

ClearEdge Marketing's 2018 Executive Pulse Survey Report

# Tell Us **Where It Hurts.**

A Pulse Check on  
**Staffing Executive  
Pain Points**

ClearEdge  
marketing



# EXECUTIVE SUMMARY

## TURNING PAIN (POINTS) INTO POWER

Stop and think a second about how much has changed in the job market over the past two years. Job openings are at record highs and unemployment dips continue to find historic lows. Welcome to the ultimate staffing industry conundrum.

The conundrum isn't all the \$145B industry faces. Demographic shifts and tech disruptions are like a tidal wave forcing staffing firms to meet demands of the changing world of work. Sink-or-swim mentality seems like the only way to keep up.

The biggest difference between the two fates: how a company deals with its pain points. Do they let challenges hold them underwater—or do they leverage the struggle to build strength, learn from the experience and emerge a more powerful force?

Many firms we've spoken to say their teams are laser-focused on sales right now. Business opportunities have never been greater. But sales and recruiting need to go hand-in-hand. How do you fill demands without the talent? You don't. Successful firms will need to pursue balance in their focus—not to mention, time and money investments—in these two areas.

Insights from this year's Pulse Check illustrate not only how staffing businesses deal with pain points, but how those points have changed over the past two years. The report also reveals hints about where the brightest leaders see the industry headed and how they're positioning their businesses to ride the next wave into the future of staffing. Are you ready to catch that wave?

## TELL US HOW YOU MEASURE UP.

Read our 2018 Pulse Check to see how staffing leaders weighed in regarding their biggest pain points, investments and brightest opportunities. Compare yourself—and then let's talk about it! Tweet, message or call ClearEdge to tell us where you stand and to discuss how you can turn pain into power this year.

Let's talk soon.

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# PAIN POINTS AT A GLANCE

Before you dive into the details, take a quick look at the key takeaways from our Pulse Check. Where do your pain points lie compared to some of today's staffing leaders?

## Sales growth is top source of pain—or is it a symptom?

Driving sales growth is a leading pain point for **75%** of staffing execs. But secondary challenges, like internal hiring (**47%**) and ramp-up time for sales reps (**22%**), could be what's causing growing pains in sales.

## Successful companies defy rules of supply and demand

U.S. unemployment keeps hitting historic lows, while job openings are at record highs. Staffing leaders hear business opportunity knocking despite the supply/demand conundrum, requiring recruiters to get creative to attract and retain candidates.

## Candidate sources say a lot about your strategy

Where staffing firms identify and connect with talent has taken a turn over the past two years. The recent shift hints at how tech touches the industry and how staffing businesses are changing their approach for the future of work.

## Firms invest to ease pain, but not where you'd expect

Sales growth ranked as the #1 pain point for **34%** of staffing leaders in this Pulse Check, yet companies invest more in candidate sourcing than anything else. While marketing and training are smaller budget slivers, their budgets have doubled over the past couple of years.

## AI and chatbots aren't taking over, yet

While AI, machine learning and chatbots will eventually transform the industry, they're not being adopted by the masses just yet. Marketing automation (**62%**) and CRM software (**31%**), however, are being used to streamline operations and connect with clients and candidates.

## Facebook Jobs was not the end of LinkedIn

The prospect of Facebook (and its 1.2B daily active users) as a recruitment tool seemed like death knells for LinkedIn. But **84%** of Pulse Check respondents named LinkedIn as top social source—for use and ROI. Facebook (**16%**) came in second.

# SECTION 1: TOP PAIN POINTS

## BUILD THE RIGHT TEAM—AND SALES GROWTH WILL COME?

With more than six million open jobs on the U.S. market right now, it's no surprise 75% of staffing industry leaders keep sales growth top of mind. Talent demand is strong. Growth opportunities abound. Here's the hitch: U.S. unemployment is at an historic low, 4.1%.

There are barely enough people available in the United States to fill those jobs—not accounting for fit or skill. Yet, sourcing candidates made only half of respondents' top-three pain points. Internal hiring, however, did, too. Could industry execs be suggesting, build the right team, and success in sales and recruiting will come? Differences in reported candidate sources over the past two years signal a shift in the recruiting mindset, which may explain why a dearth of available candidates isn't as painful to these businesses as it could be. (More on that in a minute.)

