Staffing Hub

STATE of STAFFING

2023

TABLE OF CONTENTS

EXECUTIVE SUMMARY

After record-setting growth in 2021, the staffing industry came back to Earth in 2022. One-third (33%) of our survey respondents said their agencies grew more than 20% last year, which is in line with typical pre-2021 growth rates.

Looking forward, agencies are still expecting growth this year, but there is a lot of uncertainty about the impact of economic conditions. Many respondents noted that despite recent layoffs, there are still more open positions than workers to fill them. Some said that their agencies were changing their models or expanding into more industries as protection against a slowdown in any one economic sector.

As they adapt to the new conditions, agencies continue to look to digital transformation to improve their operations, and those initiatives are paying off. Respondents from fast-growth companies were 59% more likely to say that technology gives them a competitive advantage than those from slow-growth companies.

In particular, fast-growth agencies are more likely to use chatbots, automated referral management (ARM) platforms, and talent management systems.

Like we did last year, in addition to our annual industry survey, we asked more than 500 members of the general public about their job search plans. The results suggest a continuation of the reshuffling pattern we've seen for the past few years. More than half of the respondents said that they plan to look for a new job in 2023, and the top reason is for higher pay.

This report represents our largest State of Staffing to date. It contains insights about the industry's top challenges and opportunities from over 400 staffing professionals. We hope you find it valuable as you make your decisions for the rest of the year.

Enjoy the 2023 State of Staffing report!

Krista Garver,
Managing Editor
Staffing Hub

AVIONTÉ

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Why Go Mobile?

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Increase in Fill Rates

47%
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221%
Increase in Margins

Attract, engage, onboard, and deploy talent at scale with a best-in-class mobile talent platform from Avionté.

1.0

THE GREAT RESHUFFLE CONTINUES

1. Who Will Look for a New Job in 2023

2. Why People Are Changing Jobs

3. The Impact of Net Promoter Score® (NPS)

4. Where People Find Jobs

The Great Reshuffle

Summary

2022 saw a continuation of the "Great Reshuffle." The unemployment rate fell to near 3.5% in March and hovered there for the rest of the year, while the quits rate stayed relatively steady. So far, 2023 is following the same pattern. We asked 505 members of the general public about their job search plans for the year. Here's what we found:

1. Referrals (28%) and online job boards (24%) are the top places respondents found their current job.

2. 52% of respondents plan to look for a new job this year, up from 46% last year.

3. Higher pay is the top reason by far for switching jobs.

> "The pandemic redefined people's relationship to work. Employees are not afraid to quit if their needs aren't being met."
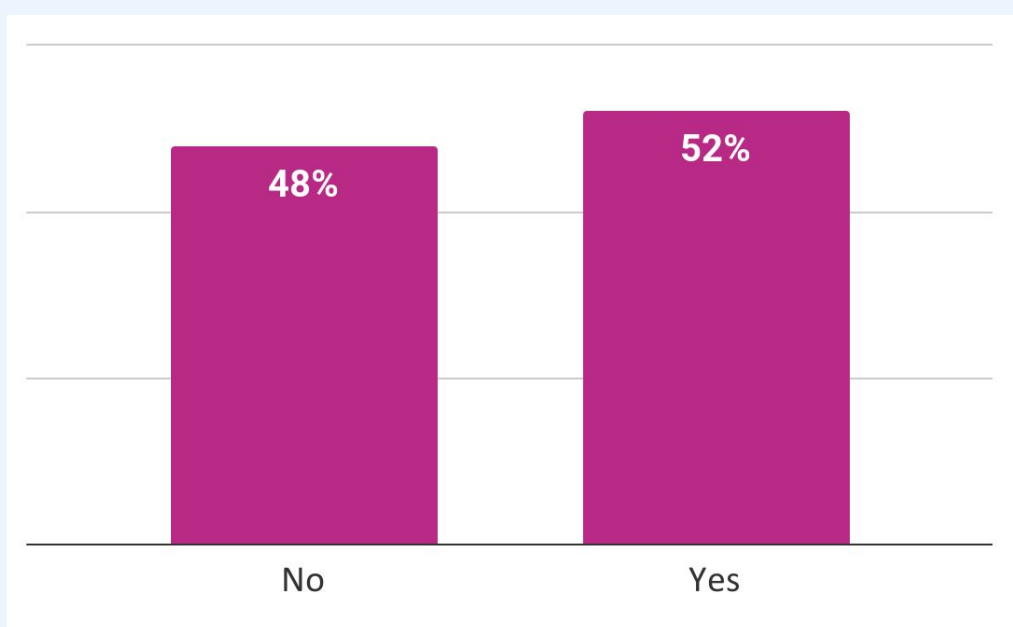>
> Krista Garver,
> Managing Editor, *Staffing Hub*

Who Will Look for a New Job in 2023

Our survey respondents were drawn from a representative sample of the U.S. adult workforce. There were some small, but substantive changes from last year.

More than half (52%) of respondents plan to look for a new job this year, up from 46% last year.

Do you plan to look for a new job this year?

- Women are slightly more likely than men to look for a job in 2023 (53% compared to 51%). This is a reversal from last year, when men were slightly more likely to look for a job.

- Younger respondents are slightly more likely to look for a job than older respondents.

- People earning less than $35,000 a year (which corresponds to about half of the U.S. workforce) are more likely than higher earners to look for a new job.

Why People Are Changing Jobs

Across all demographics, higher pay is by far the most common reason people will look for a new job. More than half (54%) of respondents cited this as their motivation, up from 49% last year.

Beyond pay, men and women have different priorities:

- 18% of women would switch jobs to be able to work from home, compared to 5% of men.

- Men are more likely to switch for a better work-life balance (13% vs 8%) or for better benefits (11% vs 7%).

What's the top reason you would look for a new job?

Reason	Percentage
Higher Pay	54%
Ability to work from home	11%
Better work-life balance	11%
Better benefits	9%
More professional development opportunities	4%
Better / more flexible schedule	4%
A lack of trust in leadership	3%
Other	4%
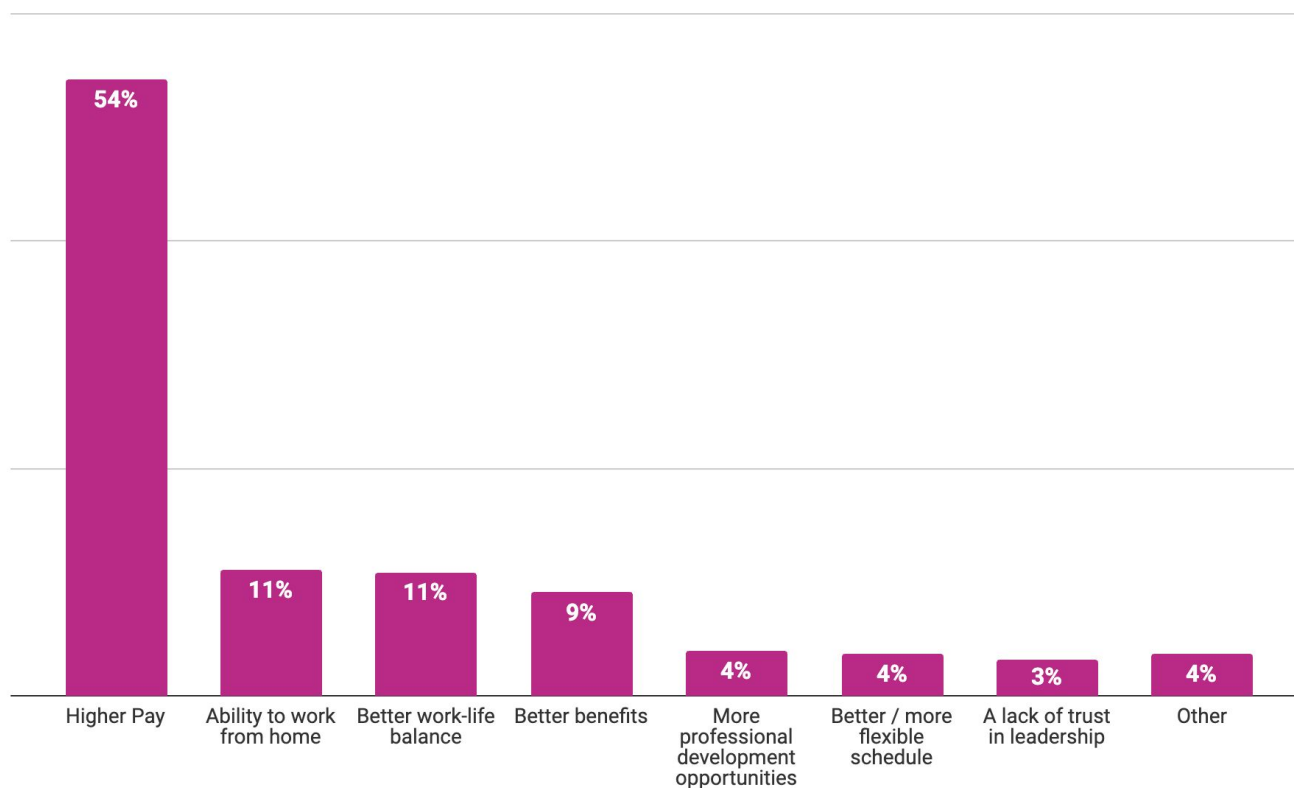
The Impact of NPS on Job Switching

