2018 Staffing Buyer Study

A joint study conducted by Inavero, CareerBuilder, and ASA

September 20, 2018

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Survey Methodology

Background: CareerBuilder, Inavero, and the American Staffing Association have partnered to publish the 2018 Staffing Buyer Study.

Objective: Research identifies key trends and performance benchmarks for the staffing industry

- What keeps hiring managers up at night?
- How can staffing firms solve hiring manager problems?
- How can staffing firms attract, expand, and retain client accounts?

Cohort: The 2018 Staffing Buyer Study surveyed

- 859 hiring managers

The survey was fielded between August 13 and August 28, 2018.

Staffing Buyer Study: a look at hiring manager preferences, perceptions, and drivers of engagement with staffing firms

859 Hiring Managers

- 65% > 250 employees
- 57% are the lead contact at their company for their primary staffing firm
- Median age: 46
- 30% Have more that 20 years experience in their industry

Executive Summary

2018 Staffing Buyer Study

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What problems are facing hiring managers?

Access to qualified candidates is the single largest issue for most hiring managers

Hiring managers' biggest pain points in the recruitng process

Category	Percentage
Access to candidates with the right skills	52%
Time to hire	40%
Cost/budget	34%
Limitations with current hiring resources	26%
Internal hiring processes	25%
Limitations with current technology	17%
Employment classification	15%
Trade policies	6%

How can staffing firms solve hiring manager problems?

Hiring managers view staffing firms as *potentially* helpful with most of their hiring pain points

Hiring managers's biggest pain points in the recruitng process

Using a staffing firm would be…

Pain point	%
Access to candidates with the right skills	52%
Time to hire	40%
Cost/budget	34%
Limitations with current hiring resources	26%
Internal hiring processes	25%
Limitations with current technology	17%
Employment classification	15%
Trade policies	6%

66% Very helpful
27% Somewhat helpful

53% Very helpful
36% Somewhat helpful

50% Very helpful
35% Somewhat helpful

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How can staffing firms solve hiring manager problems?

Staffing firms can help companies with their own hiring processes

Types of data a recruiter could provide that would be of value

Salary data	72%
Hiring trends in my industry	55%
Recruiting best practices	47%
HR-related rules and compliance information	28%
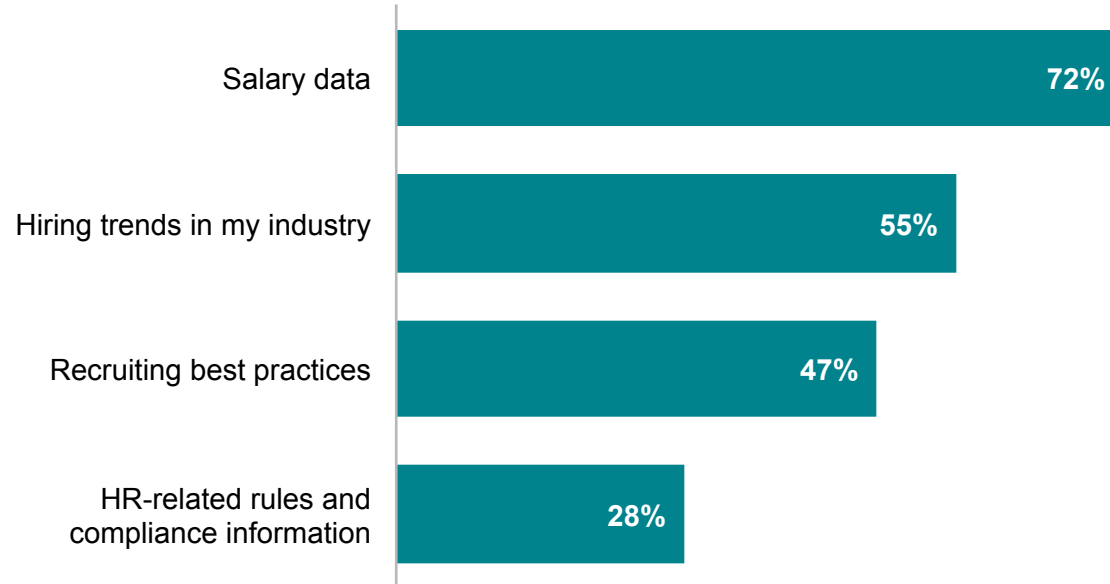
How can staffing firms solve hiring manager problems?

Staffing firms must leverage key reasons cited for using a staffing firm, combat common objections

Key reasons for working with a staffing firm

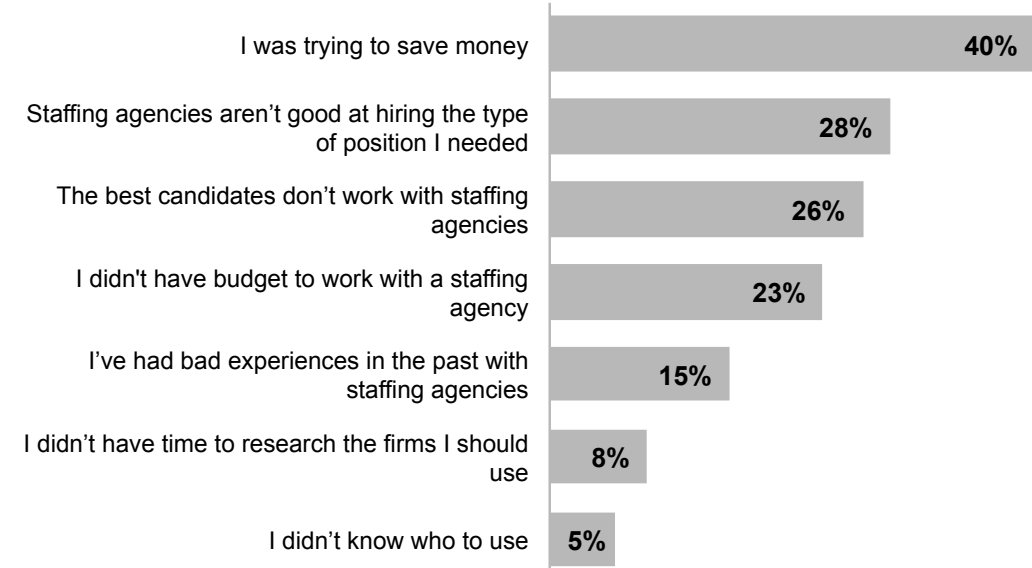| Reason	%
Needed to hire someone more quickly than I could do on my own	42%
Access to candidates with specialized skills	41%
Had a hard time filling the position on my own	37%
Opportunity to gauge the candidate fit before hiring permanently	36%
More flexibility to change the number/mix of workers based on project load	25%
I didn't have time to manage the process on my own	20%
Needed more recruiting expertise	20%
I always hire through a staffing agency	14%
I was trying to save money	13%

Key reasons for NOT working with a staffing firm

Reason	%
I was trying to save money	40%
Staffing agencies aren't good at hiring the type of position I needed	28%
The best candidates don't work with staffing agencies	26%
I didn't have budget to work with a staffing agency	23%
I've had bad experiences in the past with staffing agencies	15%
I didn't have time to research the firms I should use	8%
I didn't know who to use	5%

How can staffing firms attract, retain, and expand accounts?

Although increasing slightly, hiring manager loyalty to staffing firms is still quite low

Clients: Likelihood to Recommend Working with Current Staffing Firm

Legend: Promoters — Detractors — Net Promoter Score®
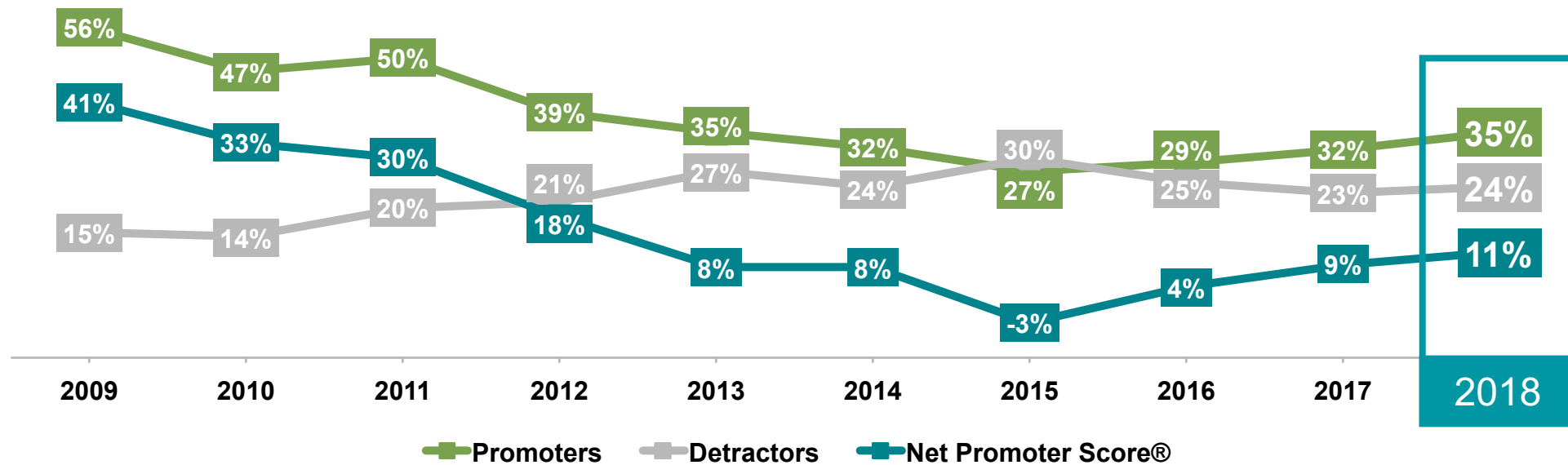
*Refer to page 52 for NPS® methodology and background

How can staffing firms attract, retain, and expand accounts?

Staffing firms are fighting for share of wallet, and NPS impacts client spend

Client Loyalty = Client Share of Wallet

34%
percentage <u>detractors</u> dedicate of their total staffing budget to their primary firms

51%
mean percentage primary staffing firms capture out of the average companies' total staffing firm budget

71%
percentage <u>promoters</u> dedicate of their total staffing budget to their primary firms
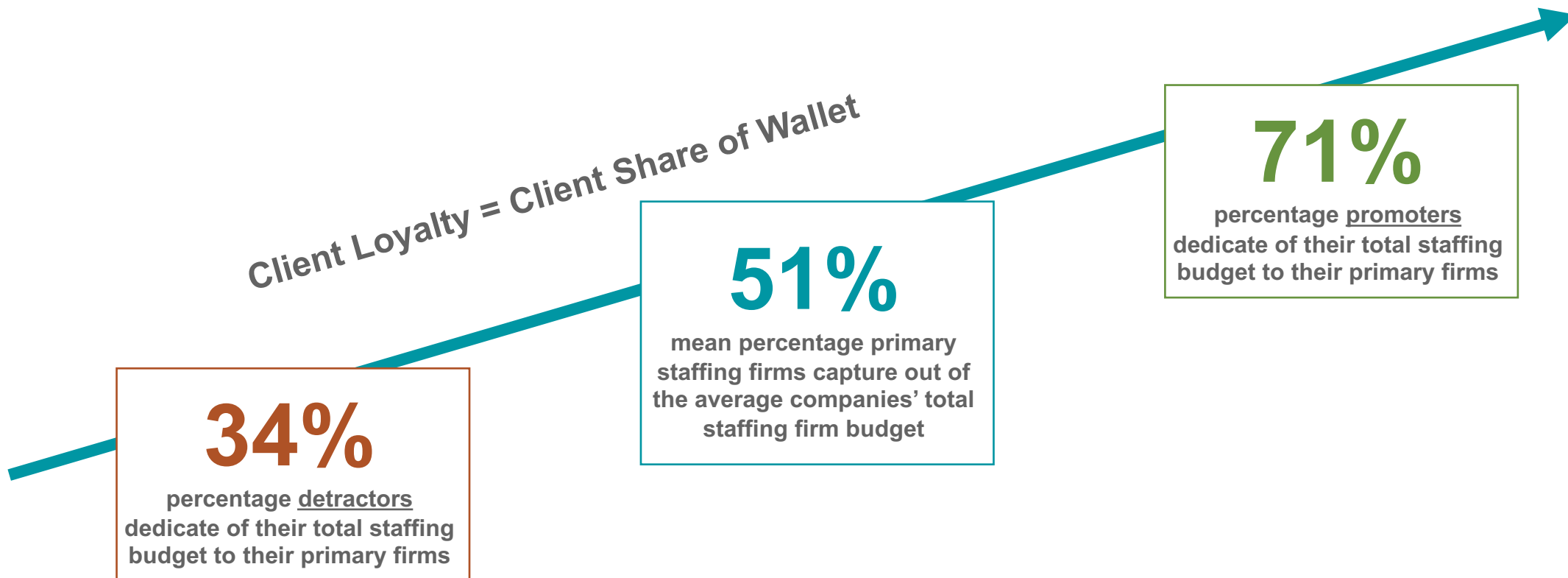
How can staffing firms attract, retain, and expand accounts?

Evidence of service quality is far more persuasive than statements directly from your firm

Persuasiveness in regards to a staffing firm being considered

	Not at all/not very persuasive	Somewhat persuasive	Extremely persuasive
10 client testimonials from similar companies within your industry who work with the firm.	12%	43%	45%
4.5 out of 5 stars with 70 ratings on an independent 3rd party website.	11%	46%	43%
A third-party award recognizing service excellence such as Best of Staffing.	18%	46%	36%
Content on staffing firm website highlighting service commitments.	23%	50%	28%
Email from an account manager talking about their service process.	31%	44%	25%

■ Not at all/not very persuasive ■ Somewhat persuasive ■ Extremely persuasive

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How can staffing firms attract, retain, and expand accounts?