But building the right team isn't without its pain points. Ramp-up time for sales reps and recruiters, in particular, continues to frustrate 22% of staffing leaders. Firms count on these teams to deliver new accounts, increase account penetration, source and place candidates, but this stat (22%) shines light on the struggle to find good internal hires and get them up to speed fast enough to make a difference.

**Table A: Top Pain Points\***

Sales growth/net new accounts	75%
Sourcing candidates	53%
Internal hiring	47%
Sales growth/account penetration	34%
Ramp-up time of sales reps/recruiters	22%
Engaging consultants/contractors	16%
Retention	16%
Vetting recruiting-related technologies	9%
Leadership and company culture	6%
No differentiation in marketplace/messaging	6%
Brand awareness	6%
Employment branding	3%

### INDUSTRY INSIGHT

"What is better than onboarding sales people faster? Not having to onboard as many. Executives point to sales hiring and onboarding as critical issues limiting their sales growth, but if you want to outpace the industry (especially your competitors) you must look at sales staff retention as key to sustained growth."

- Eric Gregg  
CEO & Founder, Inavero

Question: What are your top three pain points?

\*Results indicate the percentage of respondents that ranked each item in their top 3.

# SECTION 1: TOP PAIN POINTS

## TAKE A CLOSER LOOK AT THE TOP

It made perfect sense two years ago that staffing leaders' #1 pain point was candidate sourcing. U.S. unemployment had bottomed out at 5.7%. It was a candidate-driven market that required staffing firms to be quick on their feet and get creative to attract and retain talent.

Fast-forward to 2018. Unemployment has dropped even lower. As Staffing Industry Analysts reported in March 2018, businesses across sectors are still hiring—with gusto—nine years into the current economic expansion. Staffing leaders, who understand businesses are working with the same candidate pool, hear opportunity pounding on the door. That's where the pain sets in.

Sales growth has climbed over the past two years (from 20% to 34%) to take the #1 overall spot for top pain points this year. Focus on growth was echoed in *The Staffing Advantage Report*—a joint research effort with CareerBuilder and Inavero—in which staffing firm employees overwhelmingly cited growth of new accounts and greater penetration of current accounts as top priorities for 2018. According to our Pulse Check, sourcing fell from 33% two years ago to 13% in 2018—coming in third, after internal hiring. And that's where we see staffing businesses getting trapped in a Catch-22.

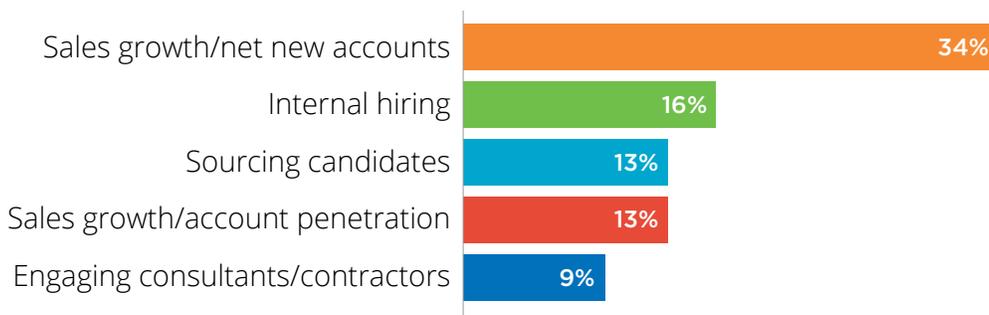
Active recruiting is critical in this market, as are candidates to fill the roles. But our data shows something lacking on the sales front. Pouncing on new opportunities requires sales reps. But those reps also need to have relationships, and know how to attract, nurture and close deals with clients. Many staffing firms feeling pain with sales growth might be recognizing a symptom and missing the problem behind it.

### INDUSTRY INSIGHT

"Most staffing companies are sitting on a goldmine. Untapped candidate databases have the potential to become data banks for firms that know how to use them. Leverage technology to understand the candidates you have, get in touch to understand their needs and uncover unique ways to put them to work."

- Dana Shaw-Arimoto  
CEO & Founder, Phoenix<sup>5</sup>

**Table B: #1 Pain Point\***



Question: What is your #1 pain point from the list provided?

\*Results indicate the percentage of respondents that ranked each item as their #1 pain point.

