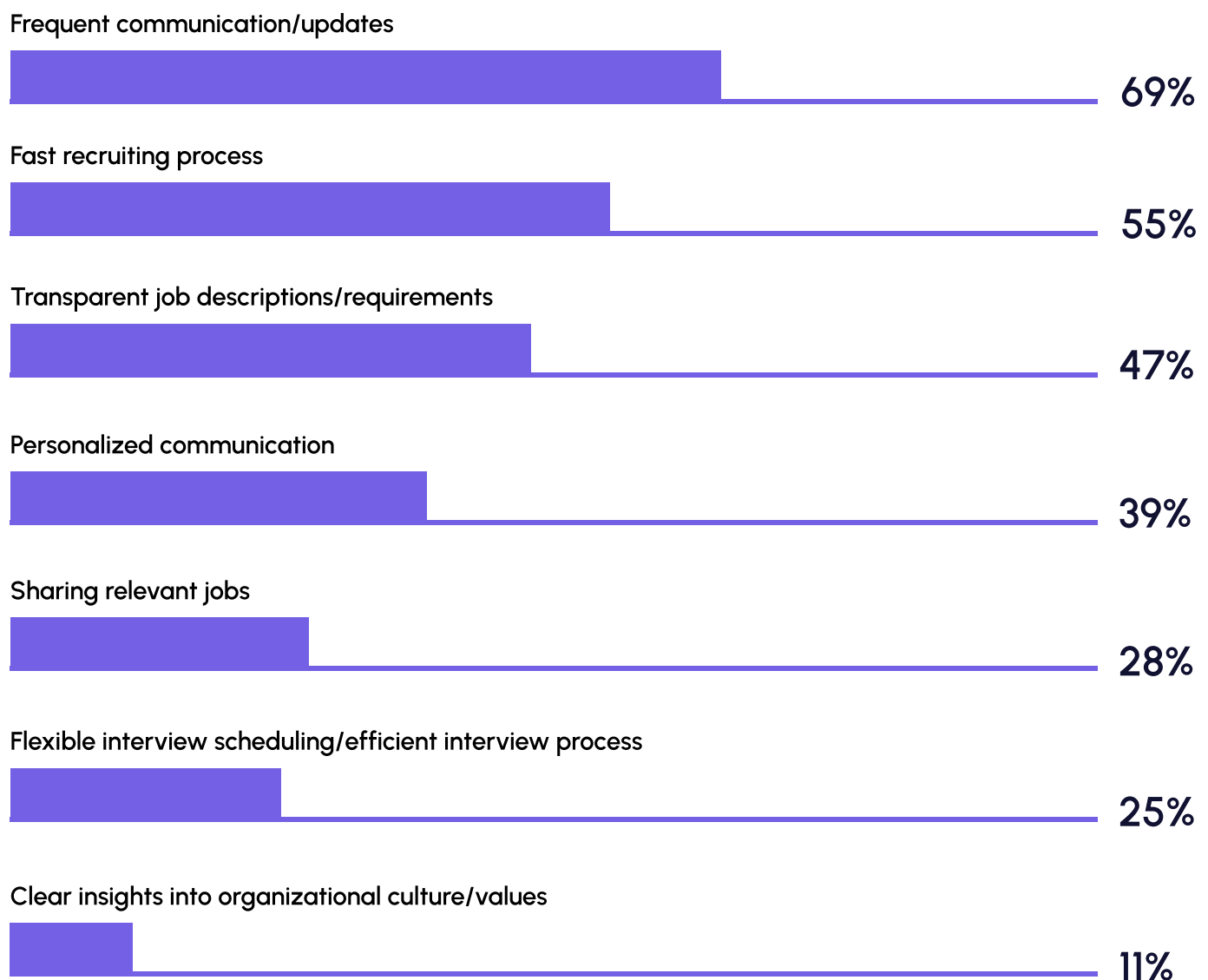## Text messaging is overwhelmingly the top candidate communication channel

Given the emphasis on frequent communication, it's also important to consider how candidates prefer to be contacted. Text messaging continues to dominate over phone and email—a trend likely to grow as Millennials and Gen Zers make up a larger portion of the workforce in the coming years.

