
OPPORTUNITIES IN STAFFING

A COMPREHENSIVE GUIDE TO CLIENTS, TALENT AND STAFF
2011

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EXECUTIVE SUMMARY

AS THE UNITED STATES REMAINS SHROUDED IN ECONOMIC UNCERTAINTY, STAFFING FIRMS ARE PLAYING A UNIQUE AND IMPORTANT ROLE IN THE RECOVERY AND ENDEAVORS TO LOWER UNEMPLOYMENT.

Roughly one out of every four jobs created over the past year have been temporary positions filled through staffing firms. Even more encouraging, over the past 18 months, staffing firms have improved in five of the six key metrics which measure the impact the staffing and recruiting industry is having on the labor market.

Awareness with clients and talent has increased, with 78 percent of clients able to name at least two staffing firms from memory and 66 percent of job seekers able to name at least one firm. While only 22 percent of job seekers and less than 35 percent of organizations use a staffing firm, these both represent significant improvements from 2010's results and tell an optimistic story about the industry's potential to increase its penetration into the overall job market.

The one area where the industry has slipped slightly is in the area of client satisfaction, where scores declined compared to 2010. However, these declines were offset by gains in satisfaction among job seekers, an area that has been significantly lower in past years.

The 2011 *Opportunities in Staffing* research guide, published by CareerBuilder and Inavero, provides the metrics you need to grow your firm, while identifying and exploring key opportunities your firm should be considering as you continue to evolve and improve the way you interact with internal employees, job seekers and clients. The 2011 study, which includes more than 14,000 participants, is the most comprehensive of its kind in the industry today.

UNDERSTANDING THE STAFFING FIRM BRAND

Referrals are the number one source of staffing firm awareness for both clients and job seekers working with a staffing firm, according to the most recent CareerBuilder and Inavero staffing industry research. While this statistic is not new or surprising, it drives home one of the key findings of the 2011 *Opportunities in Staffing* research: the importance of high levels of engagement and satisfaction.

In today's society, you need look no further than an internet search for almost any product or company to see proof of the impact customer experiences have on a company's brand. People talk about and remember their interaction with a company. Even a simple search for a low involvement purchase such as fabric softener brings up dozens of products with literally hundreds of reviews. Staffing firms are no different.

Your brand is the promise you make as a staffing firm to your clients, talent and internal employees and if the promise you deliver does not exceed the promise you make, your firm may struggle to keep up as the rest of the industry continues to improve and grow. The 2011 *Opportunities in Staffing* guide explores the unique links between the staff you employ, the talent you place and the clients you serve, leveraging feedback from more than 14,000 individuals to identify key trends and opportunities for your staffing firm in 2011 and beyond.

THE EXPERIENCE LINK IN STAFFING

The experiences your clients, talent and internal employees have with your firm may be more intertwined than you think. Of course, intuitively it makes sense that more satisfied internal employees would lead to higher satisfaction and retention of placed talent and clients, but the 2011 *Opportunities in Staffing* study also found these roles often change over the course of the relationship. Today's client might be your next great sales representative (17 percent of internal employees report having been a staffing industry client at one point). The person you place tomorrow might be your star recruiter in a few years (28 percent of internal employees have used a staffing firm as part of their own personal job search). And odds are, that client you are trying

desperately to land today has interacted with you or one of your competitors as a job seeker. In some of the higher-skilled sectors, up to 50 percent of key decision-makers and influencers have worked with a staffing firm as part of their personal job search (Figure 1). What was their experience? Has your interaction with them as a job seeker helped or hurt your ability to do business with them as a client?

FIGURE 1: THE RELATIONSHIP BETWEEN INDUSTRY STAFF, CLIENTS AND TALENT



- 28% of employees have worked with a staffing firm as talent – generally recruiters or sales/account reps.
- 17% of employees have worked with a staffing firm as a client – generally branch manager level and above.
- 49% of employees have worked with at least one other staffing firm in their career prior to working with their current firm.
- 38% of clients have worked with a staffing firm as part of their job search, as high as 50% in some sectors.

FOCUS ON EMPLOYEE ENGAGEMENT

Engaged employees are key to creating satisfied clients and talent eager to refer your staffing firm. So what is the key to employee engagement within the staffing industry? After analyzing responses over a wide array of questions related to employee engagement and satisfaction, seven factors emerged to create a model that best predicts employees' likelihood of recommending working at your staffing firm (Figure 2).