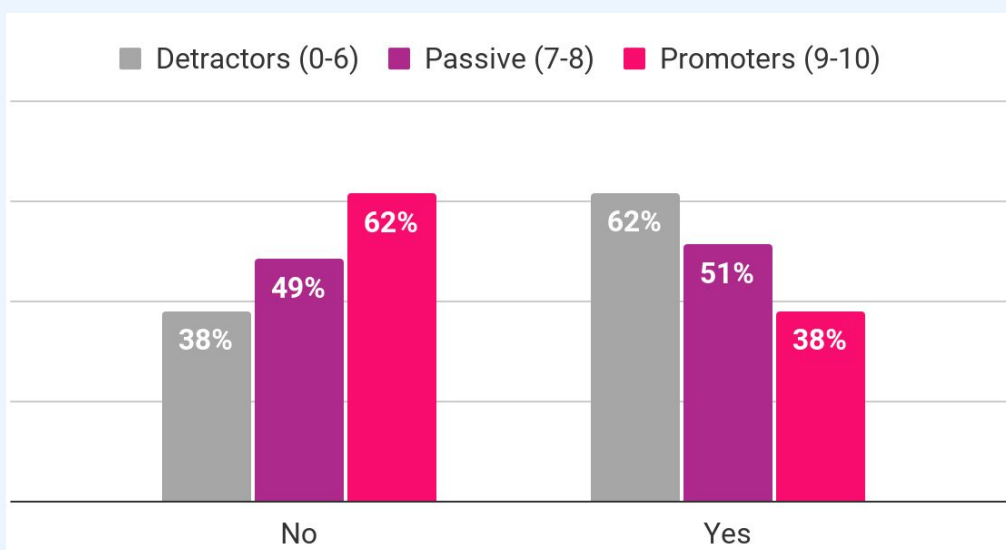We also asked respondents the classic Net Promoter Score® (NPS) question: "How likely are you to recommend your employer to family, friends, or colleagues looking for work?"

Employer NPS is highly correlated with job switching plans. A full half (51%) of respondents were detractors, and this group was 63% more likely than promoters to say they will look for a new job this year.

Do you plan to look for a new job this year?

Legend: ■ Detractors (0-6)　■ Passive (7-8)　■ Promoters (9-10)

	No	Yes
Detractors (0-6)	38%	62%
Passive (7-8)	49%	51%
Promoters (9-10)	62%	38%

Interpreting NPS scores
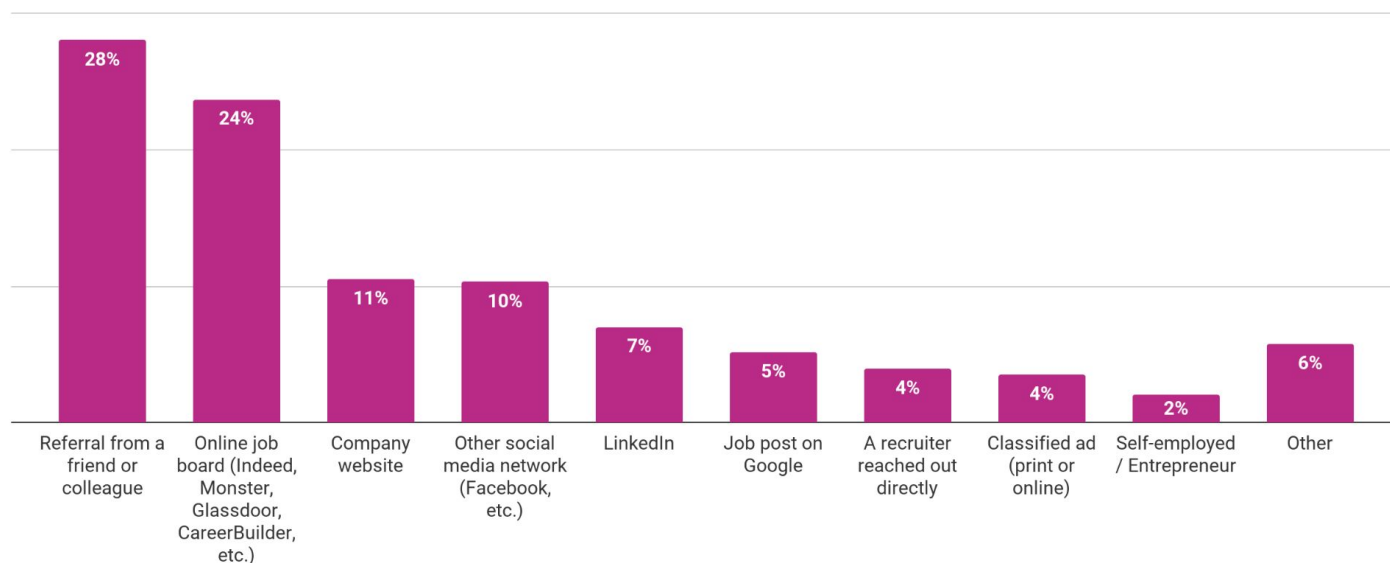
- 0-6 = **Detractors** are unhappy with the company
- 7-8 = **Passives** feel neutral and would likely leave for a better offer
- 9-10 = **Promoters** love the company and recommend it to others

1	2	3	4	5	6	7	8	9	10
DETRACTORS						PASSIVES		PROMOTERS	

NET PROMOTER SCORE = % PROMOTERS - % DETRACTORS

Where People Find Jobs

How did you find your current job?

Source	Percentage
Referral from a friend or colleague	28%
Online job board (Indeed, Monster, Glassdoor, CareerBuilder, etc.)	24%
Company website	11%
Other social media network (Facebook, etc.)	10%
LinkedIn	7%
Job post on Google	5%
A recruiter reached out directly	4%
Classified ad (print or online)	4%
Self-employed / Entrepreneur	2%
Other	6%

Similar to last year, referrals made up the largest single source where respondents found their current jobs. More than a quarter (28%) of respondents got their job through a referral, with online job boards following at 24%.

Where do you plan to look for your next job?

Source	Percentage
Online job board (Indeed, Monster, Glassdoor, CareerBuilder, etc.)	54%
LinkedIn	23%
Company website	22%
Referral from a friend or colleague	21%
Other social media network (Facebook, etc.)	17%
Classified ad (print or online)	10%
Job post on Google	8%
A recruiter reached out directly	5%
Other	1%
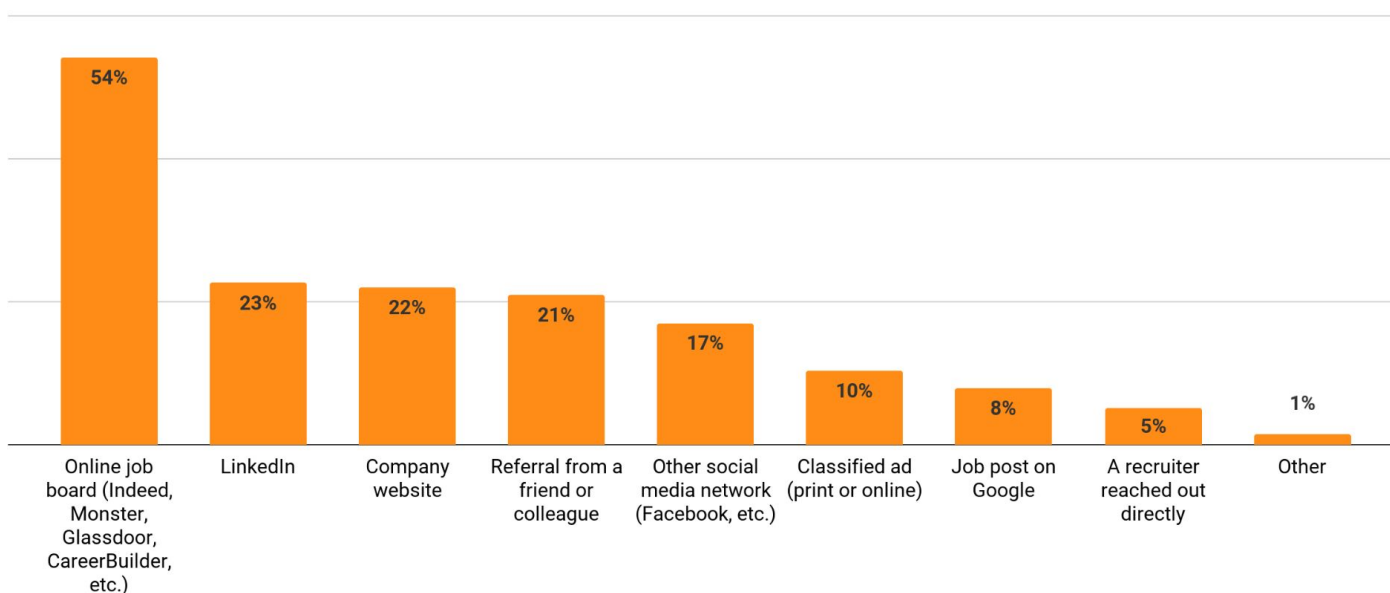
More than half of respondents (54%) plan to look for their next job on job boards. Together, these two charts show a discrepancy between where people look for jobs and how they actually get hired.

2.0

STATE OF STAFFING

State of Staffing

Summary

Staffing industry growth returned to normal in 2022 after skyrocketing in 2021. By and large, staffing leaders expect their growth rates this year to be similar to last, with more than half (56%) predicting double-digit growth.