Candidates expect fast, personalized, and transparent experiences with frequent communication
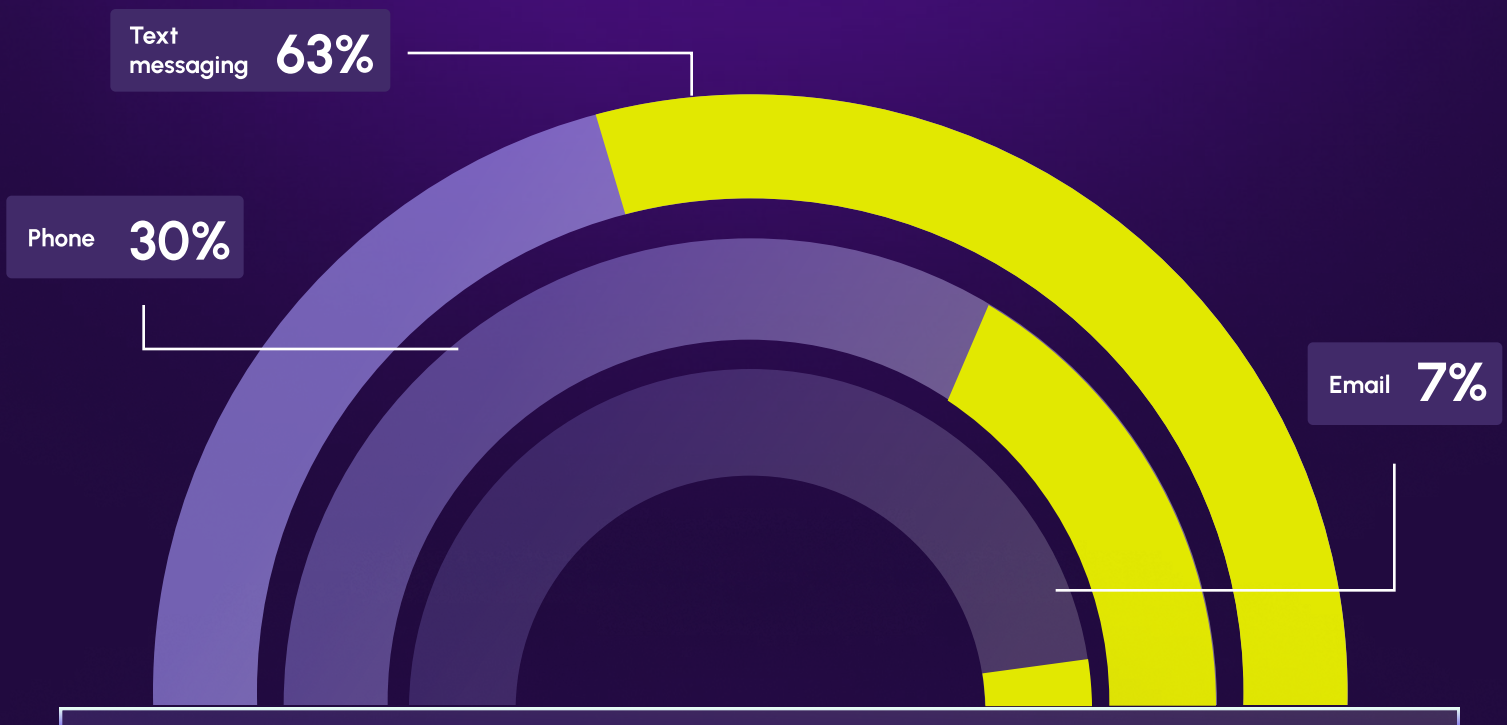
The core insight from this portion of our survey is clear: excelling in the competitive staffing industry requires delighting candidates. Attracting top talent and providing them with a positive experience throughout the hiring process leads to more placements and faster time-to-fill—ultimately driving growth and building lasting relationships with both candidates and clients.

Which of the following factors do you believe are most important for a positive candidate experience?

(three selections allowed)

Frequent communication/updates

69%

Fast recruiting process

55%

Transparent job descriptions/requirements

47%

Personalized communication

39%

Sharing relevant jobs

28%

Flexible interview scheduling/efficient interview process

25%

Clear insights into organizational culture/values

11%

What communication channel do candidates prefer?

Text messaging 63%

Phone 30%

Email 7%

Provide a modern candidate experience with AI

- Watch on-demand webinar
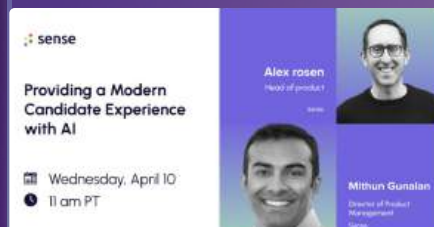
Instantly engage candidates with AI chatbots

- Check out the blog post

Leverage text messaging to elevate talent engagement

- Get the guide

Sense Voice AI

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Introducing Sense Voice AI

Sense Voice AI revolutionizes candidate engagement by providing seamless, conversational phone interactions that accelerate hiring and boost recruiter productivity.