Leverage the power of online reviews to attract new engagements

Likelihood of engaging with a staffing or recruiting firm with the following combination of online reviews (% "Likely")
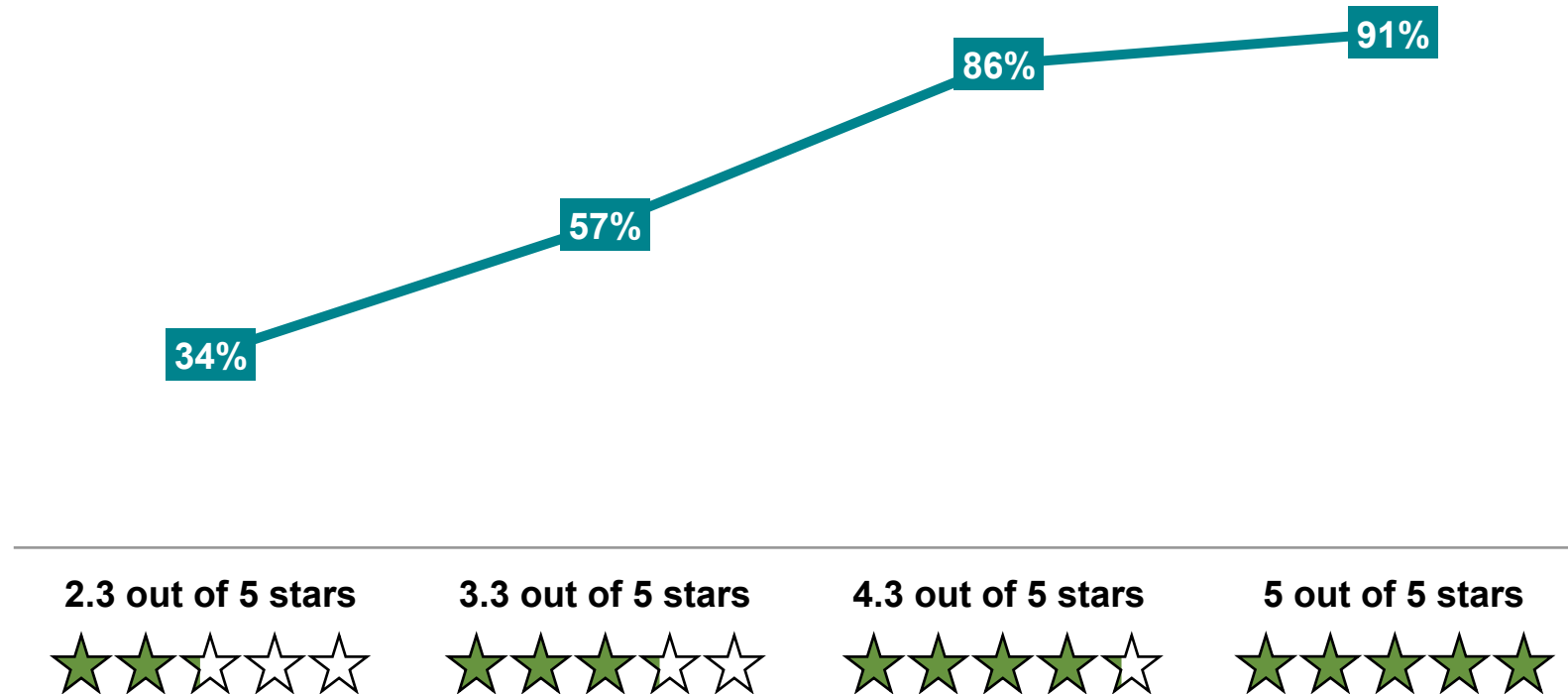
2.3 out of 5 stars	**3.3 out of 5 stars**	**4.3 out of 5 stars**	**5 out of 5 stars**

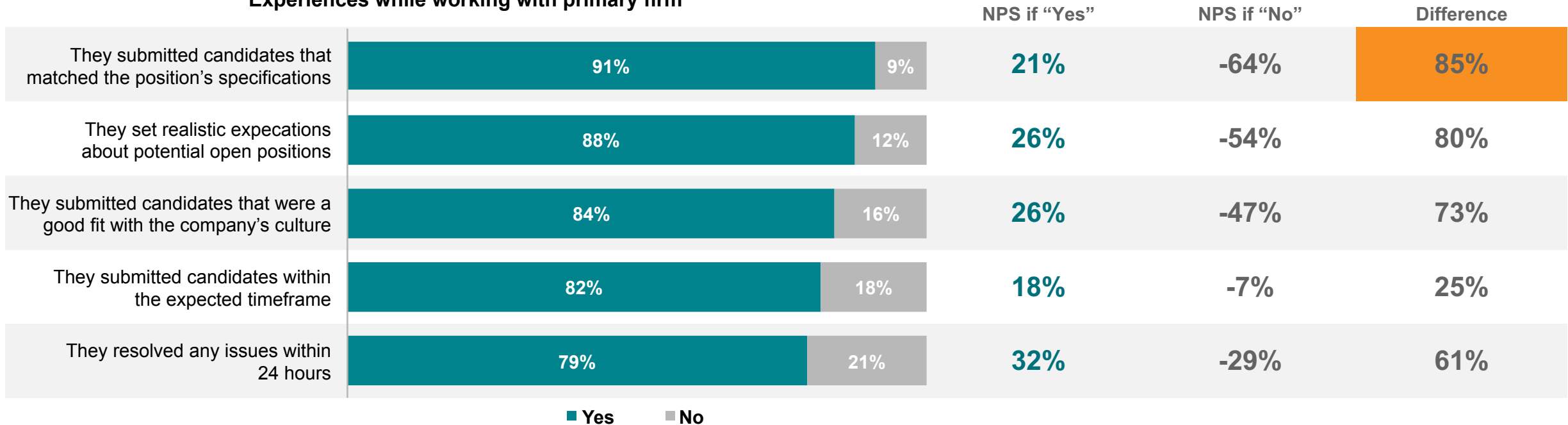# How can staffing firms attract, retain, and expand accounts?

Focusing on candidate quality will result in increased satisfaction and loyalty

	Average Rating (out of 10)	Promoter Average	Detractor Average	Difference
The quality of the employees sent to us by our primary staffing firm has consistently met or exceeded my expectations	7.3	9.2	5.0	+4.2
Our primary firm responds quickly to our staffing needs	7.7	9.3	5.7	+3.6
I enjoy working with the contacts at our primary staffing firm	7.9	9.5	5.9	+3.6
Current staffing and HR information is available from my primary firm when I need it	7.8	9.3	6.0	+3.3

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How can staffing firms attract, retain, and expand accounts?

Resolving client issues quickly will help increase NPS® and build loyalty

Experiences while working with primary firm

	Yes / No	NPS if "Yes"	NPS if "No"	Difference
They submitted candidates that matched the position's specifications	91% / 9%	21%	-64%	85%
They set realistic expecations about potential open positions	88% / 12%	26%	-54%	80%
They submitted candidates that were a good fit with the company's culture	84% / 16%	26%	-47%	73%
They submitted candidates within the expected timeframe	82% / 18%	18%	-7%	25%
They resolved any issues within 24 hours	79% / 21%	32%	-29%	61%

■ Yes   ■ No

How do hiring managers view and use technology?

Staffing firms must be up-to-date on the technology they use
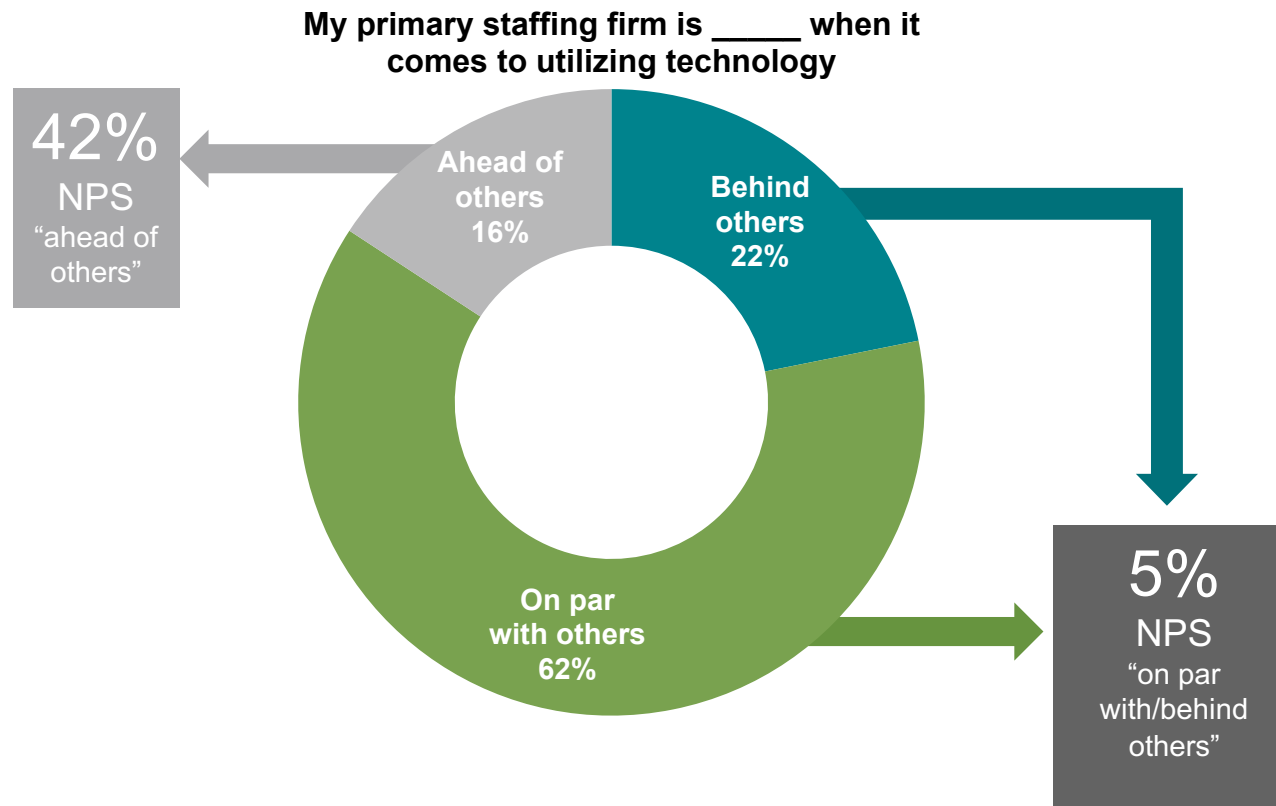
My primary staffing firm is _____ when it comes to utilizing technology

42%
NPS
"ahead of others"

Ahead of others 16%

Behind others 22%

On par with others 62%

5%
NPS
"on par with/behind others"

67%
of hiring managers believe it is very or extremely important that their staffing firm use up-to-date technology

74%
of hiring managers believe using up-to-date technology can help differentiate a staffing firm

How do hiring managers view and use technology?

Millennials will be the largest hiring cohort and agree technology will impact the role of the recruiter

Five years from now, recruiters will play a smaller role in my organization's talent acquisition process because of technology (% "Strongly agree")
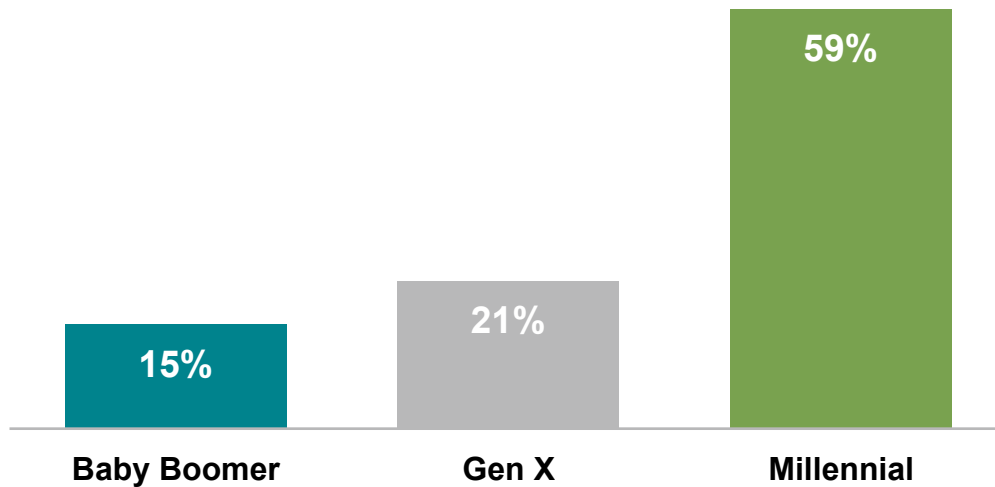
- Baby Boomer: 15%
- Gen X: 21%
- Millennial: 59%

I would prefer to place a job order online rather than talking to a recruiter by phone or in person (% "Strongly agree")

- Baby Boomer: 17%
- Gen X: 20%
- Millennial: 50%

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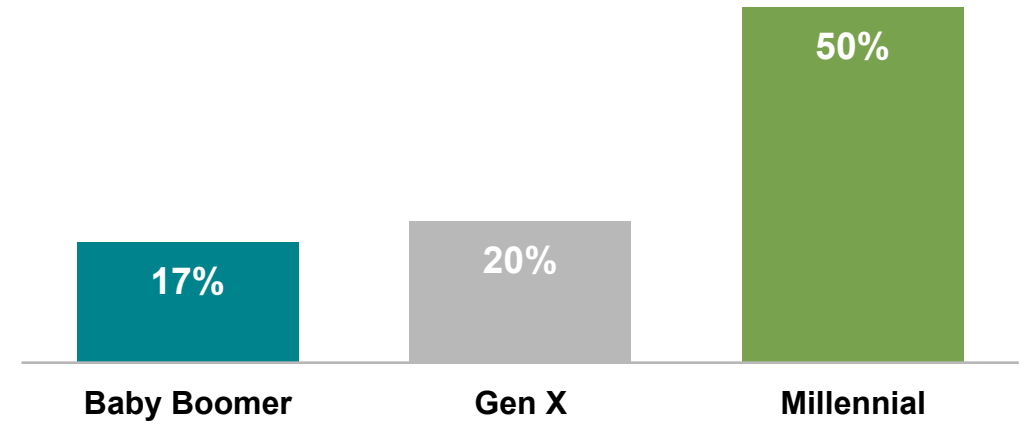
Overall Results

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Staffing Firm Utilization

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According to hiring managers, access to quality talent is the top pain point in current recruitment process
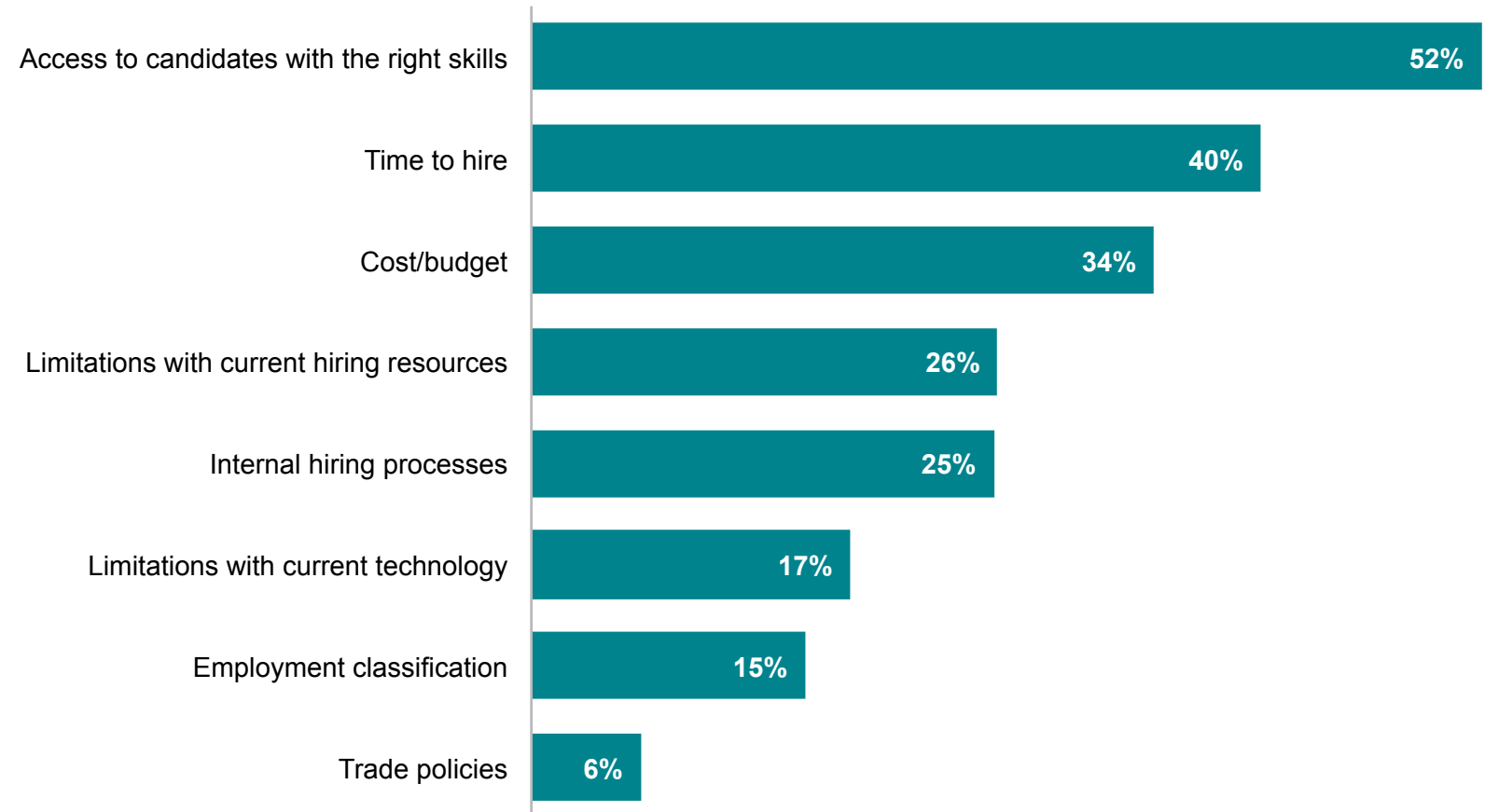
Access to talent and time to hire lead headaches amongst hiring managers

A staffing firm's understanding of current hiring manager headaches is key to knowing where best to focus their efforts to add value. When it comes to recruitment, staffing firms have an opportunity to capitalize on many current pain points: they can add value to companies by quickly finding candidates with the right skills within their budget. Focusing on solving hiring manager problems will build loyalty and increase satisfaction.