FIGURE 2: DRIVERS OF STAFFING INTERNAL EMPLOYEE ENGAGEMENT

1. I BELIEVE MY STAFFING FIRM WILL CHANGE FOR THE BETTER OVER THE NEXT YEAR.
2. OUR FIRM'S CLIENT SATISFACTION IS SIGNIFICANTLY HIGHER THAN OUR COMPETITORS.
3. I ENJOY WORKING WITH MY COLLEAGUES.
4. I AM COMPLETELY SATISFIED WITH MY CURRENT SALARY.
5. I RECEIVE RECOGNITION WHEN I DO MY JOB WELL.
6. I AM GIVEN THE TRAINING OPPORTUNITIES I NEED TO IMPROVE AND GROW PROFESSIONALLY.

While each of these areas of engagement is important, the strongest predictor focuses on employee optimism about their job and the firm. Employees want to feel good about the future of their staffing firm, and the role they play within that vision. While satisfaction with the job plays a strong role in retention, it plays a much more significant role when paired with optimism about how that satisfaction will increase over time. This is a critical opportunity for staffing firms. How are you sharing the vision for your organization with your staff? Do they share your excitement for what the future holds for both them and the firm? If not, building camaraderie and a highly effective and engaged team is difficult, if not impossible.

Interestingly, while salary-related questions were generally rated lower by staffing industry internal employees, satisfaction with salary was only the fifth most important factor in predicting overall willingness to recommend working at the firm.

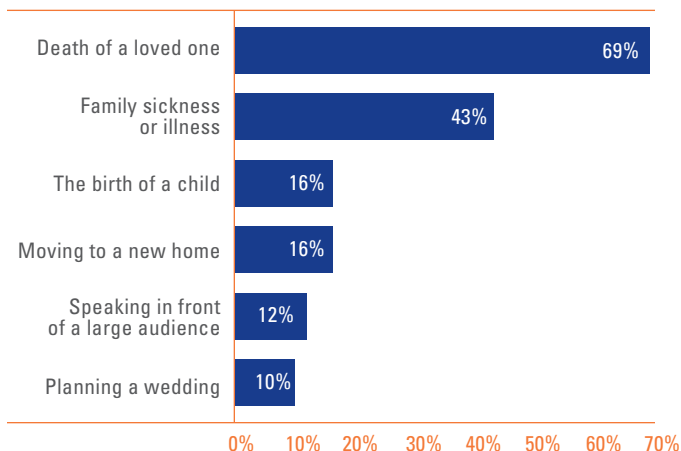
When determining how best to satisfy and retain your internal employees, it is also important to understand what they love about their job and what they find most frustrating. Over 1,500 staffing industry employees weighed in on both subjects and their results were very consistent. They love the internal employees they work with and helping talent find compelling careers. These two areas were mentioned

more than twice as often as anything else. However, the same talent they love to help is also the source of one of their greatest frustrations, as they feel they can often be unreliable and unappreciative. Additionally, they often feel that the “red tape” and “internal politics” get in the way of their ability to do their job well, which adversely affects their satisfaction. Staffing firm employees often feel a true connection to helping the clients and job seekers they serve. They are most satisfied when their firm avoids unnecessary bureaucracy. Processes that do exist should be explained to staff in ways that help them understand how the policy has a positive impact on their clients or talent.

STRESS: THE JOB SEEKER'S REALITY

Every staffing firm has felt the sting of a job seeker who abandons them mid-assignment or who seems to have lost the ability to rationally assess their skills and employability. To understand what drives these challenges, you have to empathize with the stress that most job seekers feel. We gave job seekers a list of life situations or milestones which are universally regarded as stressful occasions (e.g. planning a wedding, speaking in front of a large audience, moving to a new home, etc.). Nearly every event was rated as being less stressful than the job search — many by a landslide. For example, an astounding 84 percent of candidates found the job hunt to be more stressful than the birth of a child (Figure 3). This research gives a concrete frame of reference as to exactly how taxing the job search is on job seekers.