Automated screening and scheduling: Conduct pre-screening with AI-generated questions and automatically schedule interviews with qualified talent.

24/7 candidate engagement: Provide personalized, instant answers to questions, ensuring consistent support and creating a standout candidate experience.

Efficient candidate outreach: Streamline communication, enhance screening efficiency, and automate reference checks.

Data integration and insights: Access conversation recordings, summaries, and key candidate details directly within Sense and your ATS.

Learn more about Sense Voice AI

Recruiting Metrics

Chapter 7

The range of priorities and challenges facing staffing firms in 2025 becomes clearer when examining key recruiting metrics. Job fill rate naturally is the most important metric, cited by 63% of respondents, highlighting the importance of efficiently meeting client needs. Other top metrics include the number of qualified candidates (53%), time-to-hire (53%), and retention rate (49%), reflecting a continued focus on optimizing the end-to-end recruiting process. Metrics such as drop-off rate (33%) and cost-per-hire (31%) also rank as important, while redeployment and NPS are less frequently prioritized.

Despite it being an area of focus, time-to-hire is somewhat of a challenge for recruiting teams. A third of respondents reported this metric has increased over the past year, while 43% said it stayed the same. Less than a quarter of respondents said they've successfully shortened the hiring process.

Even more concerning, 57% of survey respondents indicated that their candidate drop-off rate has trended in the wrong direction, reinforcing the need for faster, more engaging recruiting processes.

We also learned that recruiters spend a considerable amount of their workweek on sourcing and screening candidates. Regarding sourcing specifically, 65% of survey respondents said recruiters dedicated anywhere from 5 to 20 hours on this task. Screening accounts for a similar amount of time, with 39% of respondents saying recruiters spent 5-10 hours per week and another 39% saying they allocated 11–20 hours per week.

Candidate drop-off is on the rise while time-to-hire is holding steady

Recruiters devote the majority of their time to sourcing and screening candidates

We'll explore the role of AI in recruiting and staffing in the next chapter but it's worth noting that sourcing and screening are both recruiting tasks that can be completely automated. Foward-thinking staffing firms are using Voice AI and AI Chatbots to engage candidates in real time, pre-screen them against role requirements, and schedule interviews. Even more, AI-powered candidate matching can learn about a candidate's background and match them to relevant jobs based on their skills, experience, and preferences.

Staffing firms that use AI-powered recruiting automation experience

3X
increase in fill rates

2-3X
more qualified candidate

55%
faster hire rate

74%
reduced drop-off rate

30%
reduced cost-per-hire

3K
recruiter hours saved

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Focusing on the right metrics not only helps staffing firms streamline their operations but also positions them as best-in-class providers that consistently meet and exceed client expectations. The firms that prioritize speed and efficiency will build stronger client relationships, attract new business, and secure their reputation as industry leaders.

What are your most important recruiting metrics for 2025? *(three selections allowed)*

Job fill rate

63%

Number of qualified candidates

53%

Time-to-hire

69%

Retention rate (from start date to assignment completion)

49%

Drop-off rate (from application to assignment start)
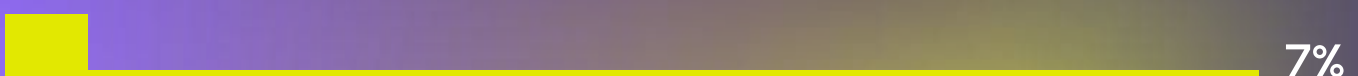
33%

Cost-per-hire

31%
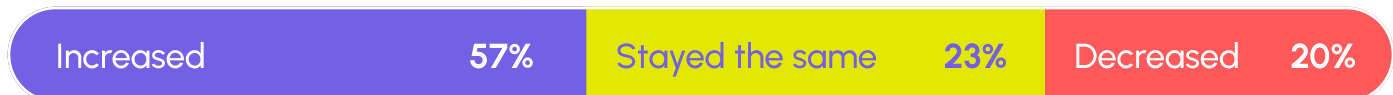
Redeployment

12%

NPS

7%
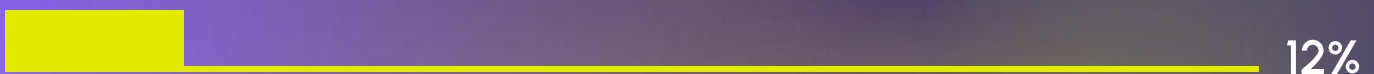
In the past year, has your time-to-hire increased, decreased, or stayed the same?

| Stayed the same | 43% | Increased | 33% | Decreased | 24% |

In the past year, has your candidate drop-off rate increased, decreased, or stayed the same?

| Increased | 57% | Stayed the same | 23% | Decreased | 20% |

What is your most effective source of candidates?