Hiring managers' biggest pain points in the recruitng process

Pain Point	%
Access to candidates with the right skills	52%
Time to hire	40%
Cost/budget	34%
Limitations with current hiring resources	26%
Internal hiring processes	25%
Limitations with current technology	17%
Employment classification	15%
Trade policies	6%

Q43. What are the biggest pain points with your company's internal recruiting process?

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Most hiring managers believe that staffing firms would be helpful in addressing many of their top issues in the recruitment process

For many common pain points, hiring managers believe staffing and recruiting firms can add value

For the largest pain points among hiring managers—access to candidates with the right skills and time to hire—a majority of companies believe staffing firms can be very helpful in assisting them. For reducing cost/budget, 70% of companies say they can be somewhat or very helpful. The belief is that staffing firms can address many issues facing hiring managers, it is merely up to firms to execute on those expectations.

How helpful staffing firms could be in helping with the following pain points

Pain point	Not helpful	Somewhat helpful	Very helpful
Access to candidates with the right skills	7%	27%	66%
Time to hire	10%	36%	53%
Cost/budget	30%	35%	35%
Limitations with current hiring resources	15%	35%	50%
Internal hiring processes	37%	24%	39%
Limitations with current technology	19%	43%	38%
Employment classification	10%	27%	63%
Trade policies	4%	22%	74%

■ Not helpful   ■ Somewhat helpful   ■ Very helpful

Q45. Of the pain points you are experiencing with your company's recruiting process, to what extent, if any, do you believe a staffing firm would be helpful in assisting you?

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Online job boards dominate current resources used in sourcing candidates

Sources used to identify job candidates and most effective sources used

Source	Most Effective	Total Utilized
Posting a job on an online job board aggregator	21%	54%
Posting a job on an online job board	8%	48%
Personal/professional network	14%	45%
Posting a job on LinkedIn	8%	45%
Sourcing candidates through LinkedIn's resume database	4%	33%
Sourcing candidates through an online job board resume database	6%	29%
Applicant Tracking System (ATS)	7%	29%
Social media sites other than LinkedIn	1%	28%
Associations or trade groups	3%	26%
Craigslist	2%	19%

■ Most Effective
■ Total Utilized

67%

of hiring managers are using <u>three or more</u> of the listed sources for job candidates

Most hiring managers believe online job boards are the most effective way to source candidates

Hiring managers say they use a broad set of sources to locate potential candidates for jobs. However, there is a fairly strong consensus that posting jobs on online job boards is the most effective way to source candidates. Only a small minority of hiring managers say that their personal/professional network is the best source for finding candidates, meaning companies are increasingly reliant on third party and independent sources for job candidates.

Q40. Which of the following resources do you use to identify potential job candidates?
Q41. Of the following resources you use to identify potential job candidates, which would you say is the most effective in sourcing top talent?

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Desire to access quality candidates and shorten the hiring process often drives hiring managers to utilize staffing firms

Key reasons for working with a staffing firm

Reason	%
Needed to hire someone more quickly than I could do on my own	42%
Access to candidates with specialized skills	41%
Had a hard time filling the position on my own	37%
Opportunity to gauge the candidate fit before hiring permanently	36%
More flexibility to change the number/mix of workers based on project load	25%
I didn't have time to manage the process on my own	20%
Needed more recruiting expertise	20%
I always hire through a staffing agency	14%
I was trying to save money	13%

Key reasons for NOT working with a staffing firm

Reason	%
I was trying to save money	40%
Staffing agencies aren't good at hiring the type of position I needed	28%
The best candidates don't work with staffing agencies	26%
I didn't have budget to work with a staffing agency	23%
I've had bad experiences in the past with staffing agencies	15%
I didn't have time to research the firms I should use	8%
I didn't know who to use	5%

65% of hiring managers say they work with staffing firms because they allow them to hire more quickly or provide access to candidates with specialized skills
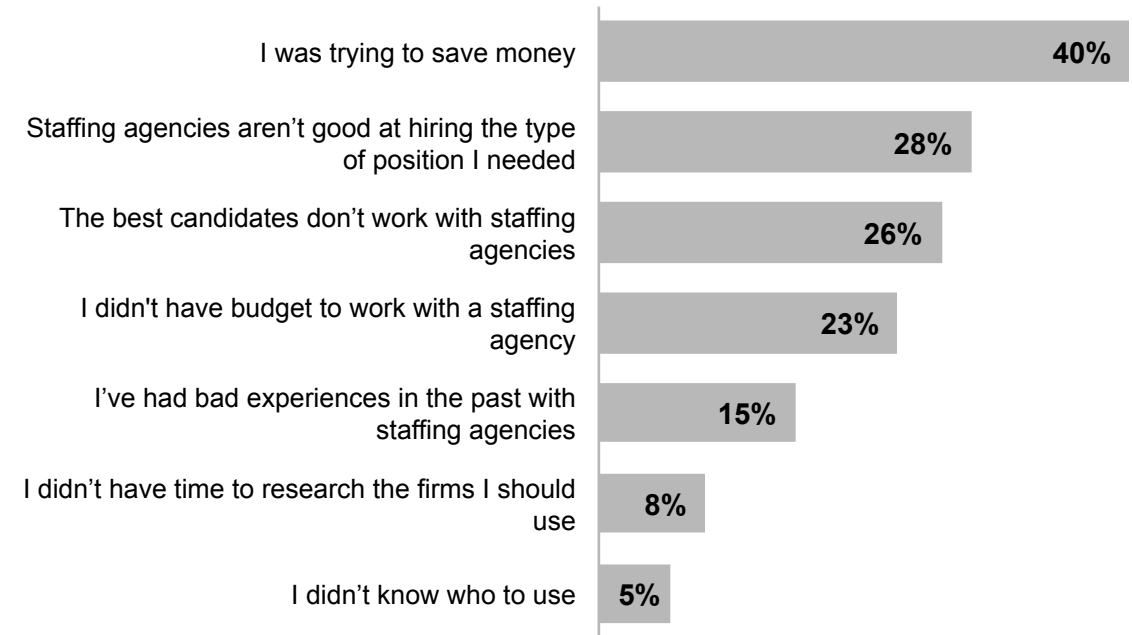
When hiring managers turn to a staffing firm they most often do so when they are looking to hire someone quickly, and/or they are having trouble finding quality candidates on their own. When they do hire on their own, they often do so to save money. Only one in four hiring managers believe the best candidates don't work with staffing firms, meaning most do not see using a staffing firm as an inferior option to hiring on their own.

Q5. For the position(s) you hired through a staffing agency, what was the reason you worked with a staffing agency?
Q6. For the position(s) you hired on your own, what was the reason you did not work with a staffing agency?

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For companies that use staffing firms, most are not exclusively partnered with just one firm; promoters spend much more of their budget with primary firm

To earn more business from a client, lower price is secondary to better candidate match

Most companies that use staffing firms report that, on average, their primary firm receives just over half of their total staffing firm budget. This leaves a lot of opportunity for staffing firms to capture more business from the companies they work with. The most frequently cited factor that would lead clients to work more closely with just one firm is to consistently provide candidates that match skill and experience requirements.

51%
mean percentage primary staffing firms capture out of the average companies' total staffing firm budget
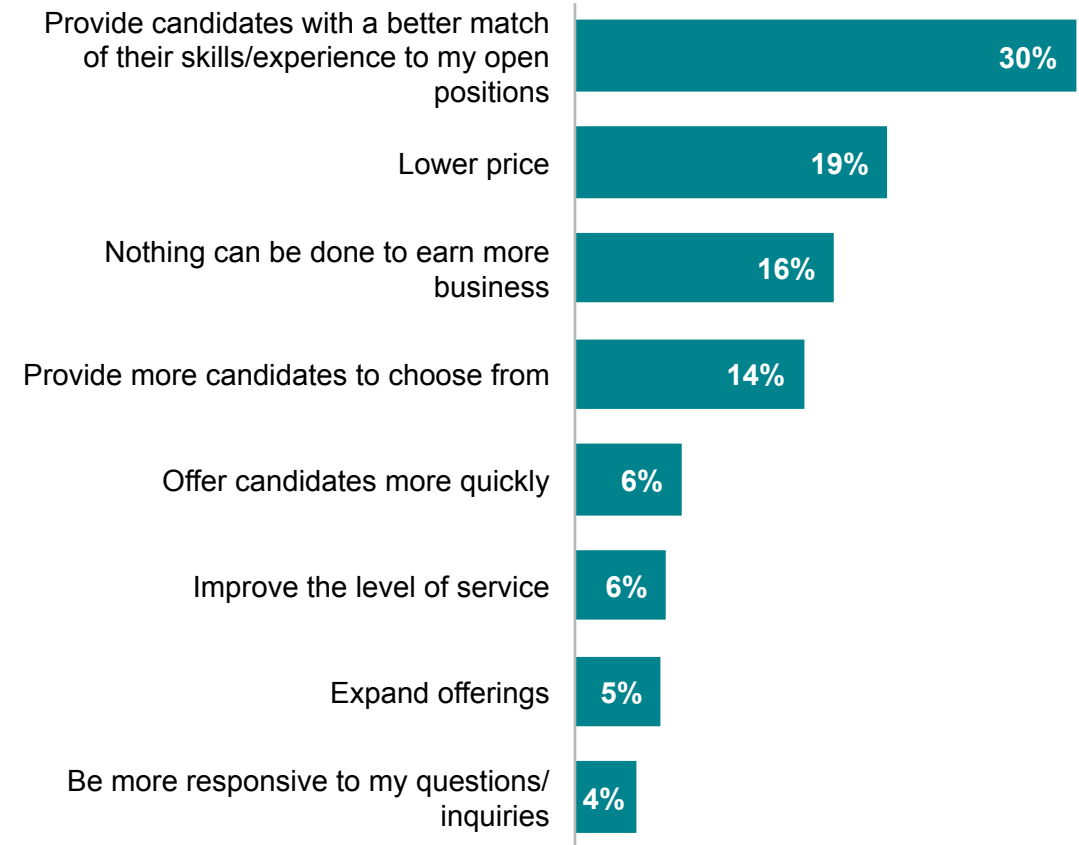
71%
percentage promoters dedicate of their total staffing budget to their primary firms

34%
percentage detractors dedicate of their total staffing budget to their primary firms

Ways primary staffing firm can earn more of a company's staffing budget

Provide candidates with a better match of their skills/experience to my open positions	30%
Lower price	19%
Nothing can be done to earn more business	16%
Provide more candidates to choose from	14%
Offer candidates more quickly	6%
Improve the level of service	6%
Expand offerings	5%
Be more responsive to my questions/inquiries	4%

Q16. What percentage of your overall staffing firm budget does your primary firm account for?
Q17. What, if anything, could your primary firm do to earn more of your business?

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Just over ½ of hiring managers that utilize staffing firms say they will increase utilization over the next five years

54%

Of hiring managers plan to increase their utilization of staffing firms over the next five years

Reasons for increasing staffing firm utilization

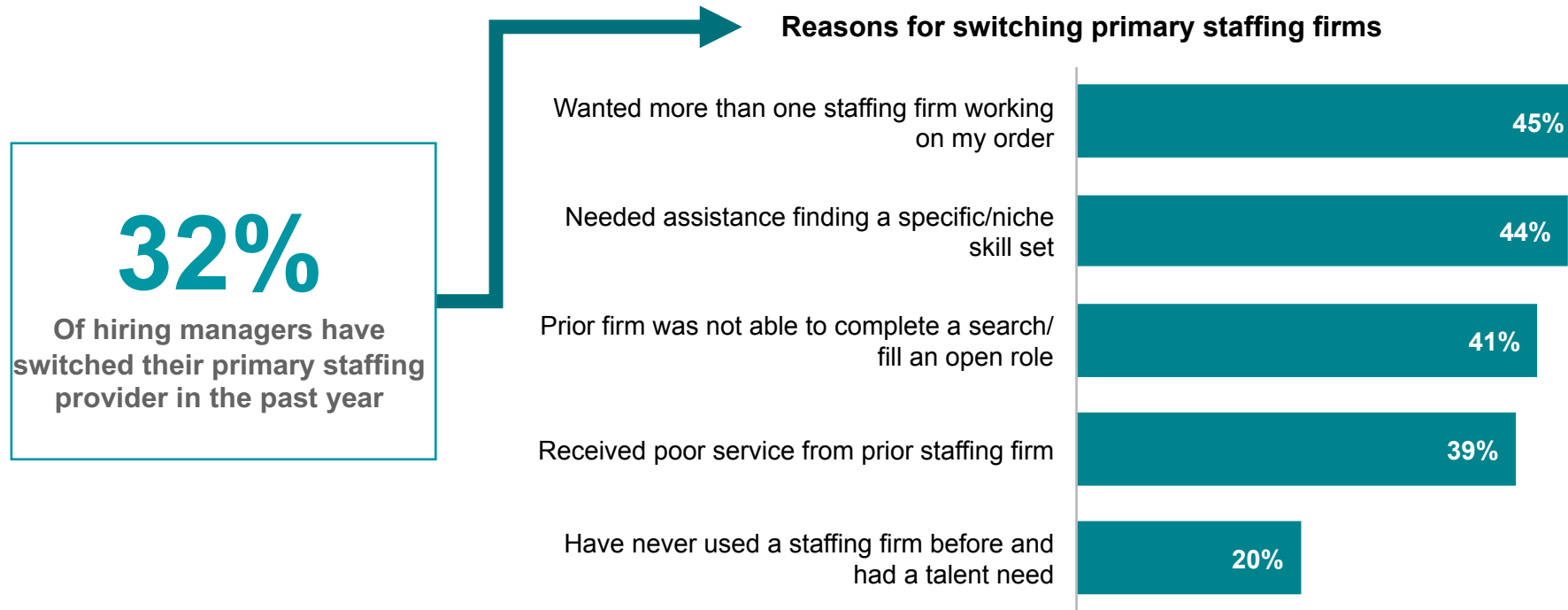| Reason	
The staffing firm I work with has been really effective at finding the talent I need	45%
It takes too much time to hire on my own	43%
They have better information on how to be competitive in our hiring	41%
I think I can save money if I use a staffing firm	31%
The hiring regulations are too complex to keep up with on my own	31%
I can't get access to top talent on my own	16%
I don't have the expertise to hire effectively on my own	11%

Staffing firms need to capitalize on company plans to increase usage

A majority of companies that use staffing firms report that they will increase the utilization of their services over the next five years. As the demand for staffing firm services grows, firms can capture that demand by reducing the burden on hiring managers and finding specific and specialized talent. Also, providing companies with information on how to attract talent in a competitive hiring landscape can be a solid value add and differentiator.