FIGURE 3: PERCENTAGE OF JOB SEEKERS WHO BELIEVE THE FOLLOWING LIFE EVENTS ARE MORE STRESSFUL THAN THEIR CURRENT JOB SEARCH



Given this stress, combined with experiences which often fail to meet expectations, it isn't hard to see why the industry's overall Net Promoter Score as rated by talent is -33 percent. Interestingly, the 2011 study showed that talent who were told by the staffing firm they could not be placed rated their experience significantly higher than those who had not heard one way or the other about a job for which they have applied. This sheds light a significant opportunity for staffing firms as it provides compelling evidence that even bad news is better than no news at all to many of those searching for employment through a staffing firm.

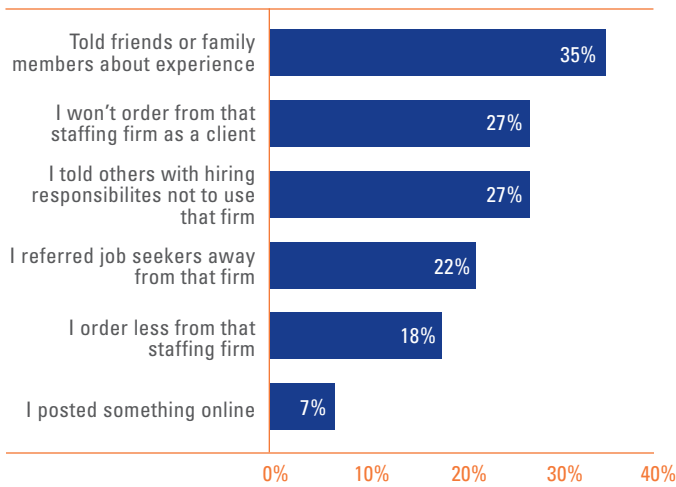
Bear in mind, a low Net Promoter Score is not the only potential, negative repercussion of disappointing your candidates. Those who had poor experiences with their staffing firm (a rating of 0-6 on a 10-point scale) were more than twice as likely to leave an assignment early, three times less likely to accept a future assignment with your firm and significantly less likely to refer other job seekers to your firm. Furthermore, nearly 30 percent of former candidates who were dissatisfied with their experience working with a staffing firm refuse to hire through that staffing firm as clients, and a comparable percentage actively persuade other hiring managers to avoid your firm as well (Figure 4).

THE SEARCH FOR TALENT INTENSIFIES FOR MANY CLIENTS

Almost a third of clients feel it is more challenging to fill open positions now than it was a year ago, despite high unemployment rates within the United States. For some job clusters, such as IT and technical, nearly 40 percent of clients said it was either somewhat or much more difficult to fill open positions now than it was a year ago.

As clients feel positions are becoming more challenging to fill, the value staffing and recruiting firms can provide to their clients intensifies. Nearly 90 percent of clients reported that the talent they received through a staffing or recruiting firm was as good as or better than talent they found through other means. Maintaining this perception of quality is key to your staffing firm's ability to grow while maintaining rates and margin.

FIGURE 4: ACTIONS CLIENTS TAKE IF THEY WERE PREVIOUSLY DISSATISFIED WITH A STAFFING FIRM AS A JOB SEEKER



OPPORTUNITIES IN STAFFING

WITH AWARENESS AND UTILIZATION OF STAFFING FIRMS UP WITHIN BOTH THE CLIENT AND JOB SEEKER COMMUNITIES,

opportunities abound for innovative staffing firms to differentiate based on providing remarkable service and building high levels of engagement throughout their entire organization.

Beginning with the foundation of internal employees, overlaid with how your staffing firm manages the talent you place and the service experience you provide to your clients, every aspect of your firm's operation can impact engagement. The 2011 *Opportunities in Staffing* guide will provide you with the information you need to maximize the experiences of your internal staff, talent and clients — experiences which will power the growth and profitability of your firm.

The 2011 *Opportunities in Staffing* guide was published based on survey responses from 1,529 staffing industry employees, 12,032 job seekers, and 1,158 clients. The survey was conducted online in June of 2011, using CareerBuilder, Inavero and independent third party panels to ensure data validity. With a pure probability sample of more than 1,100 within each area of focus, one could say with a 95 percent probability that the overall results have a sampling error of +/- 2.9 percentage points. Sampling error for data from sub-samples is higher and varies.

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