However, there is a lot of uncertainty about where the economy is headed. And many of our survey respondents noted that it's simply too soon to tell what impact the economy will have on their business. But most also expressed optimism that they'd be able to adapt and thrive, no matter what the rest of the year brings.
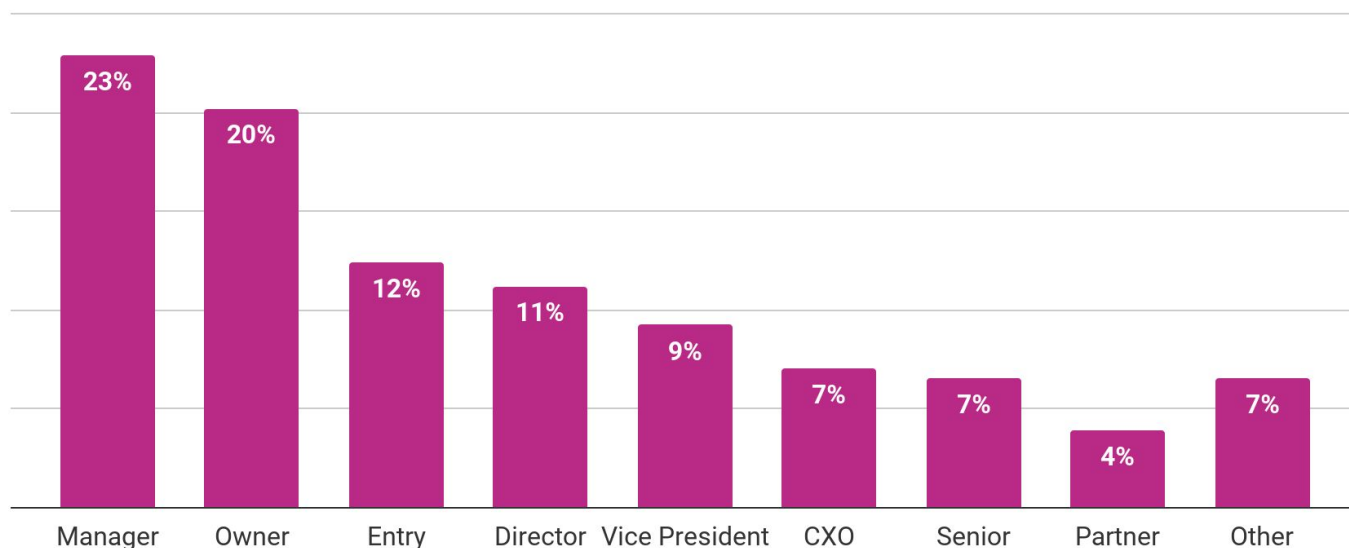
> **"History shows the staffing industry increasing in some markets during recessions, and in some markets decreasing. So, we truly have to be prepared for that shift in business."**
>
> Survey Response

Who Took the Survey

413 staffing professionals across all verticals completed our survey. Roughly half of respondents were owners, management, or C-Level.

Job function of survey respondents

Manager	Owner	Entry	Director	Vice President	CXO	Senior	Partner	Other
23%	20%	12%	11%	9%	7%	7%	4%	7%

Respondents by industry vertical

Industrial / Logistics	Office / Clerical / Admin.	IT	Healthcare	Finance / Accounting	Engineering / Design	Creative / Marketing	Clinical / Scientific	Legal	Hospitality	Other
45%	32%	27%	25%	20%	16%	8%	6%	4%	2%	10%
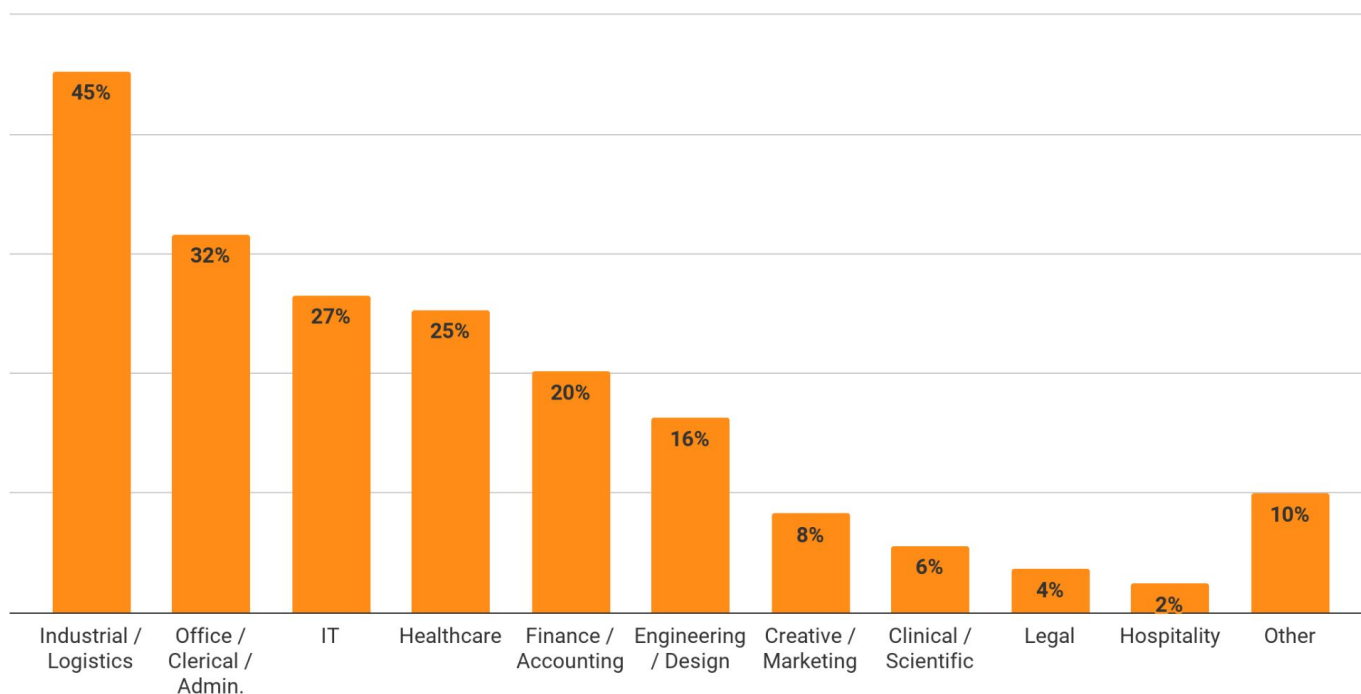
Who Took the Survey: Company Size

Staffing firms of all sizes were represented in the survey.

Respondents by annual revenue

Revenue	Percentage
< $1 million	16%
$1 million to $9 million	36%
$10 million to $24 million	16%
$25 million to $49 million	7%
$50 million to $99 million	10%
$100 million to $249 million	5%
$250 million to $499 million	3%
$500 million to $999 million	3%
$1 billion+	3%
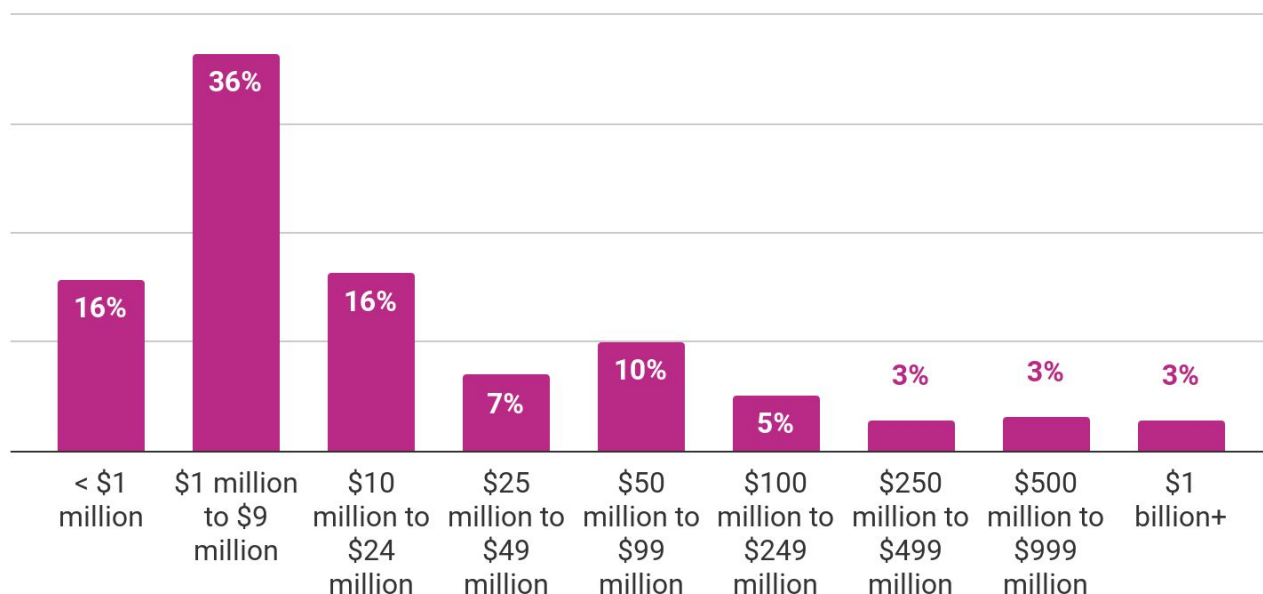
Summary of Agency Size

68% Up to $24 Million

17% $25 - $99 Million

14% $100+ Million

# What to Expect in This Report

Every year, we segment our data to make sure we're delivering real insights that help you improve your business strategy. When we started producing the report, we categorized the responses based on reported year-over-year growth: fast (21% or more), moderate (11-20%), and slow (10% or less).

Last year, we changed our category definitions to account for the massive growth the industry experienced. But this year, growth rates have returned to their pre-2021 normal. As a result, we are returning to our original growth categories.

In this report, you'll learn how fast-growth agencies operate compared to slow-growth firms.