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1 in 3 hiring managers who utilize staffing firms have switched their primary provider in the past year

Reasons for switching primary staffing firms

32%

Of hiring managers have switched their primary staffing provider in the past year

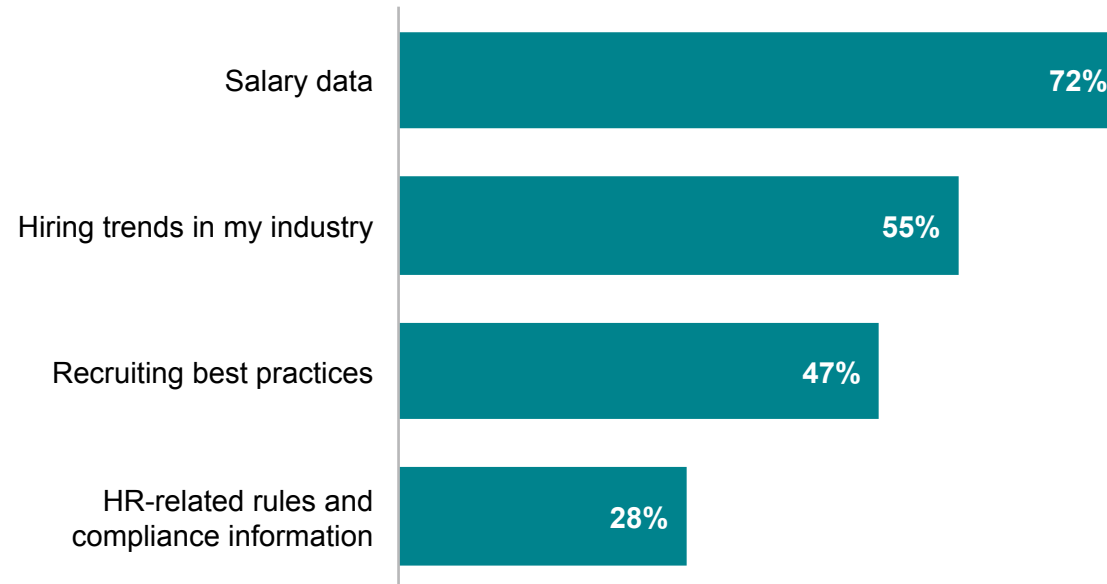| Reason	
Wanted more than one staffing firm working on my order	45%
Needed assistance finding a specific/niche skill set	44%
Prior firm was not able to complete a search/ fill an open role	41%
Received poor service from prior staffing firm	39%
Have never used a staffing firm before and had a talent need	20%

Many hiring managers have switched staffing providers recently

One third of the companies using staffing firms report that they have switched primary firms in the past year, showing the tenuous relationship between staffing firm and client. Many companies value having more than one staffing firm working on orders so that they are casting the widest net possible. With so many reasons to opt for another provider, staffing firms must put their best foot forward to maintain strong client relationships.

Q28. Have you switched primary staffing firms in the past year?
Q29. What were the driving factors behind switching primary staffing firms?

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Hiring managers want to take advantage of the data staffing firms can provide, with salary data commonly viewed as the most valuable

Types of data a recruiter could provide that would be of value

Category	Value
Salary data	72%
Hiring trends in my industry	55%
Recruiting best practices	47%
HR-related rules and compliance information	28%

Hiring managers crave hiring data that staffing firms can provide

Hiring managers are most interested in salary data to best understand the market value of skills, qualifications, and levels of experience to match the right salary to their open positions. They also want to know hiring trends and recruitment best practices to ensure they have a smooth and up-to-date hiring and onboarding process for their candidates. Providing this information is a sure way for staffing firms to add value to their clients.

Q44. Which of the following types of data can a recruiter provide that would be of value to you?
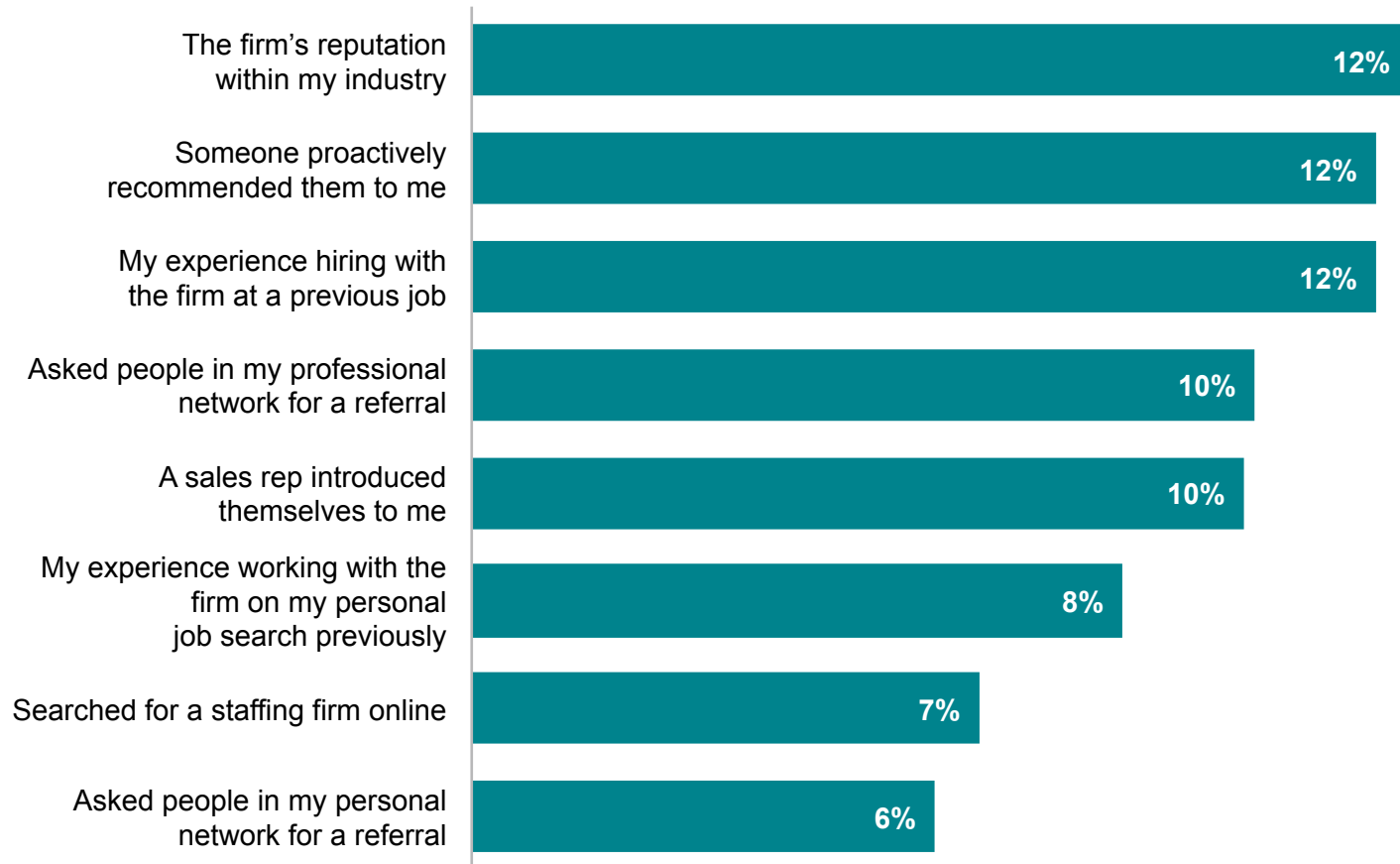
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Discovery and Vetting

2018 Staffing Buyer Study

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Hiring managers become aware of new staffing firms through a variety of sources, with reputation, referrals and past experiences leading the way

Source of initial awareness of primary staffing firm

Source	Percentage
The firm's reputation within my industry	12%
Someone proactively recommended them to me	12%
My experience hiring with the firm at a previous job	12%
Asked people in my professional network for a referral	10%
A sales rep introduced themselves to me	10%
My experience working with the firm on my personal job search previously	8%
Searched for a staffing firm online	7%
Asked people in my personal network for a referral	6%

Initial staffing firm awareness originates from a variety of sources

It is most common for hiring managers to first discover their primary staffing firm through professional network, previous experience, and the firm's reputation in the industry. While online resources are increasingly important in the research and vetting stages of the buyer journey, as sources of initial awareness, they lag behind referrals and experience, the tried and true means of discovery.
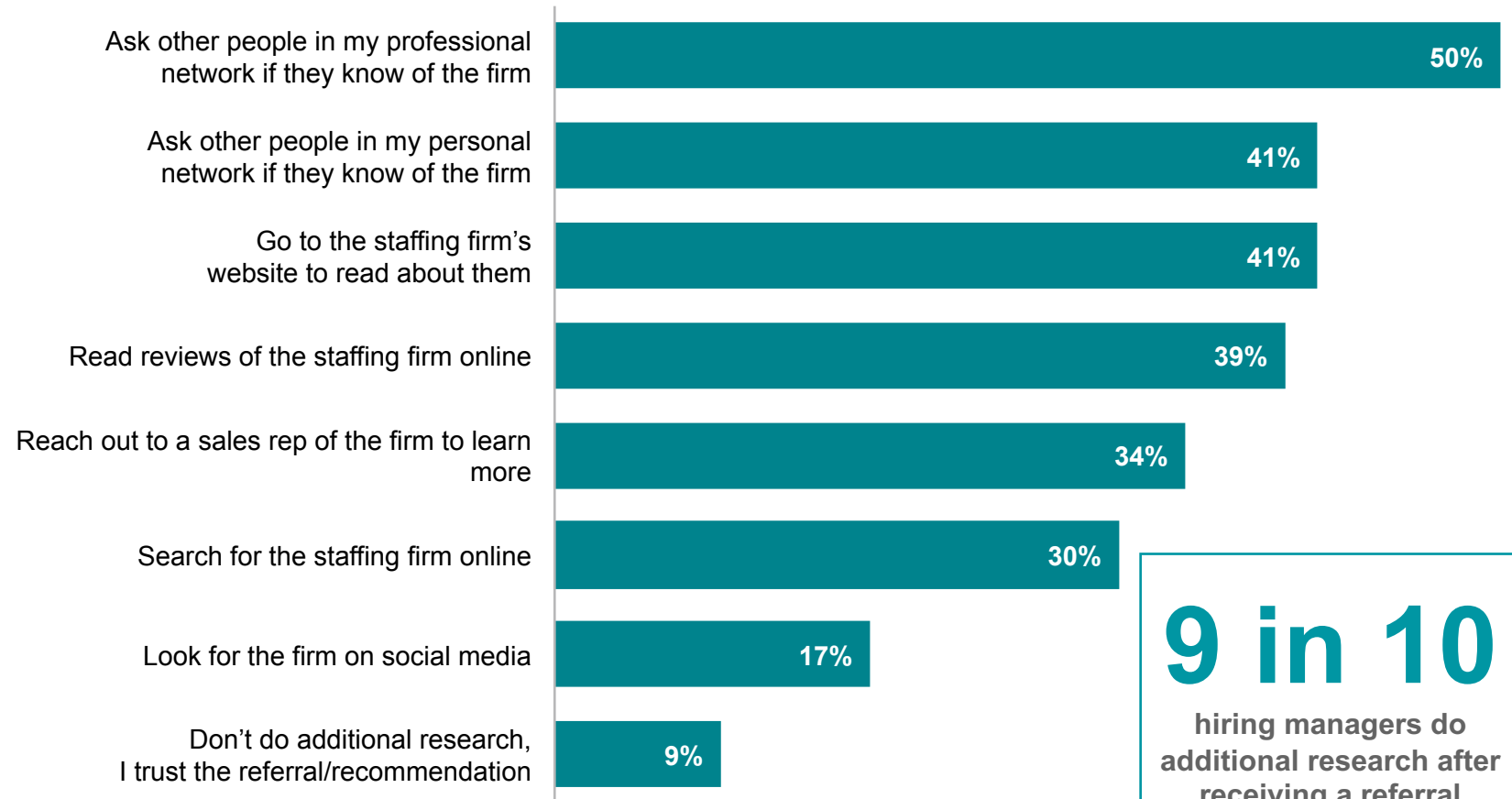
Q30. Through what resource or method did you first become aware of your primary staffing firm?

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The vast majority of hiring managers conduct additional research after receiving a referral or recommendation for a staffing firm

After referral, hiring managers often research via their networks and online resources

Over one in four hiring managers first became aware of their primary staffing firm via a referral. After receiving the referral, nearly all hiring managers conduct additional research on the referred staffing firm, with half asking other people in their professional network for additional information. Various online resources are also commonly used before making a decision: two in three hiring mangers use online sources to vet after receiving a referral.

Additional research done after receiving a referral/recommendation for a staffing firm

Research method	%
Ask other people in my professional network if they know of the firm	50%
Ask other people in my personal network if they know of the firm	41%
Go to the staffing firm's website to read about them	41%
Read reviews of the staffing firm online	39%
Reach out to a sales rep of the firm to learn more	34%
Search for the staffing firm online	30%
Look for the firm on social media	17%
Don't do additional research, I trust the referral/recommendation	9%

9 in 10
hiring managers do additional research after receiving a referral

Q32. What additional research, if any, do you do after receiving a referral or recommendation for a staffing firm?

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Clients use a broad set of resources and methods to vet and ultimately select their primary staffing firm

Resources used in the staffing firm vetting process

Resource	Percentage
Asked people in my professional network for a referral	34%
The firm's reputation within my industry	34%
Went to the staffing firm's website to read about them	27%
Asked people in my personal network for a referral	25%
Read reviews of the staffing firm online	25%
My experience hiring with the firm at a previous job	23%
My experience working with the firm on my personal job search previously	22%
Searched for the staffing firm online	20%
Researched them on their social media pages	14%
Read articles or thought leadership produced by the firm	11%

5 Hours

Median number of hours companies spend using online resources vetting their primary staffing firm

Hiring managers spend hours online vetting their staffing firms

While there is no single source or strategy most effective for selecting and vetting potential staffing firms, the most often cited are referrals, reputation, and online resources and reviews. In addition, the average hiring manager spends 5 hours online vetting a staffing firm. Staffing firms can make direct impacts on buying behavior via their company website and managing their reputation online.

Q31. Which of the following resources or methods did you use to help vet and ultimately select your primary staffing firm?
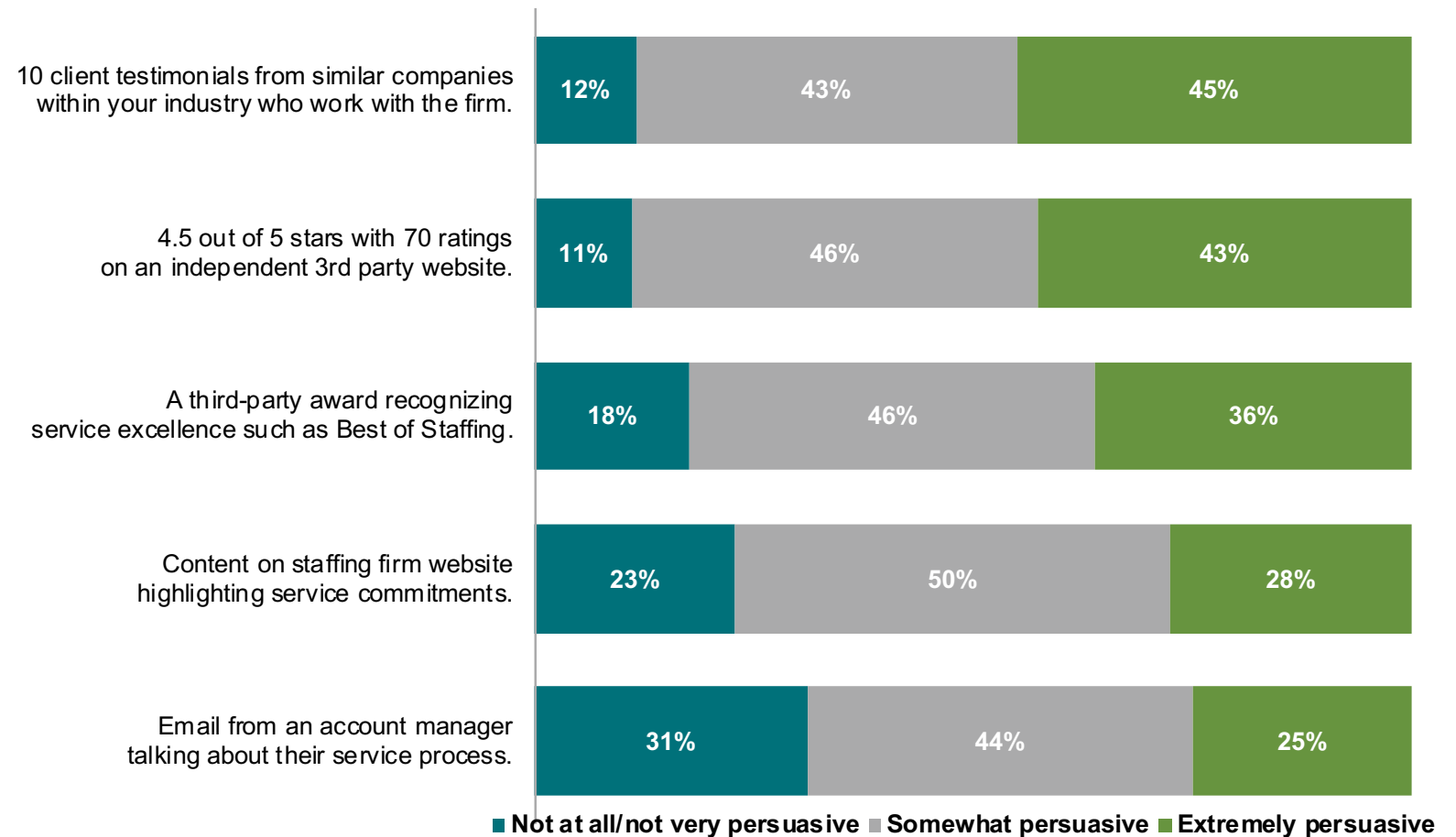Q34. How many hours would you estimate you spent vetting your primary staffing firm using online?