Job boards	LinkedIn	Referrals	Your website	ATS (past candidates)	Other	Outreach to passive candidates
34%	16%	16%	13%	10%	6%	5%

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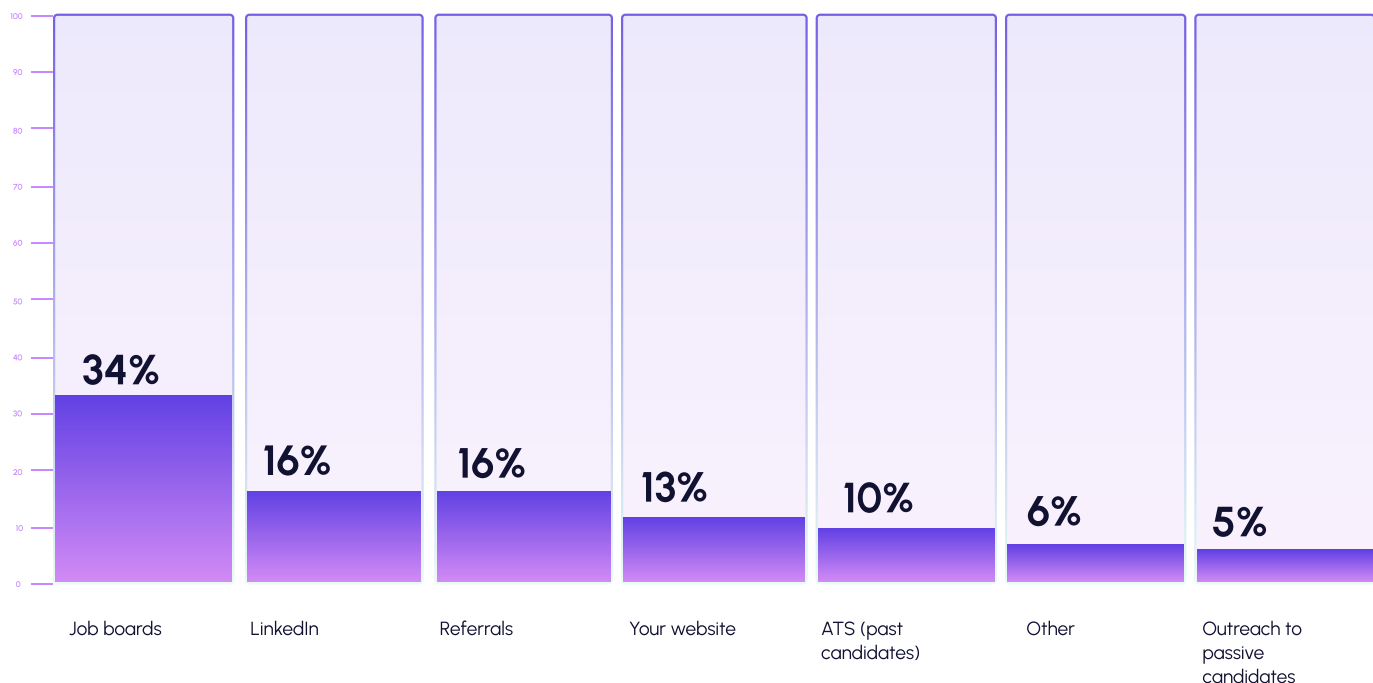
How many hours per week does an individual recruiter spend sourcing candidates?