33%

42%
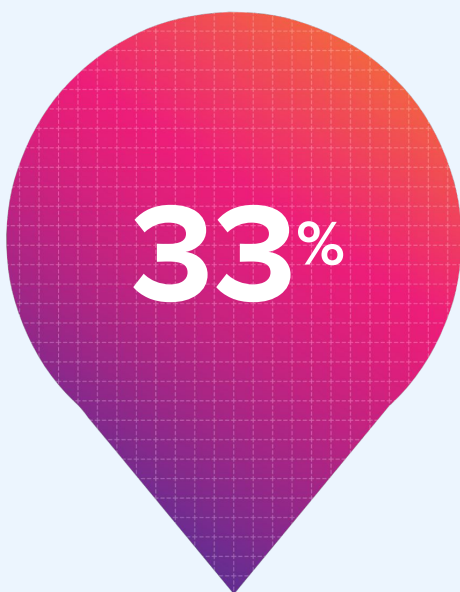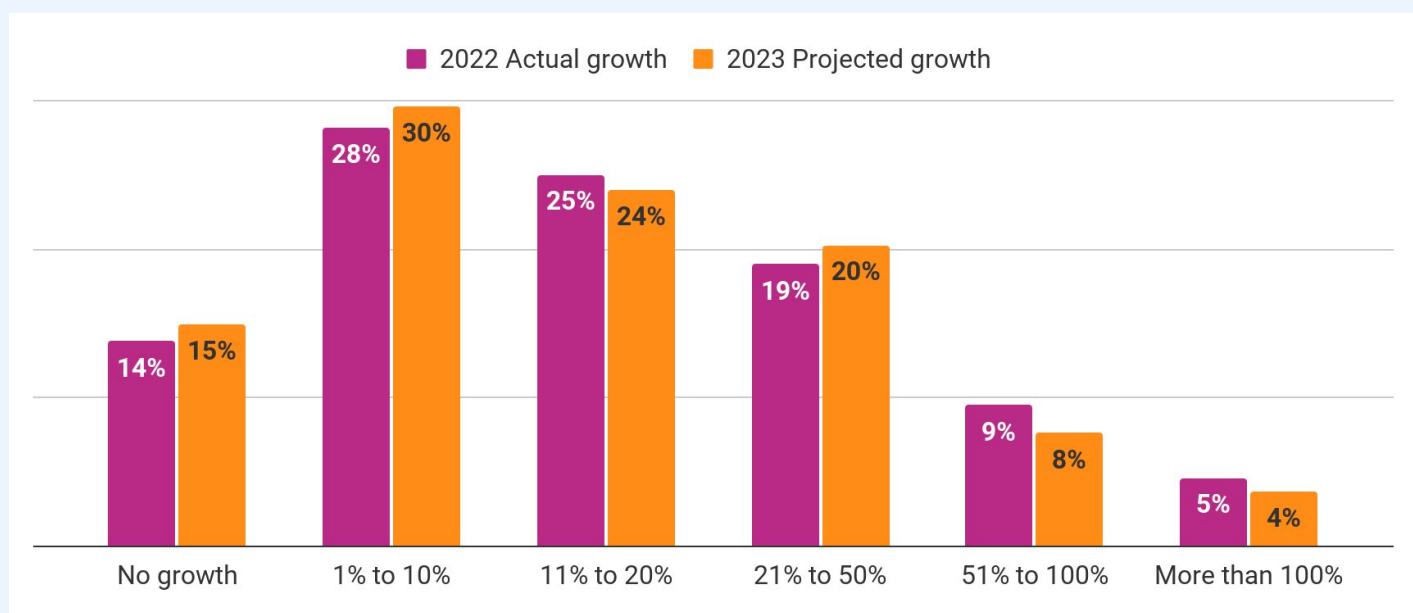
Fast growth in 2022
21%
or more YoY
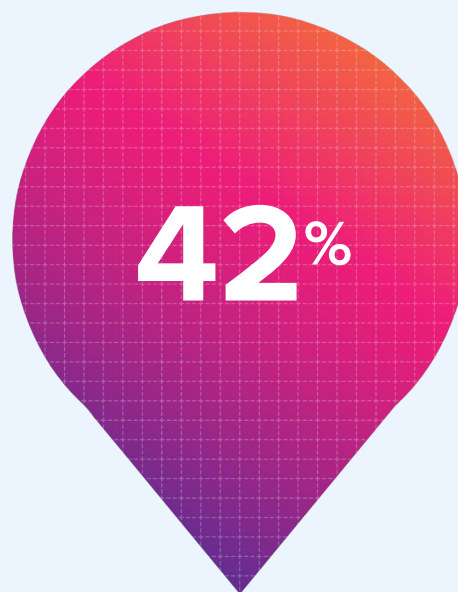
Slow growth in 2022
10%
or less YoY

Staffing Industry Growth

Industry leaders expect 2023 to look much like 2022. More than half (56%) expect double-digit growth, while 32% expect fast growth (21% or more) this year.

Staffing agency revenue growth: 2022 actual vs 2023 projected

Chart legend: ■ 2022 Actual growth   ■ 2023 Projected growth

Category	2022 Actual growth	2023 Projected growth
No growth	14%	15%
1% to 10%	28%	30%
11% to 20%	25%	24%
21% to 50%	19%	20%
51% to 100%	9%	8%
More than 100%	5%	4%

There is no doubt that the economic climate of 2023 will be different from that of prior years, but there is a lack of agreement about what it will mean for the staffing industry. When we asked leaders how the economy will impact their business this year, the responses were evenly divided between positive, negative, and unsure.

In general, respondents in the IT and healthcare fields reported positive expectations for 2023, while those in construction and industrial were more likely to believe they will face headwinds. Many respondents also noted that while their permanent placement business might suffer, they expect an increase in the need for temporary workers.

The Economic Climate

We asked staffing leaders how they believe the economic climate will impact their agency in 2023.

Here are a few of the answers:

Companies were too short-sighted in layoffs and will need more recruiting than they can provide internally.

We are switching to staffing instead of direct placements.

With the current recession, it truly can go either way, up or down.

There will be challenges, but our clients will always need workers.

As long as there is a candidate shortage, we are in good shape. Excellent recruiting will win the day in 2023.
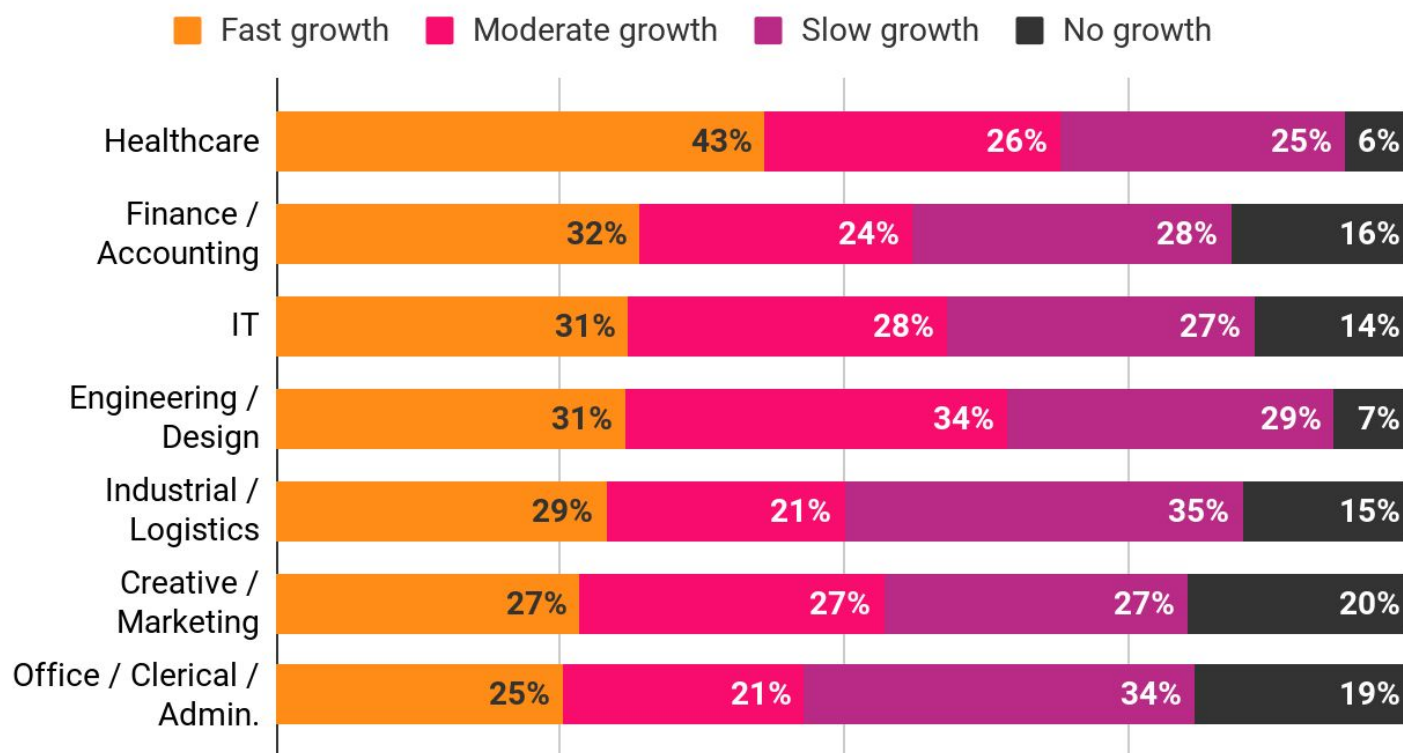
Lower contracts as layoffs rise.

Labor market will loosen up.

Cautious but positive that talent will continue to be a driving need.

2022 Actual Growth by Vertical

Growth rates normalized in 2022 after skyrocketing in 2021. Healthcare continued to grow at a very strong pace, overtaking industrial / logistics for the top spot. IT staffing also continued to grow, but at a slower pace than the previous year.