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Hiring managers find information from other clients most persuasive when evaluating whether to hire a staffing firm

Testimonials and star ratings are most persuasive when vetting a staffing firm

When weighing different types of content that might persuade a partnership with a staffing firm, information provided by the firm itself is the least persuasive: few companies are strongly persuaded by an email from an account manager. However, if an account manager were to direct a potential client to content from a third party, such as testimonials and high star ratings online, they can make a much more persuasive argument for their services.

**Persuasiveness in regards to a staffing firm being considered**

	Not at all/not very persuasive	Somewhat persuasive	Extremely persuasive
10 client testimonials from similar companies within your industry who work with the firm.	12%	43%	45%
4.5 out of 5 stars with 70 ratings on an independent 3rd party website.	11%	46%	43%
A third-party award recognizing service excellence such as Best of Staffing.	18%	46%	36%
Content on staffing firm website highlighting service commitments.	23%	50%	28%
Email from an account manager talking about their service process.	31%	44%	25%

■ Not at all/not very persuasive ■ Somewhat persuasive ■ Extremely persuasive

Q33. How persuasive would it be to see the following about a staffing agency you were considering hiring?

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Clients are highly influenced by online star ratings when deciding whether or not they will engage with a staffing or recruitment firm

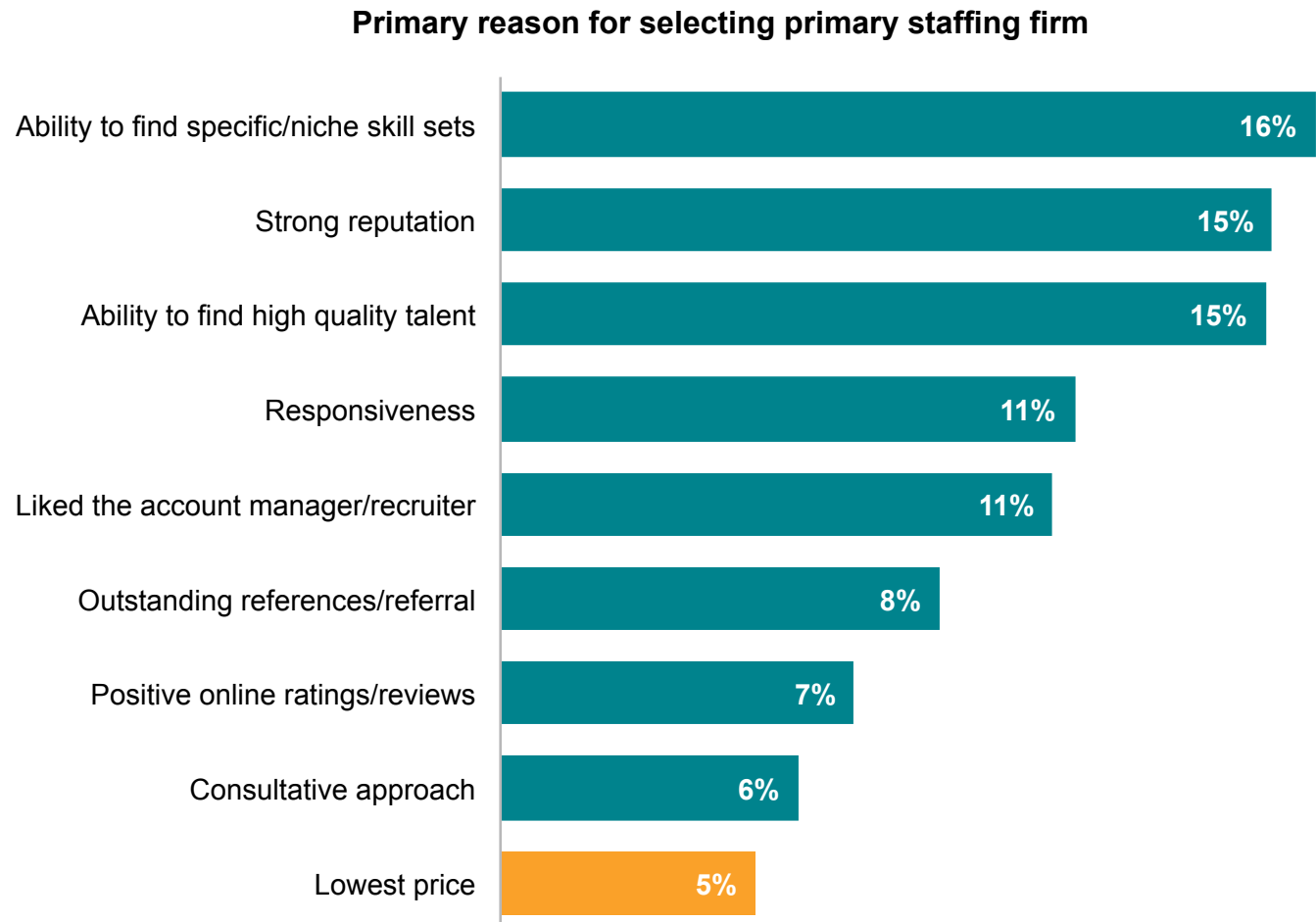## Higher online ratings means more engagement from client prospects

It has never been more important for staffing firms to be aware of online ratings of their firm because they are extremely influential in the vetting process. Even with only a few online reviews, companies are much less likely to engage with a firm that has lower star ratings. This highlights the importance of every client interaction and deliverable: a small number of people can be highly influential on whether a firm receives future business.

Likelihood of engaging with a staffing or recruiting firm with the following combination of online reviews (% "Likely")

34% — 2.3 out of 5 stars

57% — 3.3 out of 5 stars

86% — 4.3 out of 5 stars

91% — 5 out of 5 stars
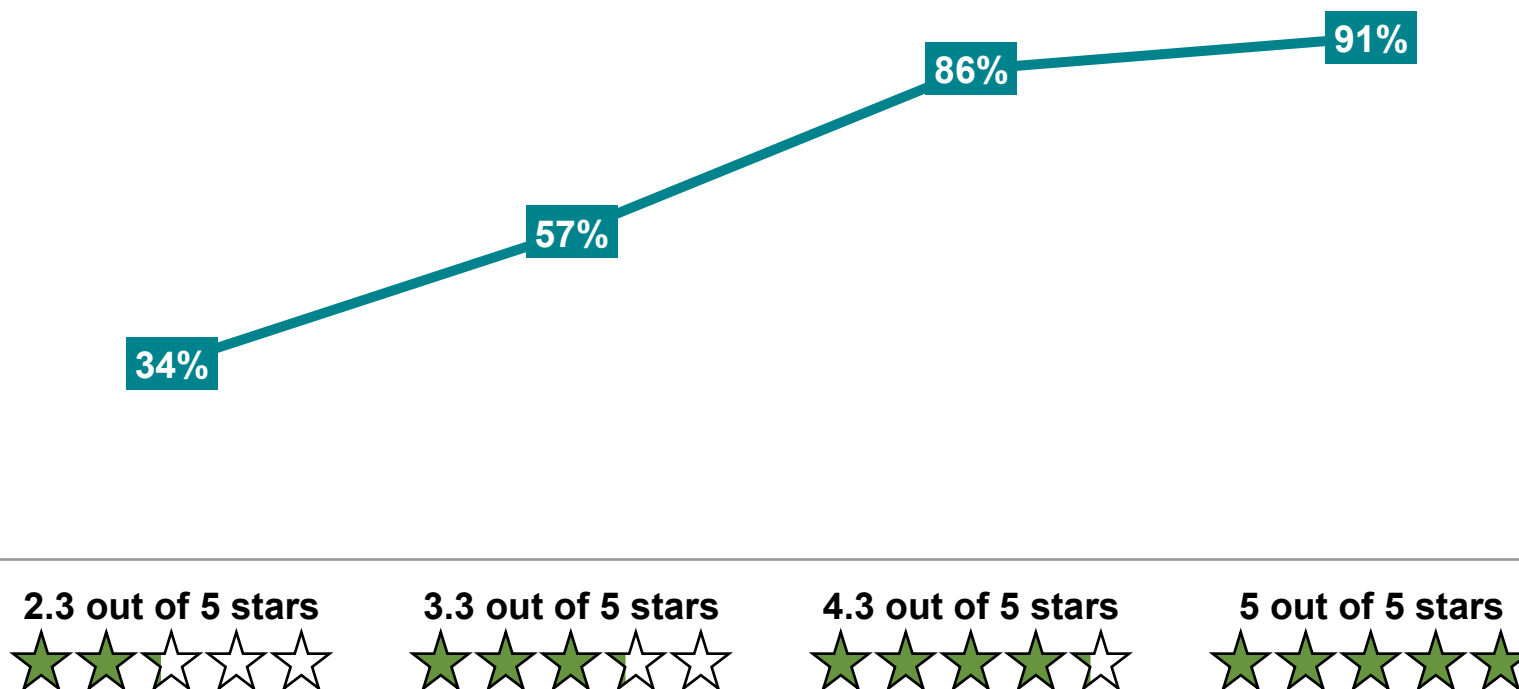
Q35. How likely are you to engage with a staffing or recruiting company that has [3,10,25,50] online ratings of…

When clients research and vet staffing firms they look for a firm's ability to provide specific, quality candidates and a strong reputation

Primary reason for selecting primary staffing firm

Reason	%
Ability to find specific/niche skill sets	16%
Strong reputation	15%
Ability to find high quality talent	15%
Responsiveness	11%
Liked the account manager/recruiter	11%
Outstanding references/referral	8%
Positive online ratings/reviews	7%
Consultative approach	6%
Lowest price	5%

Q36. What is the main reason you ended up selecting the primary staffing firm that you did?

Lowest price is rarely the primary consideration when choosing a primary staffing firm

After a company completes the vetting process, the ultimate decision to use a primary firm is often not the one with the lowest cost, it is the one that is determined to be best able to find high quality/specific candidates that meet a company's specific criteria. For staffing firms it is important to remember that if they can perform their primary function at a high level and leverage their firm's reputation, cost becomes much less of a factor.

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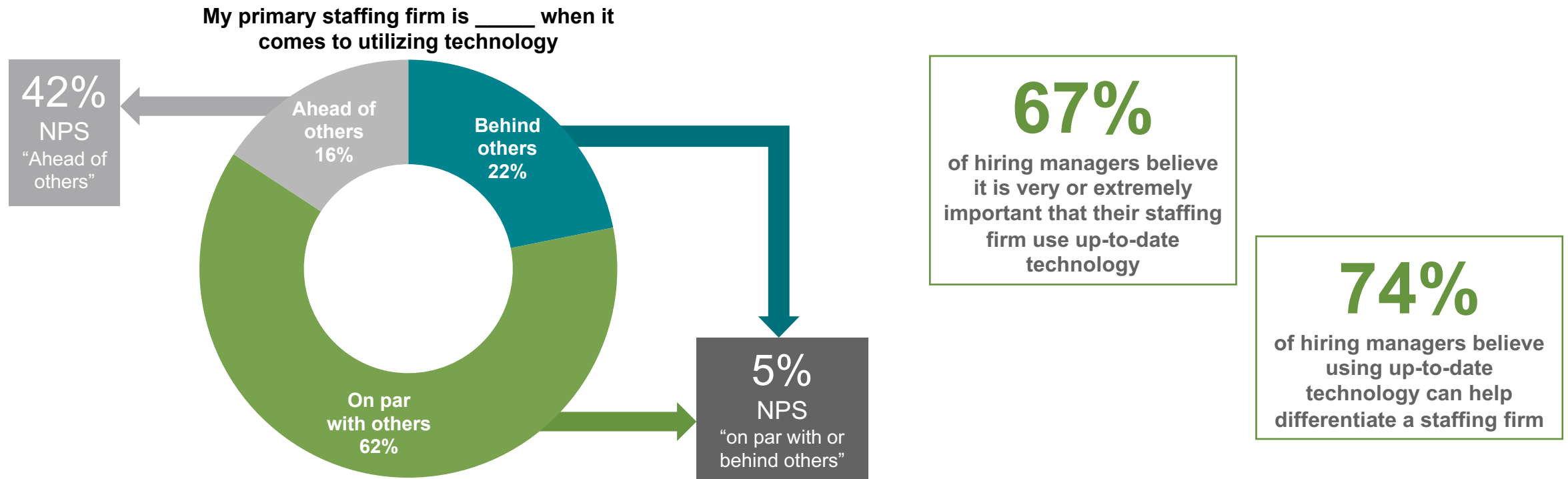
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Impact of Technology

2018 Staffing Buyer Study

A majority believe it is important for staffing firms to use up to date technology and believe firms can differentiate by utilizing the most current technology

My primary staffing firm is _____ when it comes to utilizing technology

Behind others 22%

On par with others 62%

Ahead of others 16%

42% NPS "Ahead of others"

5% NPS "on par with or behind others"

67% of hiring managers believe it is very or extremely important that their staffing firm use up-to-date technology

74% of hiring managers believe using up-to-date technology can help differentiate a staffing firm