	Less than 5 hours | 5%
	5-10 hours | 30%
	11- 20 hours | 35%
	21 - 30 hours | 21%
	More than 30 hours | 9%
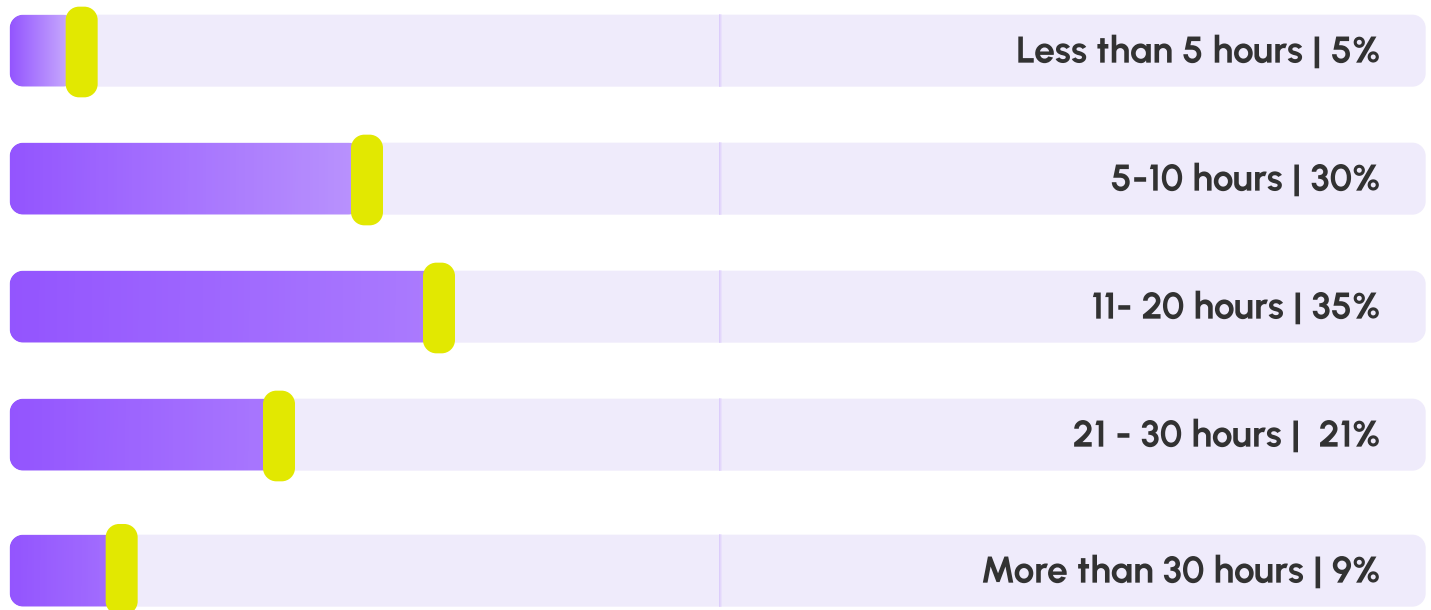
How many hours per week does an individual recruiter spend screening candidates?

	Less than 5 hours | 11%
	5-10 hours | 39%
	11- 20 hours | 39%
	21 - 30 hours | 9%
	More than 30 hours | 2%
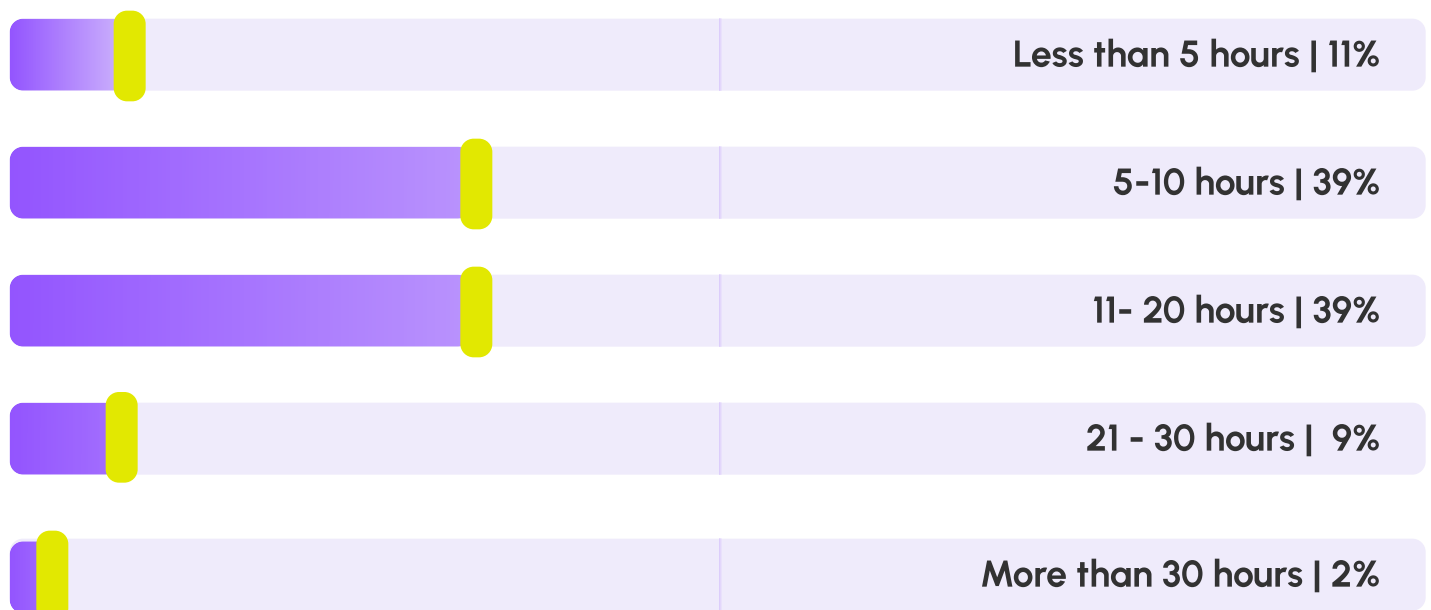
AI in Recruiting & Staffing