# SECTION 2: HOW SOURCING HAS CHANGED

## DEFYING THE RULES OF SUPPLY AND DEMAND

Candidate sourcing, mathematically speaking, should be more difficult today than it was a couple years ago. Not only are there more open jobs on the market, there aren't enough people to fill them. Simple supply and demand, right? According to Bullhorn's *2018 North American Staffing & Recruiting Trends Report*, 41% of staffing firms say the talent shortage is their single biggest challenge, and 64% list it in their top three. As shown earlier, it's a leading, albeit not #1, pain point for most staffing execs who participated in our Pulse Check.

So, how do you find talent to meet client demands—and grow the staffing business—in a low-unemployment market?

Our Pulse Check pinpointed three frontrunners for candidate sourcing: LinkedIn, job boards/aggregators and referrals. LinkedIn's share grew 30% since our last survey and climbed from third to the top spot. Job boards/aggregators made a lateral move while referrals fell from #1 to #3. Why does this switch-up matter? It's all about mindset.

Traditional referrals are a tried-and-true way to build your talent pool with candidates who come with someone's seal of approval. But they've relied heavily on the judgment of others—not to mention their sense of urgency. LinkedIn's jump to the top spot is a testament not only to the professional networking site's upgrades to search and talent solutions for sourcers, but a shift in recruiting mindset. LinkedIn empowers active recruitment in a market of candidates who aren't necessarily "on the market" (but can discreetly let recruiters know they're open to a chat).

There's no time to sit around and wait in this market. Top talent (especially when it comes to tech) disappears within minutes. Innovative recruiting tech startups get that, too, and they're not sitting around, letting LinkedIn take the cake. New referral tools are coming to market, empowering companies to turn candidates, at any point in the hiring process, to become referral partners. Could this new age of referrals take the top spot in our next Pulse Check—or in your sourcing strategy in the near future?

Successful recruiting teams are flipping the notion of supply-and-demand on its head by creating demand via digital tools, like LinkedIn, that are built to connect talent—available or open to that chat—with recruiters in real-time. Companies that pair powerful sourcing strategies with equal time, talent and investment in sales will rise to the top.

### INDUSTRY INSIGHT

"Business opportunities start with talent. Staffing firms can't chase business strictly through clients anymore if they want to grow. Over the past decade, we've seen niche skills rise, trend and get red hot—leading to talent driving demand throughout the industry. This trend empowers talent to drive their own pay, decide when they want to be engaged, define where they work and how work gets done. Want to excel in generating new business? Embrace today's economic differences and talent mindset shift."

- Dana Shaw-Arimoto

# SECTION 2: HOW SOURCING HAS CHANGED

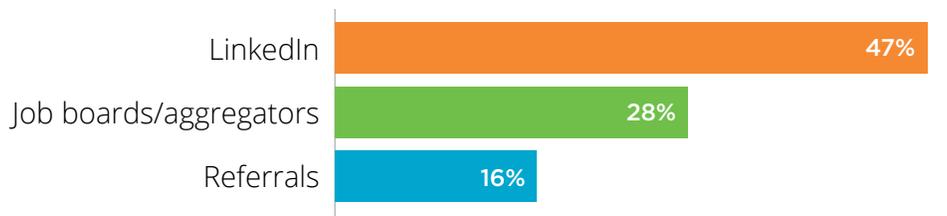
**Table C: Top Candidate Sources\***

LinkedIn	84%
Job boards/aggregators	78%
Referrals	63%
Passive sourcing	28%
Our own website (NOT including job boards, aggregators or LinkedIn)	25%
Social media (outside of LinkedIn)	16%
Online review sites (Glassdoor, Yelp, etc.)	3%
Online advertising (retargeting, paid social media, Google AdWords, etc.)	3%

Question: What are your top 3 candidate sources?

\*Results indicate the percentage of respondents that ranked each item in their top 3.

**Table D: #1 Candidate Source\***



\*Results show the percentage of respondents that selected each item as their #1 candidate source.

Sourcing candidates landed on 53% of staffing execs' top-three pain points and was positioned at #1 on 13% of their lists. Even though we're seeing staffing teams get creative with tech tools to defy the rules of supply and demand, LinkedIn isn't the only piece of that puzzle.

## INDUSTRY INSIGHT

"Many firms cite referrals as their leading source for most placeable candidates. Yet, many struggle to scale their current organic referral processes without impacting productivity, speed or quality. Firms that successfully build active referral programs into the very nature of their candidate relationships have an easier time identifying loyal, highly satisfied talent and should capitalize on the opportunity to have that talent tell their story—to potential referrals, through testimonials and via online review sites. It's a win-win!"