Technology use is important in the perception of a staffing firm

In today's hiring environment, most hiring managers believe a staffing firm should be using up-to-date technology. However, only a small percentage of companies believe that their primary staffing firm is ahead of others at effectively utilizing technology. If a firm can demonstrate and communicate to a potential client that they are technologically sophisticated and adept, they can help to differentiate themselves from competitors.
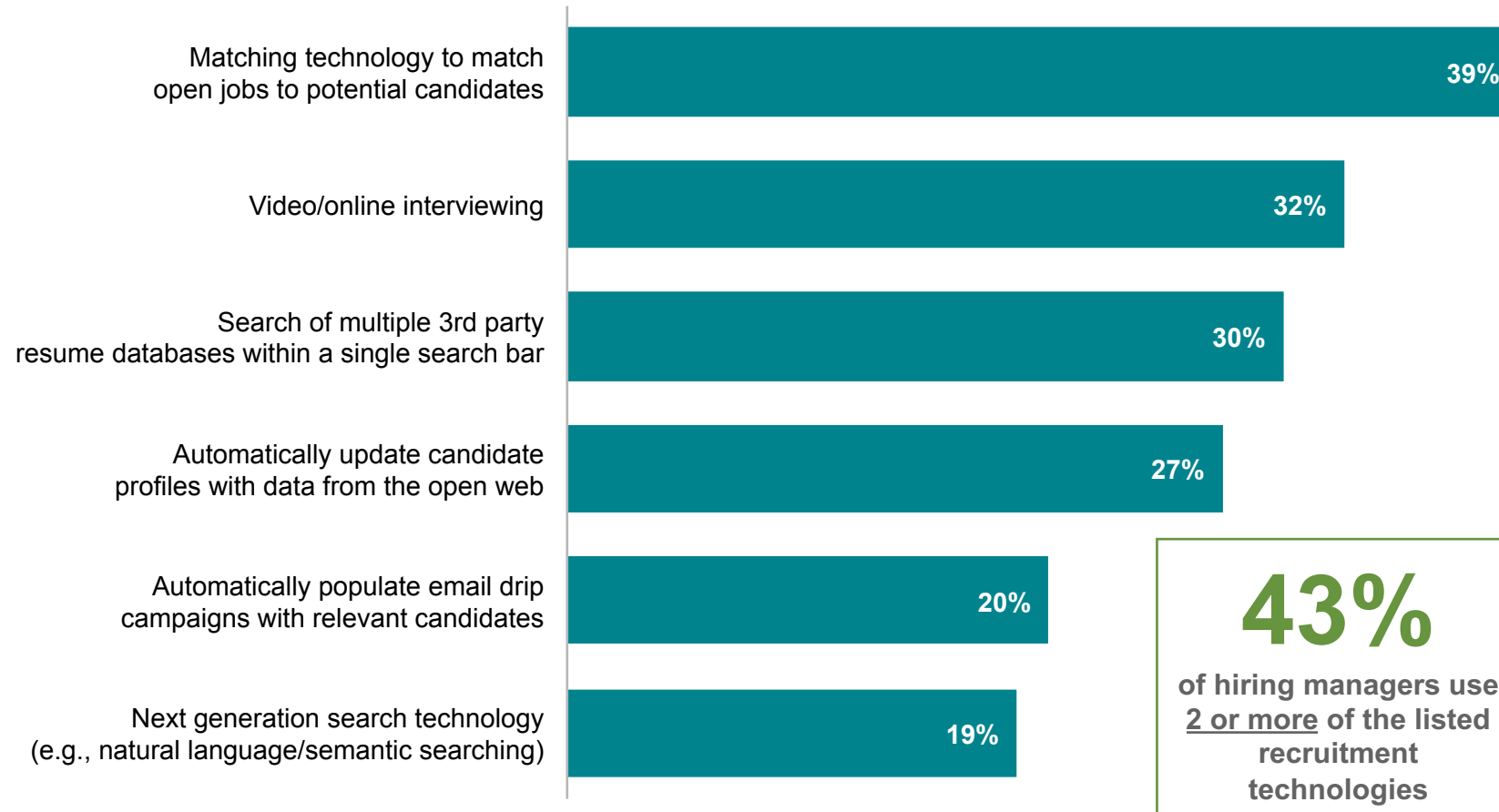
Q37. In my opinion, my primary staffing firm is _____ when it comes to utilizing technology.
Q38. How important is it that your staffing firm is using the most up-to-date technology?
Q39. If a staffing firm is using the most up-to-date technology, do you think that differentiates them from the competition?

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In their own recruitment process, hiring managers utilize candidate matching technology and online interviewing platforms more than other technologies

Technology organizations currently use in the recruitment process

Technology	%
Matching technology to match open jobs to potential candidates	39%
Video/online interviewing	32%
Search of multiple 3rd party resume databases within a single search bar	30%
Automatically update candidate profiles with data from the open web	27%
Automatically populate email drip campaigns with relevant candidates	20%
Next generation search technology (e.g., natural language/semantic searching)	19%

43% of hiring managers use **2 or more** of the listed recruitment technologies
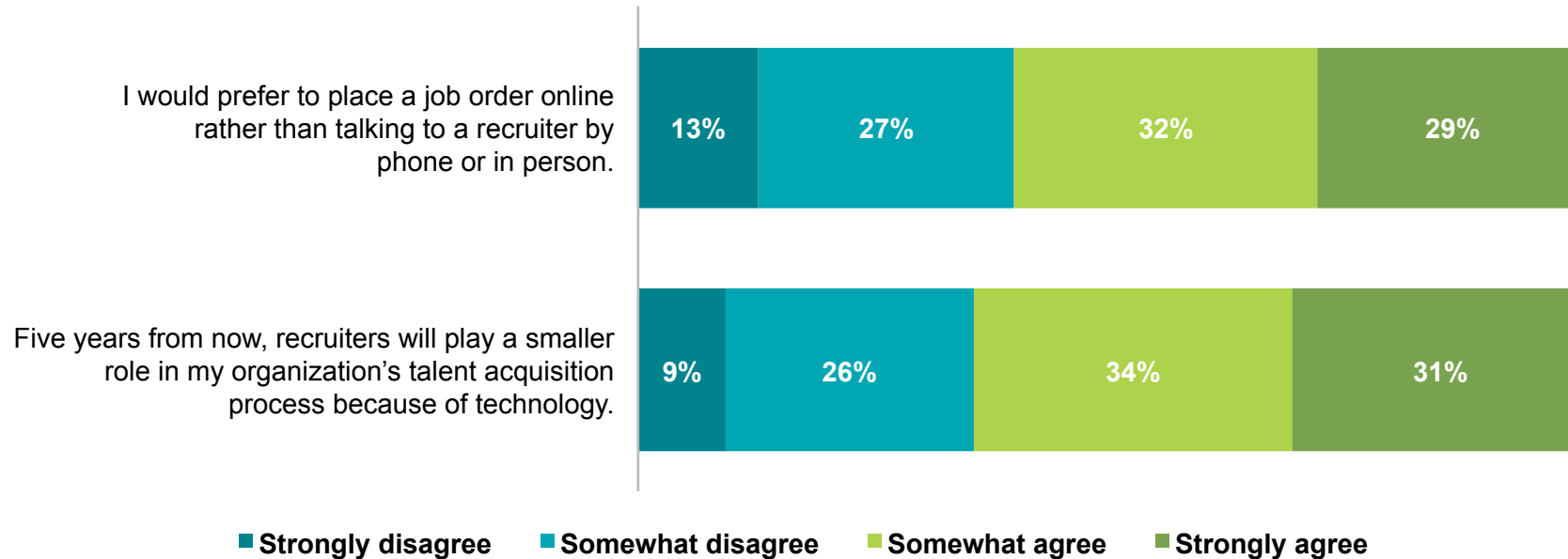
Matching technology is increasingly utilized by hiring managers

Not only do hiring managers believe staffing firms should be using most current technology available, they are increasingly using technology in the recruitment process internally. Two in five are now using candidate matching software, and one in three are using video/online interviewing platforms. As organizations become more technologically savvy, staffing firms must stay ahead of the curve in order to provide maximum value.

Q42. Which of the following technologies/methods, if any, is your organization currently using in the recruitment process?

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Clients are seeking ways to minimize their reliance on recruiters by increasing their use of technology and automation to fill open positions

Role of recruiters and technology going forward

I would prefer to place a job order online rather than talking to a recruiter by phone or in person.

| 13% | 27% | 32% | 29% |

Five years from now, recruiters will play a smaller role in my organization's talent acquisition process because of technology.

| 9% | 26% | 34% | 31% |

■ Strongly disagree ■ Somewhat disagree ■ Somewhat agree ■ Strongly agree

Millennials are

3x

as likely to *strongly agree* that recruiters will play a smaller role due to technology than other generations

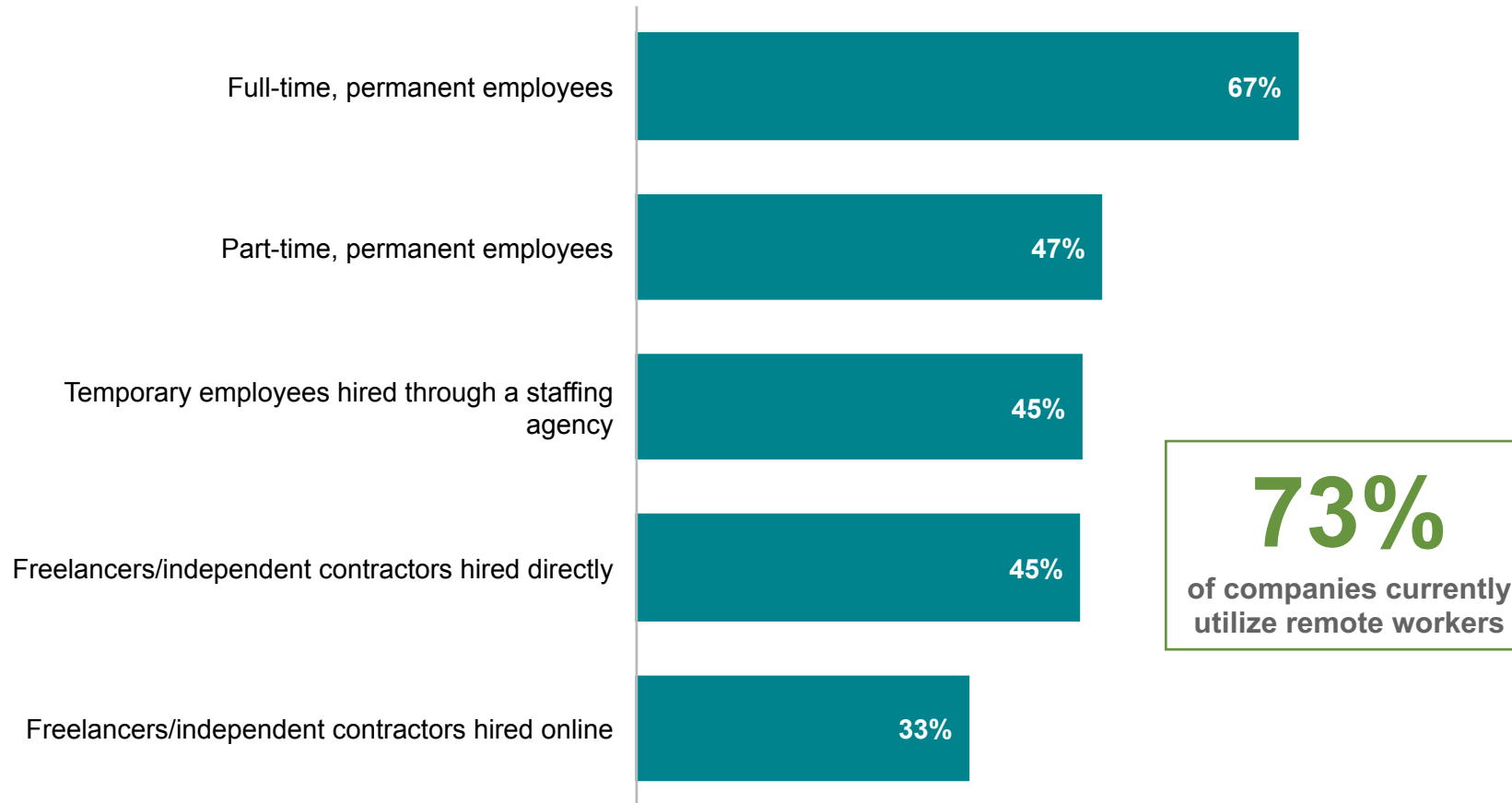## Technology will impact the role of the recruiter

Recruiters face an uphill battle against technology going forward, as hiring managers often say they would prefer online platforms to do more of the work recruiters currently handle. Many companies agree that they would prefer to not contact a recruiter over the phone or in person in favor of placing job orders online and two in three also agree that recruiters will play a smaller role in their recruitment process in 5 years.

Q46a. Five years from now, recruiters will play a smaller role in my organization's talent acquisition process because of technology.
Q46b. I would prefer to place a job order online rather than talking to a recruiter by phone or in person

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Most companies employ remote workers in some capacity

Types of remote workers currently employed at organization

Full-time, permanent employees — 67%

Part-time, permanent employees — 47%

Temporary employees hired through a staffing agency — 45%

Freelancers/independent contractors hired directly — 45%

Freelancers/independent contractors hired online — 33%

73%
of companies currently utilize remote workers

Companies are increasing their utilization of flexible and remote workforce

As technology allows businesses to become more flexible and easily connected, the future of work will also be more dynamic and flexible. With companies no longer as tethered to the talent pool in their vicinity, there are opportunities for staffing firms to specialize in providing candidates who can work from anywhere. Staffing companies that can capitalize on this ability to provide flexible workforce will be at an advantage going forward.

Q11. Does your company employ any of the following types of workers who work a majority of their time remotely?

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Staffing Firm Satisfaction

2018 Staffing Buyer Study

Client NPS® is up slightly to 11%, continuing a steady trend of increasing satisfaction since 2015

Clients: Likelihood to Recommend Working with Current Staffing Firm
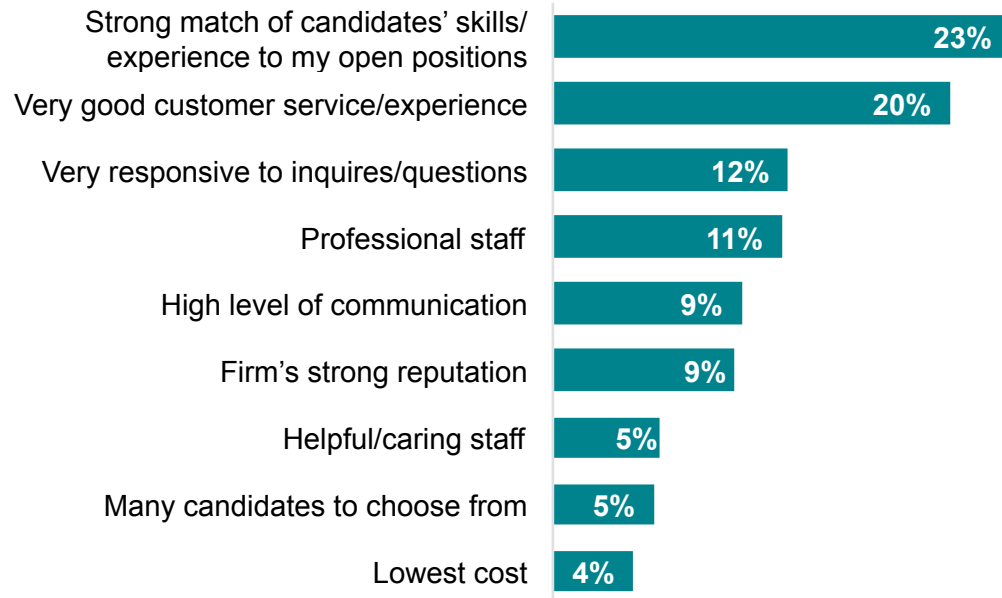

Promoters • Detractors • Net Promoter Score®
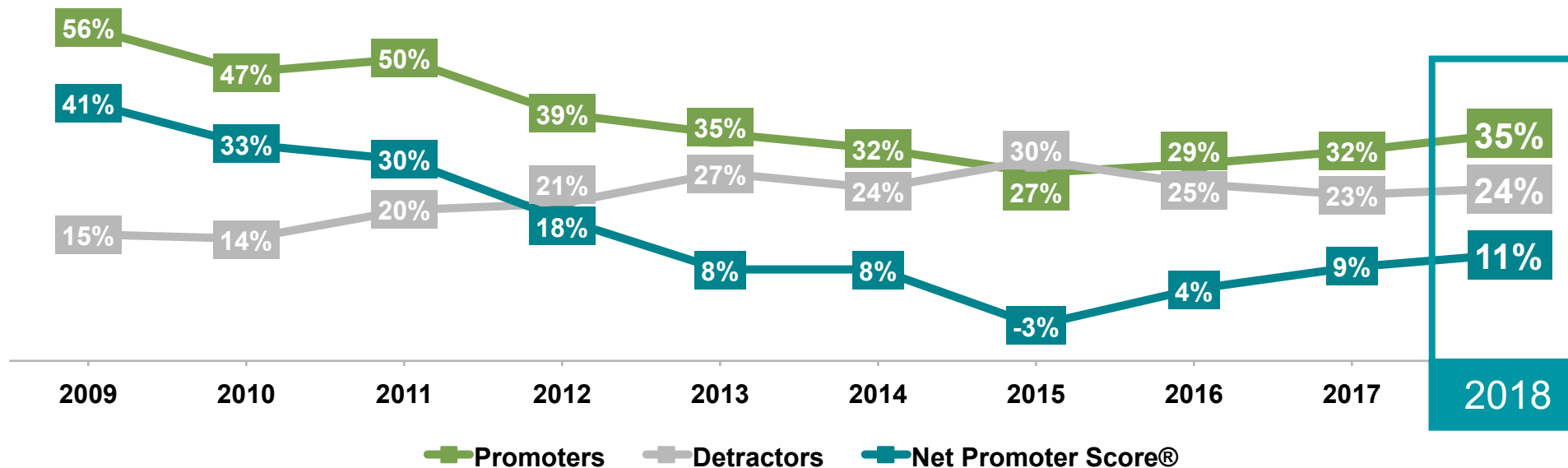
Client NPS® continues to increase