Chapter 8

Over the past few years, the staffing industry has widely embraced AI. A significant 78% of survey respondents have integrated this technology into their business and recruiting operations. Among them, 57% use Sense, while 14% leverage free solutions like ChatGPT. However, 22% of respondents indicated they are not yet using AI—presenting a massive opportunity for others to experience its advantages.

More than three-quarters of survey respondents are using AI

Looking to the future, respondents remain divided on AI's potential impact. Forty percent believe it will fundamentally reshape recruiting and talent engagement, while 36% view it as supportive technology that will enhance, but not overhaul, existing processes. Meanwhile, 20% are uncertain about AI's long-term effects, and only 4% feel it will have little to no impact.
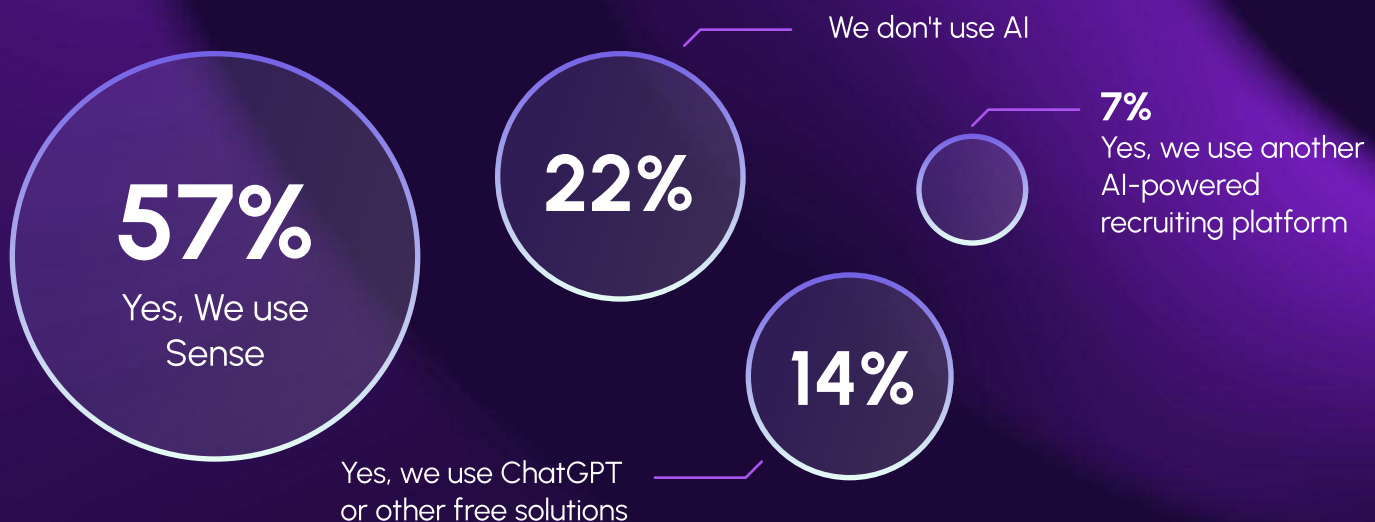
Perhaps most interestingly, staffing firms are using AI in a wide variety of ways. Over half (57%) of respondents use this technology to generate recruiting content, such as job descriptions, messages, and screening questions. Automation of candidate communication—including answering questions and providing updates —is another key application, used by 38% of our survey respondents. Other common uses include matching candidates to relevant roles (28%), conducting candidate screening (20%), collecting application information (20%), and scheduling interviews (18%).
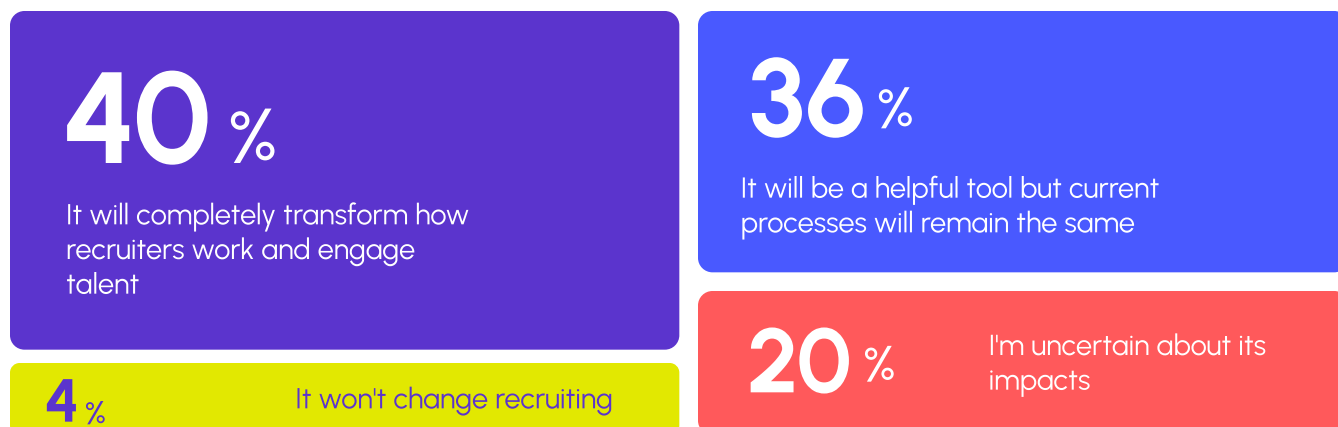
38% of recruiters use AI to automate candidate communication