- Eric Gregg

# SECTION 2: HOW SOURCING HAS CHANGED

## MISSED OPPORTUNITIES WITH REVIEW SITES

Checking online reviews has become second nature to most job candidates. Online reviews have become a trusted source of intel on the quality of a company's products or services—not to mention its culture and how it treats customers and employees. Although only 3% of survey respondents cited online review sites as a top-three candidate source, trust in online reviews continues to grow. Positive reviews can boost your online reputation. Negative reviews create opportunities to show how effectively you address issues. Reviews make your company more human.

Consider these stats from *The Staffing Advantage Report*:

### INDUSTRY INSIGHT

"Online reputation is here to stay. It's not a matter of if someone will give you a poor review—it's a matter of *when*. To manage your online reputation, you must be measured, consistent and opportunistic. A bulk of positive reviews won't happen overnight. But a slow, steady drip of content can help you build a wall of satisfied voices to combat the inevitable venting of a service failure. Let the most accurate and powerful ideas rise to the top."

- Eric Gregg



**3 IN 4**  
**CANDIDATES**  
SAY NEGATIVE REVIEWS  
DECREASE LIKELIHOOD  
THEY'LL APPLY FOR  
AN OPEN POSITION  
WITH A COMPANY.



STAFFING CLIENTS ARE  
**MORE THAN**  
**TWICE AS LIKELY**  
TO PICK A FIRM BASED  
MORE ON REPUTATION  
THAN ON PRICE.



NEARLY  
**4 IN 5**  
**STAFFING FIRMS**  
BELIEVE IT'S IMPORTANT  
TO HAVE A STRONG  
ONLINE REPUTATION.

Developing a strategy to address online reviews proactively is a smart move. Someone might never make it to your website or respond to your LinkedIn InMail if they don't like what they find on Glassdoor or Indeed. Tapping into tools, like Ratedly, that monitor employee review sites and alert employers when new ones go up, can automate tracking and speed up response time if a bad review does happen.

What one step can you take today to get your online reputation under control?

# SECTION 2: HOW SOURCING HAS CHANGED

## HOW CANDIDATE EXPERIENCE CAN AFFECT CANDIDATE PIPELINE

There's more to the sourcing challenge than identifying talent. While most staffing leaders in our survey agree sourcing is one of their biggest challenges, 36% indicated pain points in interviewing, onboarding and engaging and retaining candidates.

Consider these secondary challenges of the recruiting life cycle as opportunities to improve the candidate experience. Not only does a better candidate (and onboarding) experience lead to greater employee performance, but they could also yield more qualified referrals and reassignments.

What are you doing to understand and improve your candidate experience?

**Table E: Examining the Recruiting Lifecycle**

Sourcing candidates	65%
Engaging and retaining candidates	16%
Interviewing candidates	10%
Onboarding candidates	10%

**65%**  
of respondents say they struggle with sourcing candidates

*Question: At what stage of the recruitment lifecycle does your company struggle the most?*

Slow adoption of technology to boost process effectiveness and candidate engagement may hinder progress or create challenges in itself. As reported by Bullhorn in its *2018 North American Staffing & Recruiting Trends Report*, nearly 30% of staffing firms stick to traditional sourcing methods.

Although automation of subsequent pre-hire activities is gaining ground, 40% of respondents have yet to automate processes for selection, screening or candidate nurturing. Close to 30% aren't taking advantage of tech for onboarding either. Could this be why candidate redeployment rates are so low? According to Bullhorn, 26% of staffing firms place less than 10% of candidates on their next assignment. Half redeploy fewer than 25%.

# SECTION 3: INVESTMENT REPORT

## INVESTING TO EASE THE PAIN

As you might expect, staffing industry leaders focus investments in areas designed to address top challenges of new account growth, candidate sourcing and internal hiring—although not in the proportions you might expect. With business growth a top priority, investments in marketing, staff training and performance incentives make perfect sense.

The bulk of investments for staffing leaders, however, are dedicated to sourcing candidates, primarily in the areas of technology and online sourcing. If those investments are designed to maximize sourcing capabilities—for example, mobile optimization, integration with external social and other online sources, seamless workflow configuration and better reporting capabilities—all have the potential to increase return on investment. But what about investments in the candidate experience? According to the American Staffing Association, 7 in 10 Americans believe job search is too impersonal. Technology has effectively minimized the human touch.