The overall NPS® for clients of staffing firms has continued its steady increase from a low of -3% in 2015. From 2017 to 2018 the percentage of promoters increased slightly to 35%, leading the increase in Net Promoter Score®. While clients are increasingly satisfied with their staffing firms over the past few years, an 11% NPS still leaves too many dissatisfied clients.
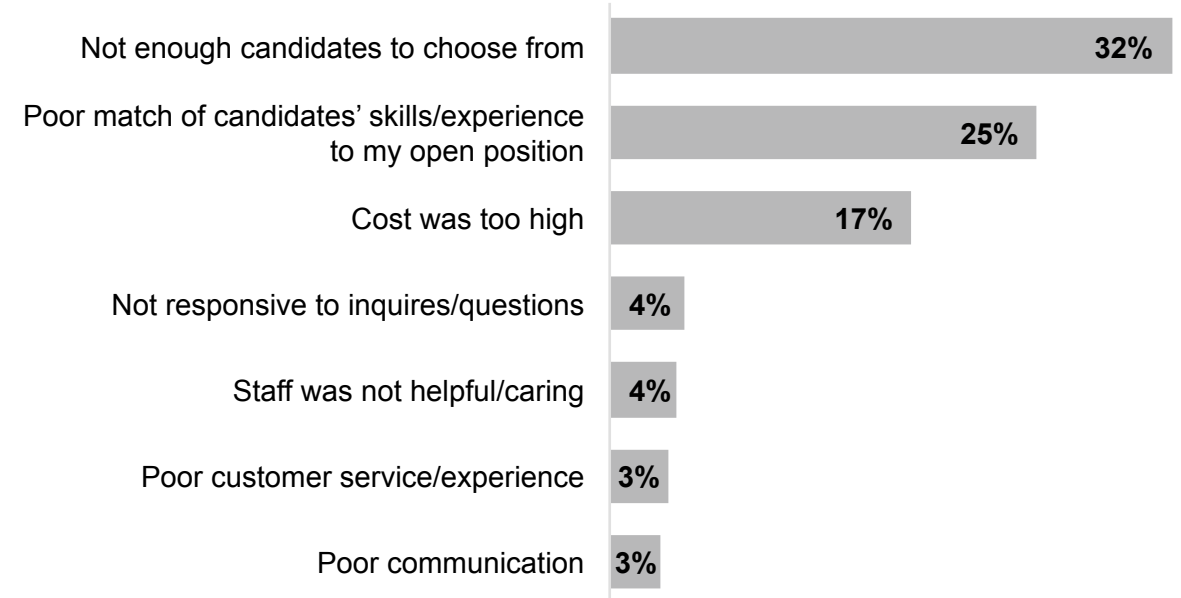
Q20. How likely would you be to recommend your primary staffing firm to a friend or colleague?

Candidate match and availability have greatest influence on whether a client is a promoter or detractor of their staffing firm

Promoter (9-10) reason for NPS rating

Reason	%
Strong match of candidates' skills/ experience to my open positions	23%
Very good customer service/experience	20%
Very responsive to inquires/questions	12%
Professional staff	11%
High level of communication	9%
Firm's strong reputation	9%
Helpful/caring staff	5%
Many candidates to choose from	5%
Lowest cost	4%

Detractor (0-6) reason for NPS rating

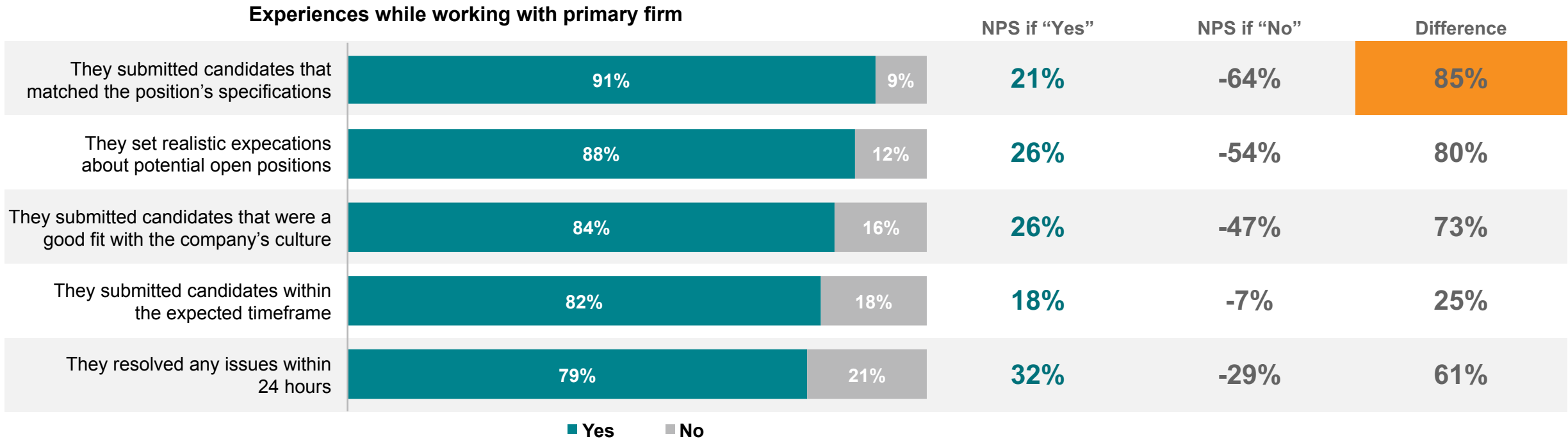| Reason	%
Not enough candidates to choose from	32%
Poor match of candidates' skills/experience to my open position	25%
Cost was too high	17%
Not responsive to inquires/questions	4%
Staff was not helpful/caring	4%
Poor customer service/experience	3%
Poor communication	3%

Candidate quality most impacts promoter vs. detractor ratings

Client satisfaction hinges most heavily on a staffing firm's ability to provide candidates with a strong match of skills/experience to the open positions. If a client receives candidates that meet their expectations and have a positive service experience they are likely a promoter of their staffing firm. Less than one in five detractors mentioned cost being an issue, meaning that that candidate match and availability are much more important factors.

Q21-Q22. Please specify the main reason behind the rating you gave your primary staffing firm:

Whether candidates match position requirements or not results in the largest swing in client satisfaction, timeliness is the least impactful on NPS®

Experiences while working with primary firm

	Yes	No	NPS if "Yes"	NPS if "No"	Difference
They submitted candidates that matched the position's specifications	91%	9%	21%	-64%	85%
They set realistic expecations about potential open positions	88%	12%	26%	-54%	80%
They submitted candidates that were a good fit with the company's culture	84%	16%	26%	-47%	73%
They submitted candidates within the expected timeframe	82%	18%	18%	-7%	25%
They resolved any issues within 24 hours	79%	21%	32%	-29%	61%

■ **Yes** ■ **No**

Candidate match matters most in client satisfaction

Not surprisingly, NPS can vary significantly based on the above criteria that drive customer satisfaction. Failing on a core issue like providing candidates that meet specifications results in very low satisfaction. Providing candidates in the expected timeframe is the least likely to swing NPS® in either direction, meaning firms should focus their efforts on the other areas before focusing on timeliness.

Q23. When you first started working with your primary staffing firm, did they set realistic expectations about any potential open positions you had?
Q24. For the most recent open position your primary staffing firm assisted with, which of the following occurred?
Q25. During the most recent assignment filled by a staffing firm, did they resolve any issues you had within 24 hours?

Candidate quality is the largest difference between promoters and detractors, providing staffing and HR information doesn't move the needle as much

	Average Rating (out of 10)	Promoter Average	Detractor Average	Difference
The quality of the employees sent to us by our primary staffing firm has consistently met or exceeded my expectations	7.3	9.2	5.0	+4.2
Our primary firm responds quickly to our staffing needs	7.7	9.3	5.7	+3.6
I enjoy working with the contacts at our primary staffing firm	7.9	9.5	5.9	+3.6
Current staffing and HR information is available from my primary firm when I need it	7.8	9.3	6.0	+3.3

Clients give their staffing firms lowest ratings for candidate quality

Not surprisingly, missing on candidate quality is most likely to lead clients to become detractors. One in four clients are detractors, and those clients are also much less likely to agree that their firm provides quick response to needs and available staffing and HR information when they need it. This leads to detractors being much less likely to enjoy working with the contacts at their firm.
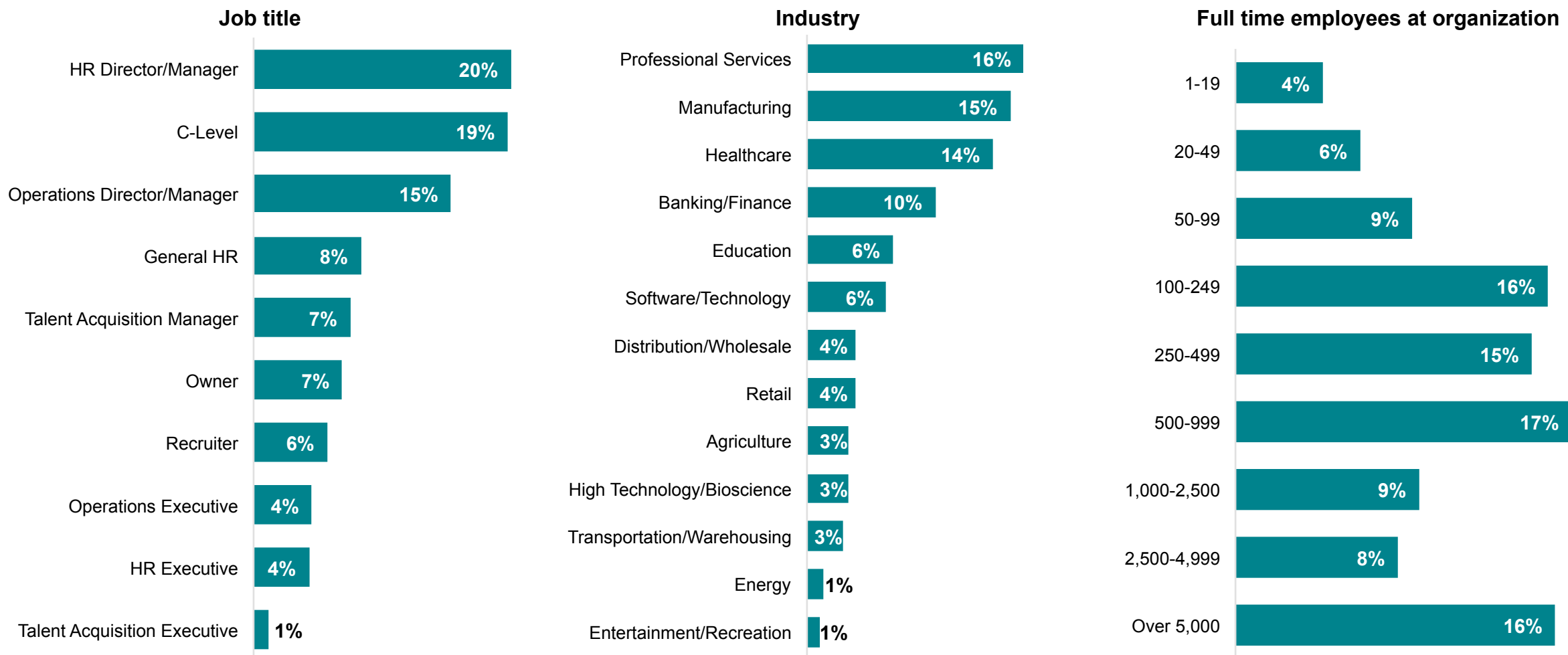
Q26. On a scale of 0 to 10, please indicate your level of agreement with each of the following statements, as it relates to your primary staffing firm.

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Respondent Characteristics

2018 Staffing Buyer Study

Respondent characteristics – job title, industry, number of employees

Job title

HR Director/Manager	20%
C-Level	19%
Operations Director/Manager	15%
General HR	8%
Talent Acquisition Manager	7%
Owner	7%
Recruiter	6%
Operations Executive	4%
HR Executive	4%
Talent Acquisition Executive	1%

Industry

Professional Services	16%
Manufacturing	15%
Healthcare	14%
Banking/Finance	10%
Education	6%
Software/Technology	6%
Distribution/Wholesale	4%
Retail	4%
Agriculture	3%
High Technology/Bioscience	3%
Transportation/Warehousing	3%
Energy	1%
Entertainment/Recreation	1%

Full time employees at organization

1-19	4%
20-49	6%
50-99	9%
100-249	16%
250-499	15%
500-999	17%
1,000-2,500	9%
2,500-4,999	8%
Over 5,000	16%

Q2. Approximately how many full-time equivalent employees does your company currently employ?
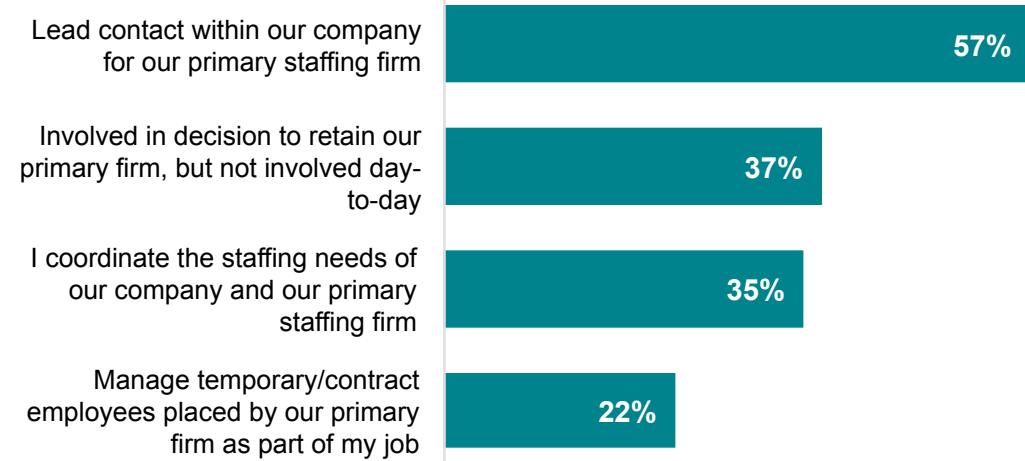Q3. Which of the following best represents your employer's primary industry?
Q8. Which of the following best represents your job title?