2022 Industry growth by vertical

Legend: ■ Fast growth   ■ Moderate growth   ■ Slow growth   ■ No growth

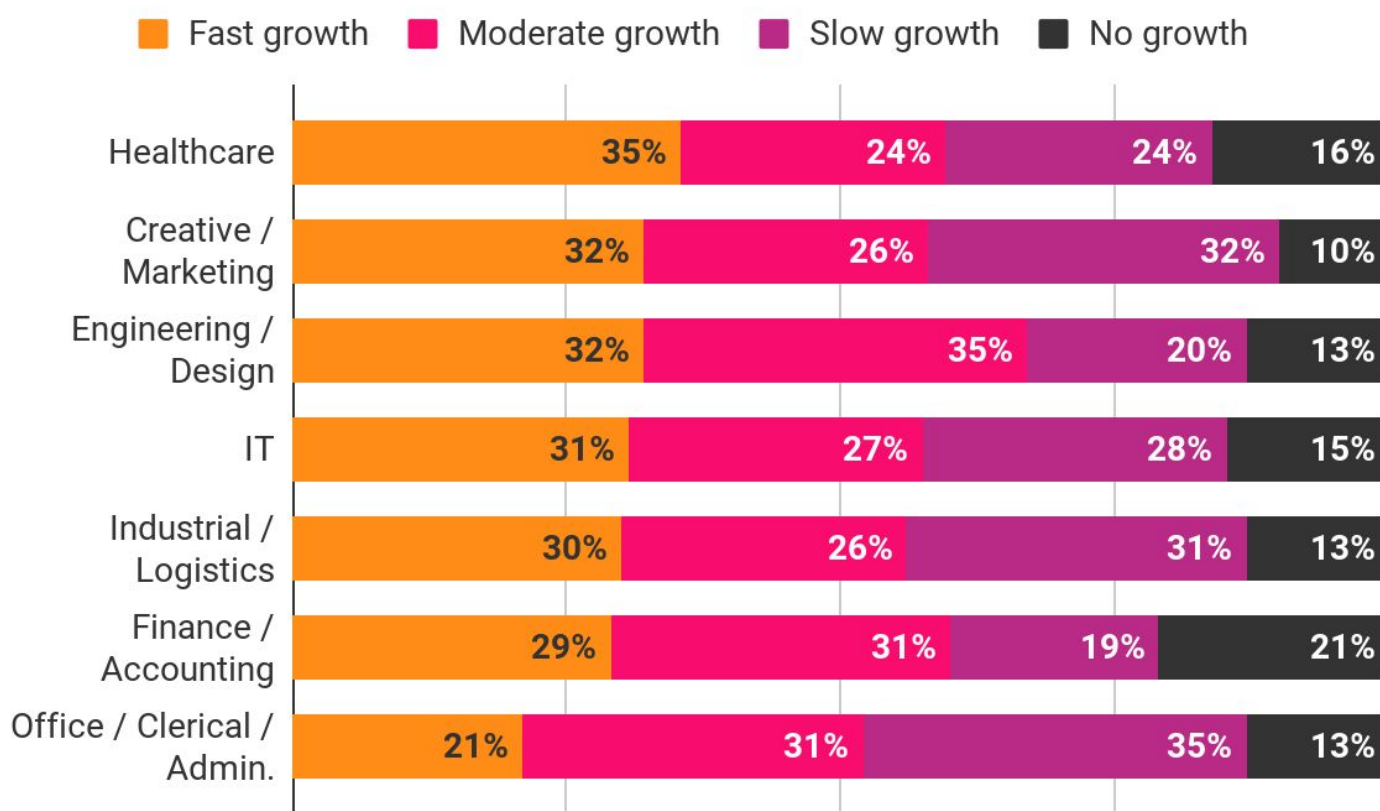| Vertical	Fast growth	Moderate growth	Slow growth	No growth
Healthcare	43%	26%	25%	6%
Finance / Accounting	32%	24%	28%	16%
IT	31%	28%	27%	14%
Engineering / Design	31%	34%	29%	7%
Industrial / Logistics	29%	21%	35%	15%
Creative / Marketing	27%	27%	27%	20%
Office / Clerical / Admin.	25%	21%	34%	19%

> **"All companies are having staffing issues, so there will always be work and potential growth opportunities."**
>
> Survey Response

2023 Projected Growth by Vertical

The majority of respondents across all verticals expect moderate to fast growth over 2023, with healthcare respondents being the most optimistic. This outlook differs from some other industry projections, which may reflect general uncertainty about what the rest of the year will bring.

2023 Projected growth by vertical

- 🟧 Fast growth
- 🟥 Moderate growth
- 🟪 Slow growth
- ⬛ No growth

Vertical	Fast growth	Moderate growth	Slow growth	No growth
Healthcare	35%	24%	24%	16%
Creative / Marketing	32%	26%	32%	10%
Engineering / Design	32%	35%	20%	13%
IT	31%	27%	28%	15%
Industrial / Logistics	30%	26%	31%	13%
Finance / Accounting	29%	31%	19%	21%
Office / Clerical / Admin.	21%	31%	35%	13%

"Value your staff and contractors and create loyalty, foster exclusive relationships with them and advocate passionately for them. The agencies that do this well will outperform all others."

Survey Response

Messaging

One Click Apply

App-Based Timekeeping

Your Brand

Referrals

App-Based Scheduling

App-Based Onboarding

Mobile-First Staffing Platform
Improving the Metrics That Matter

✓ FAST, ERROR-PROOF, MOBILE **CANDIDATE** ONBOARDING

Your Brand

INDUSTRIAL PRO STAFFING

Form I-9

Direct Deposit

+ Quick and easy-to-navigate mobile onboarding experience
+ Increase Completion Rates
+ I-9 support, Remote Verification
+ Seamless E-Verify Integration
+ Decrease Drop Offs
+ Plus **CLIENT** ONBOARDING

No Passwords
Stop asking your candidates to create yet another username and password, just to start the process. StaffUp eliminates the first and largest barrier to entry for onboarding - account creation fatigue. We do this while maintaining security and trackability.

Follow Me Technology
Life happens. People get distracted. It's important that onboarding can start and stop, and restart at any time without skipping a beat. Start on your computer, complete on your mobile phone or tablet. StaffUp always knows where your candidate left off so they never have to start over.

Reduce Errors
Granular level field control ensures that the proper data is collected at the right time. We won't let a candidate fill in letters, when only numbers are needed. API integration with all the major banks, completely eliminates the possibility of incorrect direct deposit information.

Make your recruiters jump for joy
Recruiters can manage the entire onboarding process from start to finish. It only takes a few clicks per candidate. Know where every candidate is at in the process, and what needs to happen next. Smart automations automatically follow up so you don't have to remember to.

StaffUpApp

staffupapp.com/getstarted

20

CHALLENGES AND OPPORTUNITIES

1. **Top Recruiting Challenges**

2. **Finding New Candidates**

3. **Finding New Clients**

4. **Biggest Opportunities**

5. **Net Promoter Score®**

Challenges & Opps.

Summary

Both recruiting new talent and finding new business is getting more difficult. Respondents rated their lead sources for both new candidates and new clients as less effective than in the past. This requires agencies to be creative, which they're doing by pursuing alternative lead sources as well as being more flexible in the markets they serve.

One key to the industry's challenges, as well as a possible solution, lies in the Net Promoter Score®. Self-reported NPS scores dropped significantly across the board, from an average of 75 last year down to 60. Agencies can give themselves a competitive advantage by focusing on improving their NPS.

> "Strengthen existing relationships. Ask questions of anyone you speak with. Understand what job seekers and clients are thinking about the year ahead."
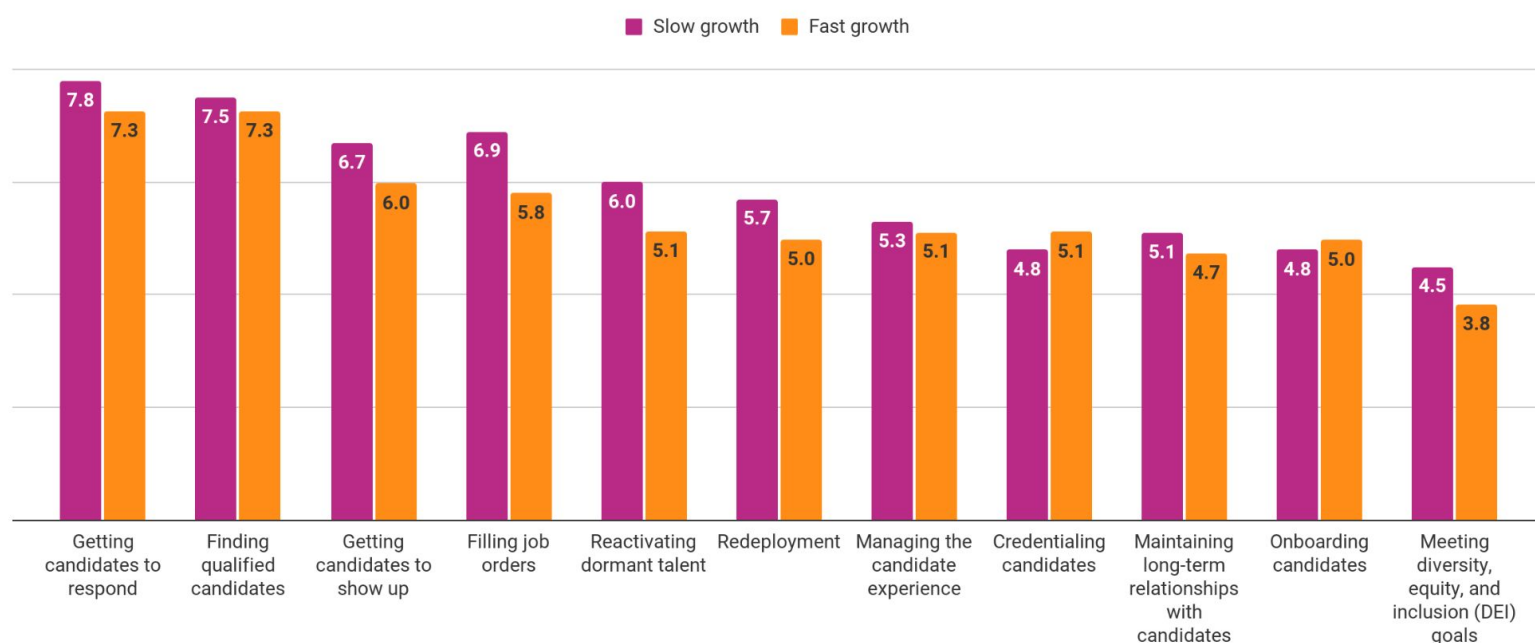>
> Survey Response

Top Recruiting Challenges

Finding qualified candidates and **getting candidates to respond** have been the top two recruiting challenges since we started conducting this survey.