As AI capabilities continue to evolve, we can expect more staffing firms to turn to this technology to take on many of the challenges we've explored in this report. Toward the end of 2024, we saw the emergence of conversational Voice AI, which helps recruiting teams save countless hours by automating candidate phone calls. Looking ahead to 2025, other advancements are expected, such as Agentic AI—a major development that allows AI systems to operate autonomously, make data-driven decisions, and proactively engage candidates. As AI advances, the staffing firms that embrace it will be in a prime position to meet ambitious goals.
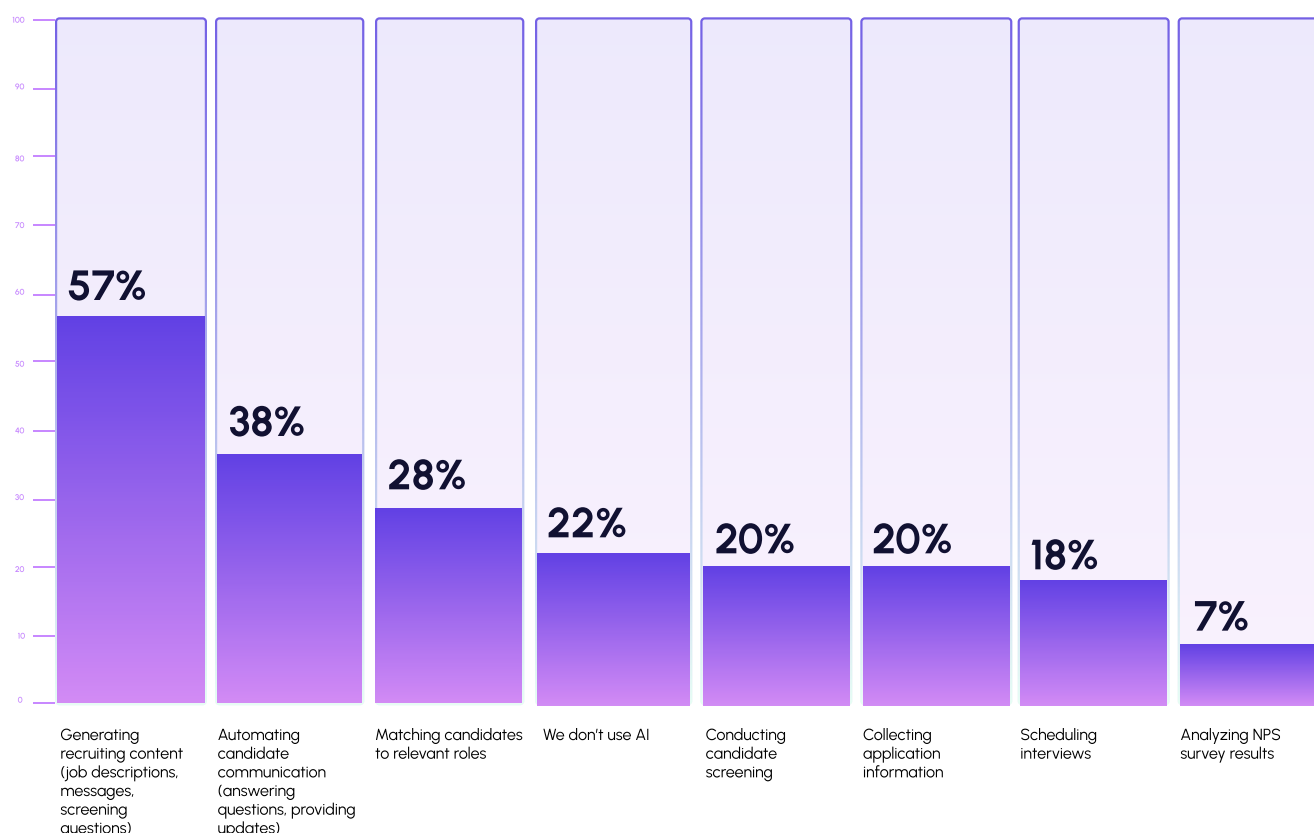
Do you currently use AI in your recruiting process/staffing operations?