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Respondent characteristics – hires made, involvement with staffing firm

Types of hires made in past year

Full-time employee, hired on our own	81%
Temporary employee hired through a staffing or recruiting firm	61%
Permanent employee hired through a staffing or recruiting firm	51%
Professional/executive search through a staffing or recruiting firm	49%
Part-time employee, hired on our own	48%
Full-time contract employee/freelancer, hired on our own	32%
Evaluation-to-hire employee hired through a staffing or recruiting firm	28%
Part-time contract employee/freelancer, hired on our own	22%

Role in regards to primary staffing firm

Lead contact within our company for our primary staffing firm	57%
Involved in decision to retain our primary firm, but not involved day-to-day	37%
I coordinate the staffing needs of our company and our primary staffing firm	35%
Manage temporary/contract employees placed by our primary firm as part of my job	22%

Role in hiring primary staffing firm

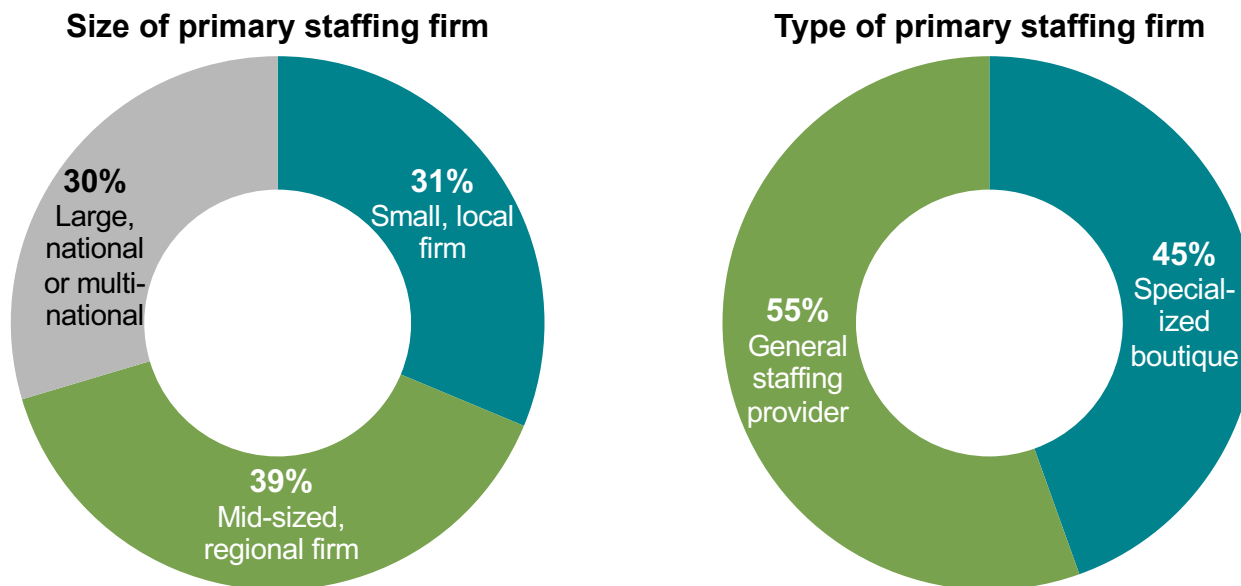|	
I was the primary decision-maker	47%
I was consulted and had an influence on the decision	40%
I was not involved in the decision	13%
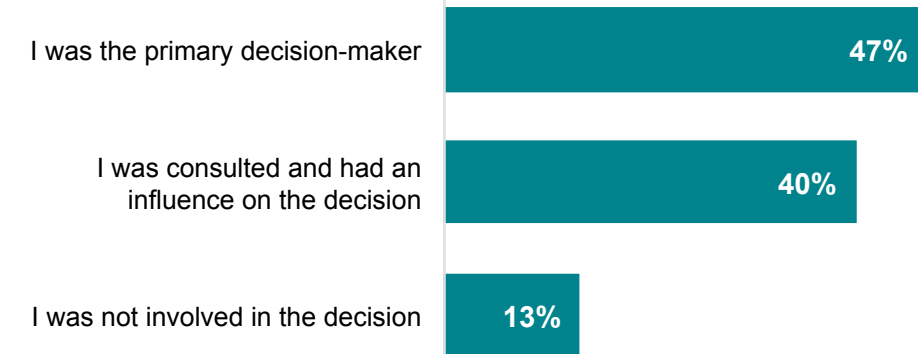
Q4. Which of the following types of hires has your employer made during the past 12 months?
Q7. Which of the following best describes your interaction with your primary staffing or recruiting firm?
Q27. Which of the following best describes your role in hiring your primary staffing firm?
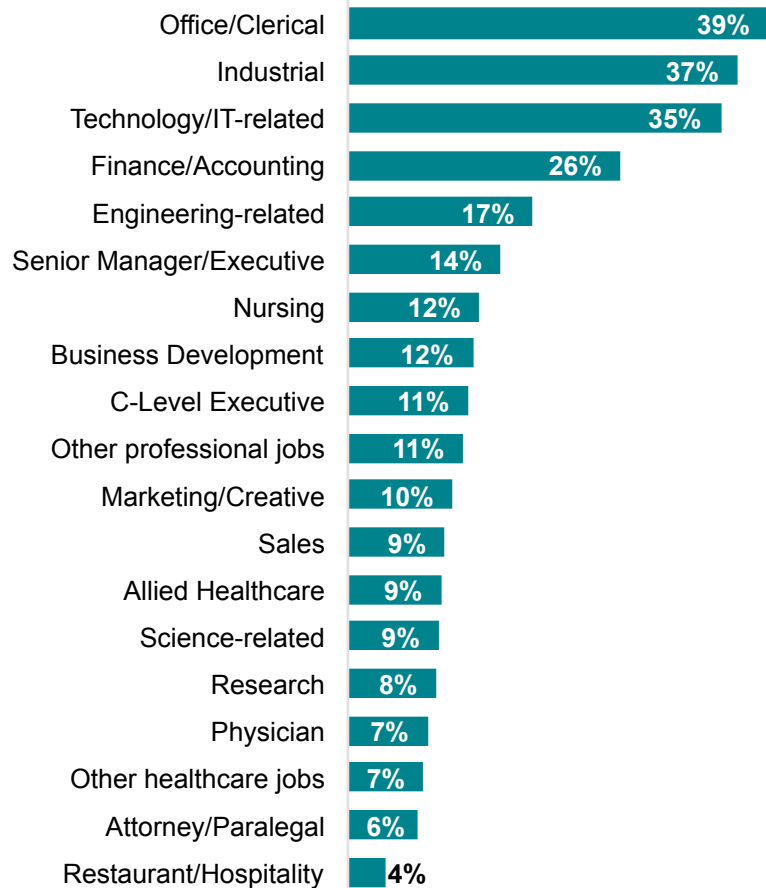
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Respondent characteristics – size and type of staffing firms utilized

Size of primary staffing firm

- 31% Small, local firm
- 39% Mid-sized, regional firm
- 30% Large, national or multi-national

Type of primary staffing firm

- 45% Specialized boutique
- 55% General staffing provider

Q14. Which of the following best describes the primary staffing firm you work with?
Q15. Is your primary staffing firm more of a specialized boutique, or a general staffing provider?

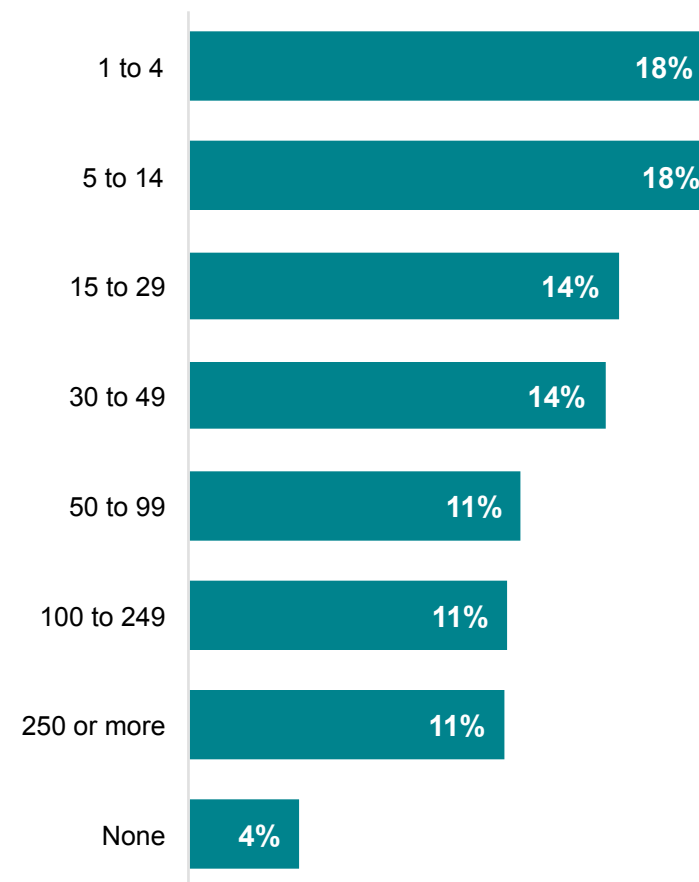# Respondent characteristics – ways in which staffing firms are utilized

Types of positions hired through primary staffing firm

Position	%
Office/Clerical	39%
Industrial	37%
Technology/IT-related	35%
Finance/Accounting	26%
Engineering-related	17%
Senior Manager/Executive	14%
Nursing	12%
Business Development	12%
C-Level Executive	11%
Other professional jobs	11%
Marketing/Creative	10%
Sales	9%
Allied Healthcare	9%
Science-related	9%
Research	8%
Physician	7%
Other healthcare jobs	7%
Attorney/Paralegal	6%
Restaurant/Hospitality	4%

Primary types of searches conducted with primary firm

- 16% Professional/Executive/Retained search
- 16% Evaluation-to-hire staffing
- 39% Temporary staffing
- 29% Permanent placement (direct hire)

Number of contract/temporary employees employed during past year

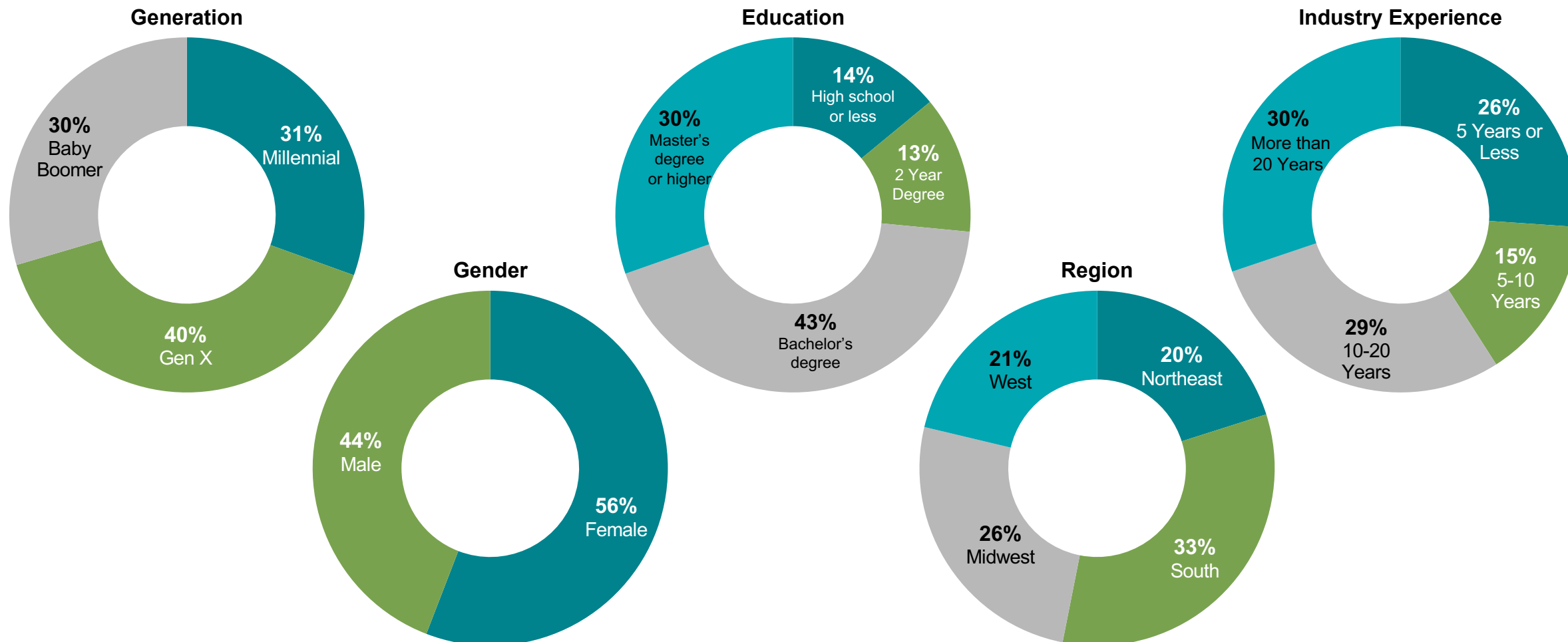| Number	%
1 to 4	18%
5 to 14	18%
15 to 29	14%
30 to 49	14%
50 to 99	11%
100 to 249	11%
250 or more	11%
None	4%

Q9. Approximately how many temporary or contract employees did your company employ during the past 12 months?
Q10. Which of the following types of searches do you primarily work with your staffing firm on?
Q12. For which of the following types of positions has your employer utilized a third party staffing or recruiting firm during the past 12 months?

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Respondent characteristics – demographics

Generation

- 31% Millennial
- 40% Gen X
- 30% Baby Boomer

Gender

- 44% Male
- 56% Female

Education

- 14% High school or less
- 13% 2 Year Degree
- 43% Bachelor's degree
- 30% Master's degree or higher

Region

- 20% Northeast
- 33% South
- 26% Midwest
- 21% West

Industry Experience

- 26% 5 Years or Less
- 15% 5-10 Years
- 29% 10-20 Years
- 30% More than 20 Years

Q47. What is your age? Q48. What is your gender? Q49. What is the highest level of education you've had the opportunity to complete?
Q50. How many years of experience do you have in your current industry?
Q1. Please provide the zip code or postal code of your primary employment location.

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Appendix

2018 Staffing Buyer Study

Net Promoter Score® Background

WHAT
is a Net Promoter Score?

A Net Promoter Score (NPS®) is an easily understandable <u>metric based on likelihood to recommend</u> using a company, product or service to a friend or colleague

WHY
use a Net Promoter Score?

Staffing firms see a direct correlation between: <u>Net Promoter Score, customer retention, & revenue growth</u>

HOW
do we calculate Net Promoter Score?

Detractors   Passives Promoters

0 1 2 3 4 5 6 7 8 9 10
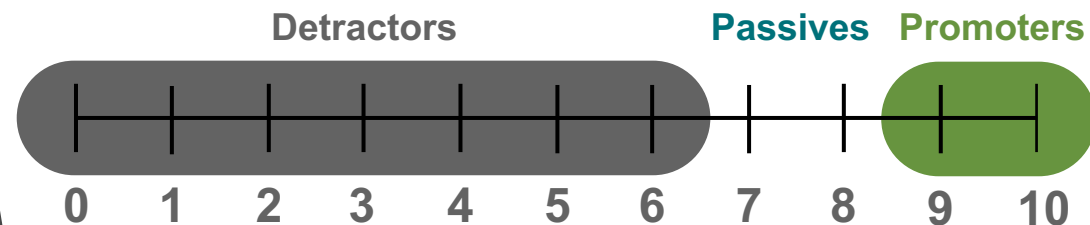
% Promoters − % Detractors = NPS

Promoters: Your firm's *strongest allies*; most likely to promote your firm to others

Detractors: Clients at risk of switching firms

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Organizers of this Study

CareerBuilder

CareerBuilder is a global leader in human capital solutions with a mission of empowering employment across the globe. CareerBuilder places data-driven decision-making at the heart of the services they provide to staffing firms, and has participated in leading research for the staffing industry for more than a decade.

Inavero

Inavero is a global leader in human capital management research. The firm powers satisfaction and thought leadership studies for hundreds of top firms within the space and leverages more than 300,000 survey responses annually to provide insight into the millions who work in the gig economy and the companies who hire them.

American Staffing Association

The American Staffing Association (ASA) is a national trade association dedicated to promoting and protecting the interests of the U.S. staffing, recruiting, and workforce solutions industry across all sectors through advocacy, research, education, and the promotion of high standards of legal, ethical, and professional practices.

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