This year, both fast- and slow-growth agencies reported having more difficulty compared to last year on every activity we assessed. This could be a symptom of the tight labor market and it may indicate continued challenges ahead.

How challenging are these recruiting activities?
(1 = Not challenging at all | 10 = Extremely challenging)

■ Slow growth   ■ Fast growth

Activity	Slow growth	Fast growth
Getting candidates to respond	7.8	7.3
Finding qualified candidates	7.5	7.3
Getting candidates to show up	6.7	6.0
Filling job orders	6.9	5.8
Reactivating dormant talent	6.0	5.1
Redeployment	5.7	5.0
Managing the candidate experience	5.3	5.1
Credentialing candidates	4.8	5.1
Maintaining long-term relationships with candidates	5.1	4.7
Onboarding candidates	4.8	5.0
Meeting diversity, equity, and inclusion (DEI) goals	4.5	3.8

Respondents identified additional recruiting challenges they're facing now. Most of these focused on internal staff and processes, including **finding great recruiters** and **training recruiters on software and workflows**.
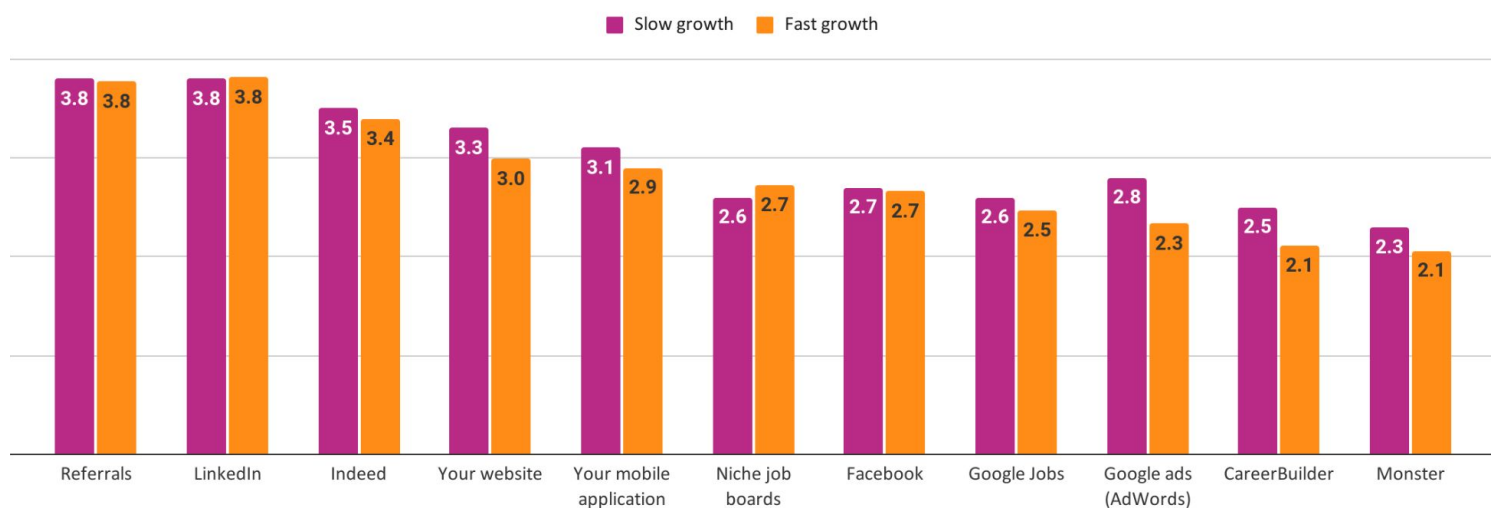
INDUSTRY INSIGHT

Getting candidates to show up is significantly more difficult in industrial and office / clerical than in other industries.

Finding New Candidates

Referrals and **LinkedIn** were the most effective sources for finding new candidates across all agencies. Almost all sources were rated as less effective compared to last year.

How would you rate the following sources for finding new candidates?
(1 = Very poor | 5 = Excellent)

■ Slow growth   ■ Fast growth

	Referrals	LinkedIn	Indeed	Your website	Your mobile application	Niche job boards	Facebook	Google Jobs	Google ads (AdWords)	CareerBuilder	Monster
Slow growth	3.8	3.8	3.5	3.3	3.1	2.6	2.7	2.6	2.8	2.5	2.3
Fast growth	3.8	3.8	3.4	3.0	2.9	2.7	2.7	2.5	2.3	2.1	2.1

Respondents also said they use a variety of additional lead sources, including:

- Allied Travel Careers
- Craigslist
- Health eCareers
- HireEZ
- iHire
- Instagram
- Jobcase
- Posse List
- Recruit'em
- Unemployment offices
- Vivian
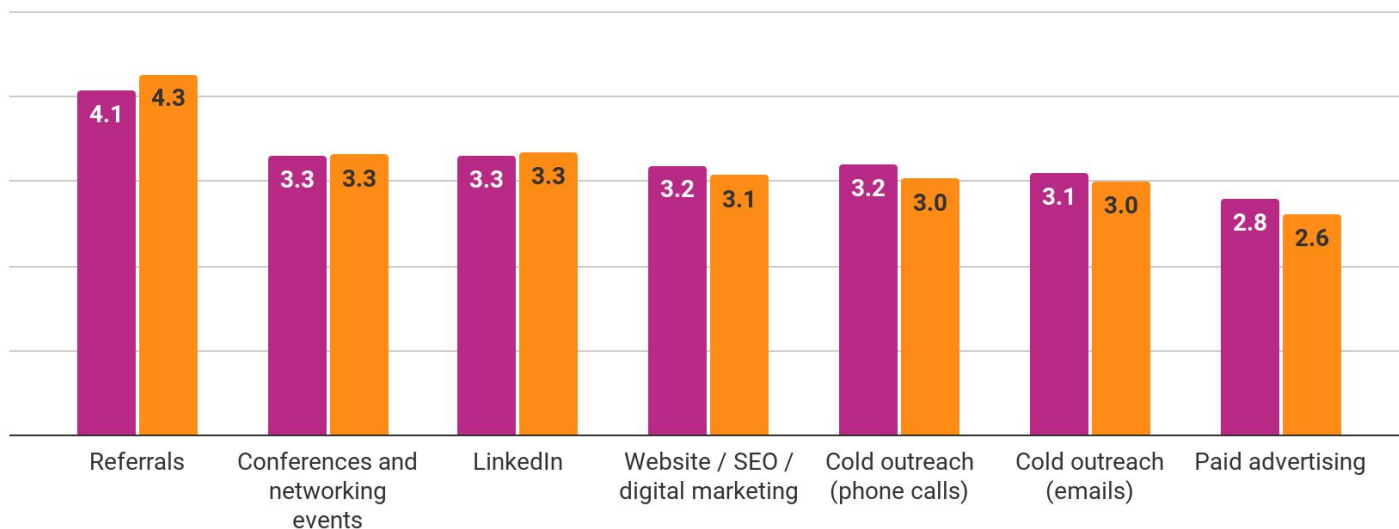- ZipRecruiter

INDUSTRY INSIGHT

Industrial / logistics staffing agencies rate Indeed and Facebook the highest of all industries. IT staffing agencies rate LinkedIn the highest.

Finding New Clients

Referrals were also rated as the top source for finding new clients, well ahead of all other sources. Once again, respondents rated almost all of these sources as less effective compared to a year ago.

How would you rate the following sources for finding new clients?
(1 = Very poor | 5 = Excellent)

■ Slow growth ■ Fast growth

Source	Slow growth	Fast growth
Referrals	4.1	4.3
Conferences and networking events	3.3	3.3
LinkedIn	3.3	3.3
Website / SEO / digital marketing	3.2	3.1
Cold outreach (phone calls)	3.2	3.0
Cold outreach (emails)	3.1	3.0
Paid advertising	2.8	2.6

Additional source of new clients:

- AgencyLeads
- Cold calls in person
- Crunchbase
- Pitchbook
- Scott's Directories
- Third-party appointment setting
- ZoomInfo

INDUSTRY INSIGHT

Agencies in industrial / logistics rate cold outreach as more effective than any other sector.

Biggest Opportunities

Technology and automation, building relationships with candidates and clients, and expanding into new markets are the top opportunities for 2023.

Here are a few of the highlights:

Focus on candidate experience, and automate the parts of the human process that add value to the candidate experience.

More competitive pay rates for placed employees.

Be flexible in the areas you support.

Loss of jobs means more people will be looking and skilled trades is a lucrative industry.

Follow the market.

Digital transformation.

Client relationships. Little things matter, people want to deal with people.