### INDUSTRY INSIGHT

“High tech creates efficiencies via middleware, automation and aggregation. But it’s created a chasm with the high-touch element of staffing. Perform like a top agent for your best candidates—think Jerry Maguire—and you’ll know them, their desires, where they’re going and where they’ve been.”

- Dana Shaw-Arimoto

**Table F: Most Significant Annual Investments**

Applicant tracking system	50%
Job boards or aggregators (NOT including LinkedIn)	44%
LinkedIn	41%
Incentives (for internal sales and recruiting teams)	28%
Marketing (website, collateral, press releases, marketing automation)	22%
Sales and recruiting training	9%
Recruitment marketing (referral campaigns, paid job ads, etc.)	6%

*Question: Which of the items listed are your 2 most significant annual investments?*

The investment picture has not changed appreciably in the past two years. Applicant tracking systems still lead the pack. Job boards/aggregators dipped 6%, while LinkedIn jumped 10%. The two most significant changes over time: investments in marketing and training. Marketing investments nearly doubled and training budget almost doubled.

# SECTION 3: INVESTMENT REPORT

## WHAT OTHER TECHNOLOGIES INTEREST STAFFING FIRMS?

More companies today are using marketing and recruitment technologies to enhance lead generation, business development and candidate engagement. Technologies, such as AI, machine learning and chatbots, make way for even greater industry transformation. These new tools will drive operating efficiency and shift staff resources from time-consuming, repetitive activities to higher-value human interactions with both clients and candidates.

It's difficult for staffing firms to keep up with the latest tools and tech on the open market. But organizations like Talent Tech Labs track the entire recruiting technology ecosystem and have become a powerful resource for firms that want to get ahead.

### INDUSTRY INSIGHT

"Technology investments are often viewed as at odds with the "human" element. If done well, however, they can enhance the human element. For example, automating low-value communication between recruiters and talent opens recruiters' schedules to spend more time getting to know candidates they're working with, helping to better understand candidates' goals and how to make the most of the relationship."

- Eric Gregg

**62%**  
of respondents  
said they are using  
Marketing Automation  
tools to get ahead

**Table G: Technologies of Interest**

Marketing automation (HubSpot, Marketo, etc.)	62%
Candidate relationship marketing (Sense, PhenomPeople, HereFish, etc.)	31%
Recruitment marketing software (SmashFly, JXT, etc.)	15%
AI (Textio, Engage Talent, etc.)	8%
Chatbots (FlashRecruit, Drift, Mya, Job Pal, Xor, etc.)	8%

Question: Are you using any of these technologies?

# SECTION 3: INVESTMENT REPORT

## SOCIAL SOURCING

84% of our survey respondents named LinkedIn as one of their top-three candidate sources. Another 16% cited a reliance on “other” social media platforms. How do other social media resources stack up in terms of both usage and ROI? According to these staffing leaders, preferences align exactly with ROI. Almost all respondents named LinkedIn, Twitter and Facebook. Less than one-third noted Instagram, however, and only a few cited Snapchat and Pinterest among the social platforms they use.

**Table H: Social Media Preferences and ROI for Sourcing Candidates**

Usage	Social Platform	ROI
1	LinkedIn	1
2	Facebook	2
3	Twitter	3
4	Instagram	4
5	Snapchat	5
6	Pinterest	6

**84%**  
of our survey  
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candidate sources

*Questions: What are the social media sites (ranked in order) you use to attract candidates?  
How would you rank the return on investment for each social media site?*

### About the Pulse Check Report

Data for the ClearEdge Marketing Pulse Check was collected via an online survey from 2/12/2018 – 3/1/2018. Most respondents came from the C-suite (65.6%), while marketing (12.5%) and sales (6.3%) had the next highest representation. Operations (3.1%), division/market directors (3.1%), recruiting (3.1%) and other roles (6.3%) rounded out the surveyed population. Company size ran the spread of small (46.9%), mid-sized (31.3%) and large (21.9%) enterprises. The Pulse Check also includes perspectives from the ClearEdge team, data from Staffing Industry Analysts, The Staffing Advantage Report, a joint research effort with CareerBuilder and Inavero, American Staffing Association and Bullhorn’s 2018 North American Staffing & Recruiting Trends Report, along with industry expert insights from Eric Gregg, CEO & Founder, Inavero; and Dana Shaw-Arimoto, CEO & Founder, Phoenix<sup>5</sup>.

Need candid  
feedback?

**Contact us.**



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