57%
Yes, We use Sense

22%
We don't use AI

14%
Yes, we use ChatGPT or other free solutions

7%
Yes, we use another AI-powered recruiting platform

How do you believe AI will impact recruiting in the future?

40% It will completely transform how recruiters work and engage talent

36% It will be a helpful tool but current processes will remain the same

20% I'm uncertain about its impacts

4% It won't change recruiting

How do you use AI in your recruiting process/ staffing operations? *(multiple selections allowed)*

Category	Percentage
Generating recruiting content (job descriptions, messages, screening questions)	57%
Automating candidate communication (answering questions, providing updates)	38%
Matching candidates to relevant roles	28%
We don't use AI	22%
Conducting candidate screening	20%
Collecting application information	20%
Scheduling interviews	18%
Analyzing NPS survey results	7%

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Transforming recruiting with Sense AI

Sense AI enhances every stage of the recruiting process—automating repetitive tasks, accelerating hiring, and delivering personalized candidate experiences.

Voice AI

Automate candidate phone screenings, schedule interviews, and provide instant updates through conversational, AI-powered calls.

AI chatbot

Engage candidates instantly by answering questions, collecting application details, screening candidates, and scheduling interviews.

AI job matching

Automatically align candidates with available roles based on skills, experience, and preferences.

AI candidate scoring and ranking

Instantly evaluate talent pools and generate ranked lists of top-fit candidates for open positions.

Job description generator

Quickly produce ready-to-use job descriptions tailored to specific roles.

Pre-screen question generator

Create customized pre-screening questions using job titles, descriptions, or ATS data.

Resume generator

Provide professional resumes for candidates, making it easy for them to move forward with applying.

Message generator

Craft or refine email and text messages that maximize engagement and align with your brand's tone.

NPS survey summaries

Extract meaningful trends and insights from extensive survey data.

Experience staffing success with Sense

Sense, the leader in AI-powered Talent Engagement, redefines the recruitment process by seamlessly blending personalized, omnichannel candidate experiences with enhanced recruiter efficiency. Trusted by leading staffing brands, Sense offers a comprehensive suite of features, including Recruiting Automation, Voice AI, Campaigns, Candidate Scoring & Matching, AI Chatbot, Text Messaging, Interview Scheduling, and Referrals. Optimize every step of the talent acquisition journey with Sense, where cutting-edge technology converges with intuitive functionality.

Want to learn more?

www.sensehq.com