Technology is providing better opportunity for information-gathering and speed.
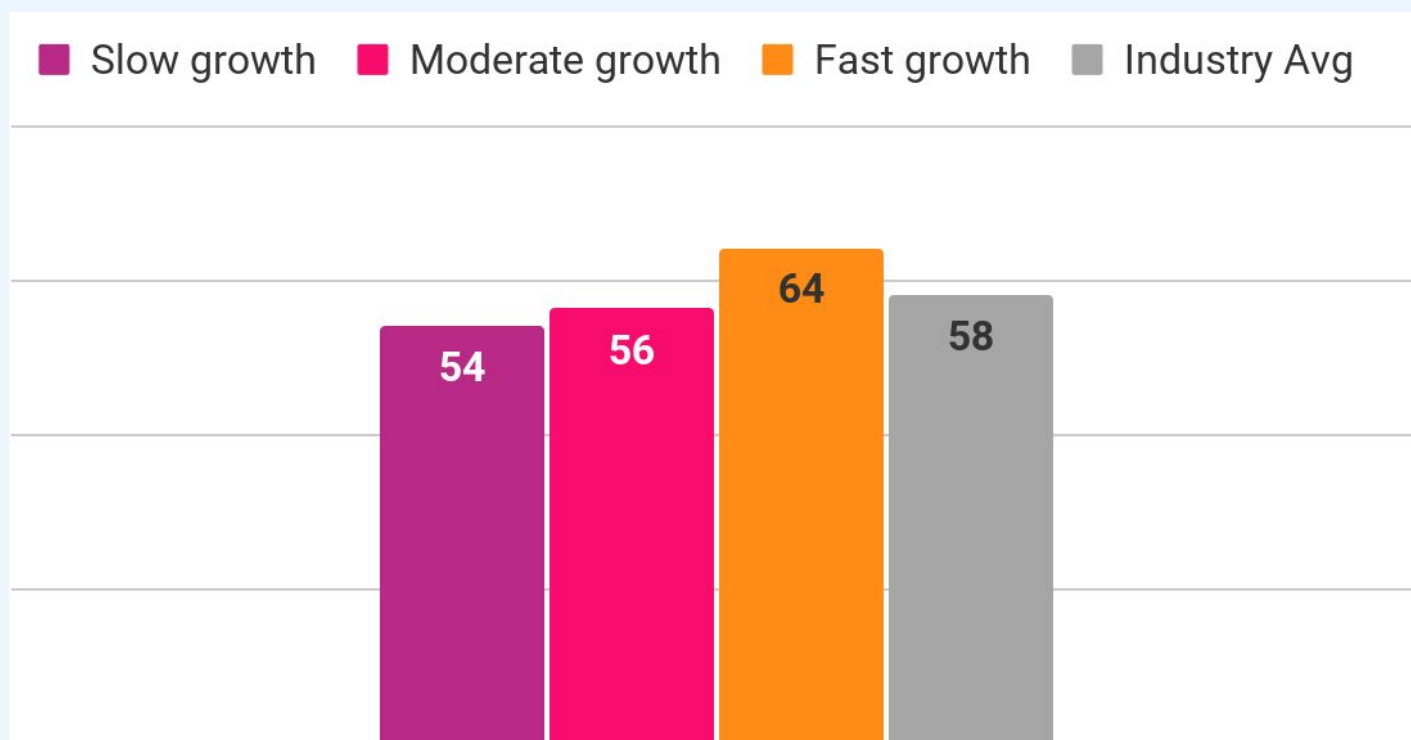
Net Promoter Score ®

The NPS for agencies dropped from an industry average of 75 last year to 58 this year. This year's NPS scores are closer to 2020, when the industry average was 56.

The biggest declines were for fast- and moderate-growth agencies. The average NPS for fast-growth agencies is currently 64, down from 78 last year, while moderate-growth agencies have fallen from 75 to 56.

Note that these scores are self-reported, which is likely why they're higher than other industry benchmarks, such as those reported by ClearlyRated. Because of this, the most important finding isn't the specific scores themselves, but rather that they've decreased so precipitously in the past year.

Net Promoter Score®

■ Slow growth   ■ Moderate growth   ■ Fast growth   ■ Industry Avg

Slow growth	Moderate growth	Fast growth	Industry Avg
54	56	64	58

Agencies looking to retain talent this year would do well to pay attention to their NPS score given the findings that detractors are much more likely than promoters to look for a new job.

StaffingReferrals

Make your talent pool your competitive advantage

Improve the candidate experience and reduce your cost per hire with the #1 automated referral management (ARM) platform
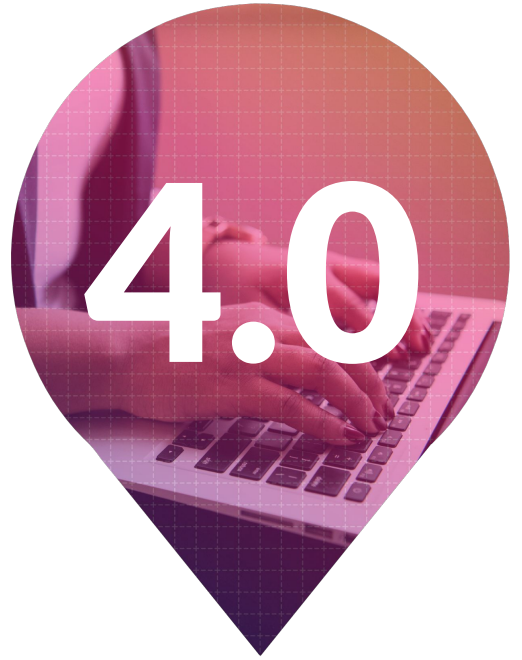
"Right now, about 75% of the people we have in the field came in through Staffing Referrals."

Art Hoopes
CEO, Amare Medical

Trusted by leading agencies:

Catapult Solutions Group

PARTNERS PERSONNEL

BridgeView

Kelly Science, Engineering, Technology & Telecom

SPHERION™ STAFFING & RECRUITING

CrossMed

pyramid CONSULTING

HEITMEYER CONSULTING

CCS CONSTRUCTION STAFFING

Amare MEDICAL NETWORK

| G2 Best Est. ROI SPRING 2023 | G2 Best Support Mid-Market SPRING 2023 | G2 Easiest Setup SPRING 2023 | G2 Best Support SPRING 2023 | G2 High Performer SPRING 2023 | G2 Easiest To Do Business With SPRING 2023 |

THE DIGITAL TRANSFORMATION

1. **Attitudes Toward Technology**

2. **Challenges of Technology**

3. **Tech Adoption**

4. **Most Valuable Technology**

5. **Staffing Software Market Leaders**

6. **Tech Spend and Planned Implementations**

7. **Monthly Job Board Spend**

Digital Transformation

Summary

The staffing tech stack continues to evolve, as do attitudes toward technology. Across the board, respondents rated all technologies more valuable compared to last year. But, they also rated their technology challenges as worse this year, suggested that finding and implementing the right tools is getting harder.

Fast-growth agencies are significantly more likely than slow-growth ones to view technology as a competitive advantage and be early adopters. They're also more likely to use automated referral management (ARM) platforms and talent management networks.

Looking forward, agencies expect to spend slightly more this year on technology, with ATSs and recruiting automation systems being the top solutions they plan to implement.
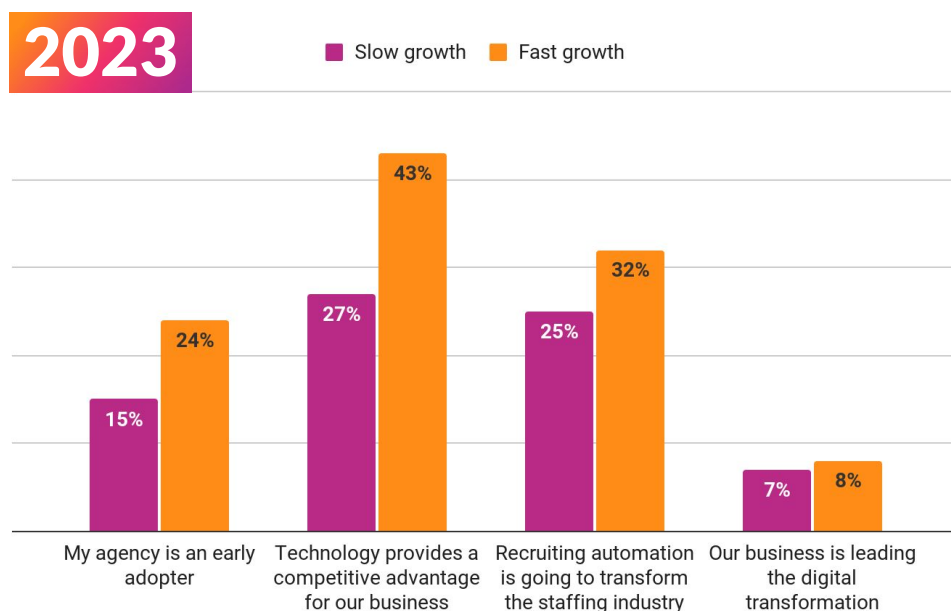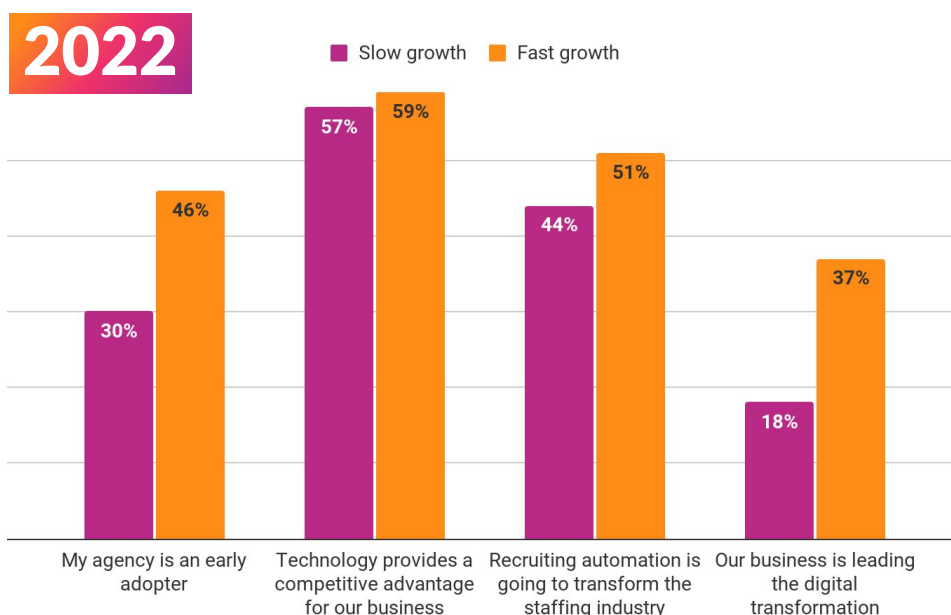
> **"We are scaling and evaluating new technology in all categories."**
>
> Survey Response

Attitudes Toward Technology

There was a big difference this year compared to last in how agencies view technology. Respondents from fast-growth firms were much more likely to agree with all of the technology statements.

The biggest difference is in the percentage of respondents who said technology provides a competitive advantage for their business. Respondents from fast-growth agencies were 59% more likely than those from slow-growth agencies to strongly agree with this statement.
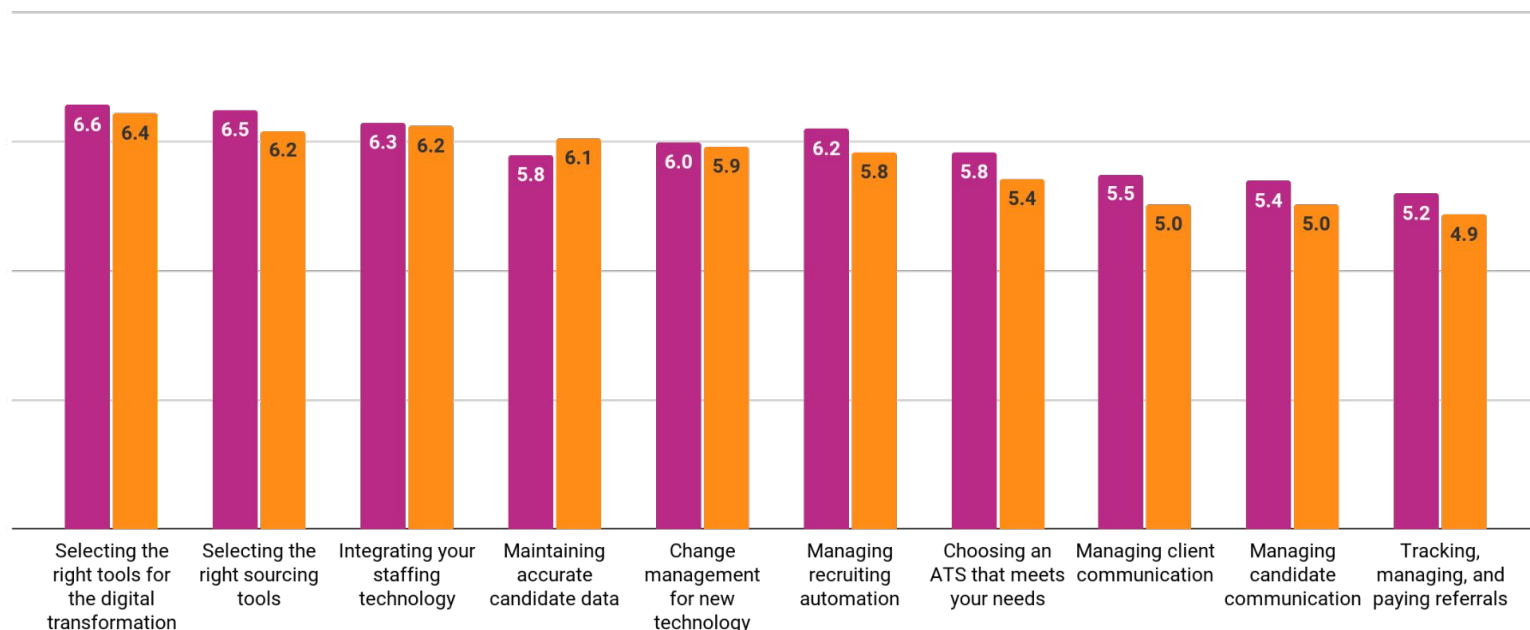
2022

Legend: ■ Slow growth ■ Fast growth

	My agency is an early adopter	Technology provides a competitive advantage for our business	Recruiting automation is going to transform the staffing industry	Our business is leading the digital transformation
Slow growth	30%	57%	44%	18%
Fast growth	46%	59%	51%	37%

2023

Legend: ■ Slow growth ■ Fast growth

	My agency is an early adopter	Technology provides a competitive advantage for our business	Recruiting automation is going to transform the staffing industry	Our business is leading the digital transformation
Slow growth	15%	27%	25%	7%
Fast growth	24%	43%	32%	8%

Challenges of Technology

"Selecting the right tools for the digital transformation," "Selecting the right sourcing tools," and "Integrating your staffing technology" are the top technology related challenges staffing agencies are facing right now.

Similar to recruiting challenges, respondents rated all technology challenges as being slightly more difficult than they were last year.

How challenging are the following technology initiatives?
(1 = Not challenging at all | 10 = Extremely challenging)

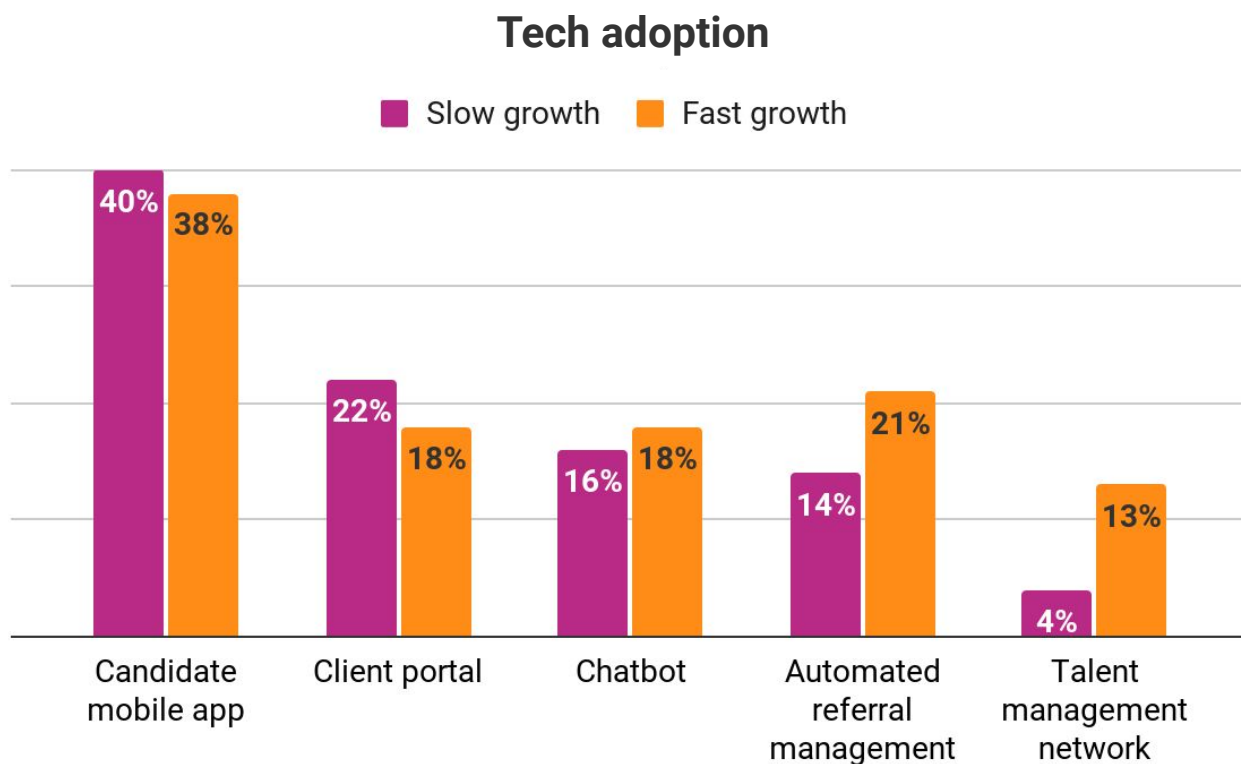| Initiative	Pink	Orange
Selecting the right tools for the digital transformation	6.6	6.4
Selecting the right sourcing tools	6.5	6.2
Integrating your staffing technology	6.3	6.2
Maintaining accurate candidate data	5.8	6.1
Change management for new technology	6.0	5.9
Managing recruiting automation	6.2	5.8
Choosing an ATS that meets your needs	5.8	5.4
Managing client communication	5.5	5.0
Managing candidate communication	5.4	5.0
Tracking, managing, and paying referrals	5.2	4.9

> "There are always going to be challenges in your tech stack as it's constantly evolving."
>
> Survey Response

Tech Adoption

Staffing agencies have been adopting new tech at a rapid pace. Overall, a larger percentage of companies are using all of the technologies compared to our previous report.

Tech adoption

■ Slow growth   ■ Fast growth

Technology	Slow growth	Fast growth
Candidate mobile app	40%	38%
Client portal	22%	18%
Chatbot	16%	18%
Automated referral management	14%	21%
Talent management network	4%	13%

Fast-growth agencies have more tools in their tech stack than slow-growth agencies. Compared to slow-growth agencies, fast-growth agencies are:

- 13% more likely to use a chatbot

- 50% more likely to use automated referral management

- 225% more likely to use a talent management platform

Process Automation

Staffing agencies are working to automate their processes. Seven in 10 respondents said their company has at least one automation in place, while nearly one-quarter (23%) have automated six or more processes.

How many processes have you automated
(e.g., how many journeys, playbooks, or bots do you use)?

None	1-5	6 or more
30%	47%	23%
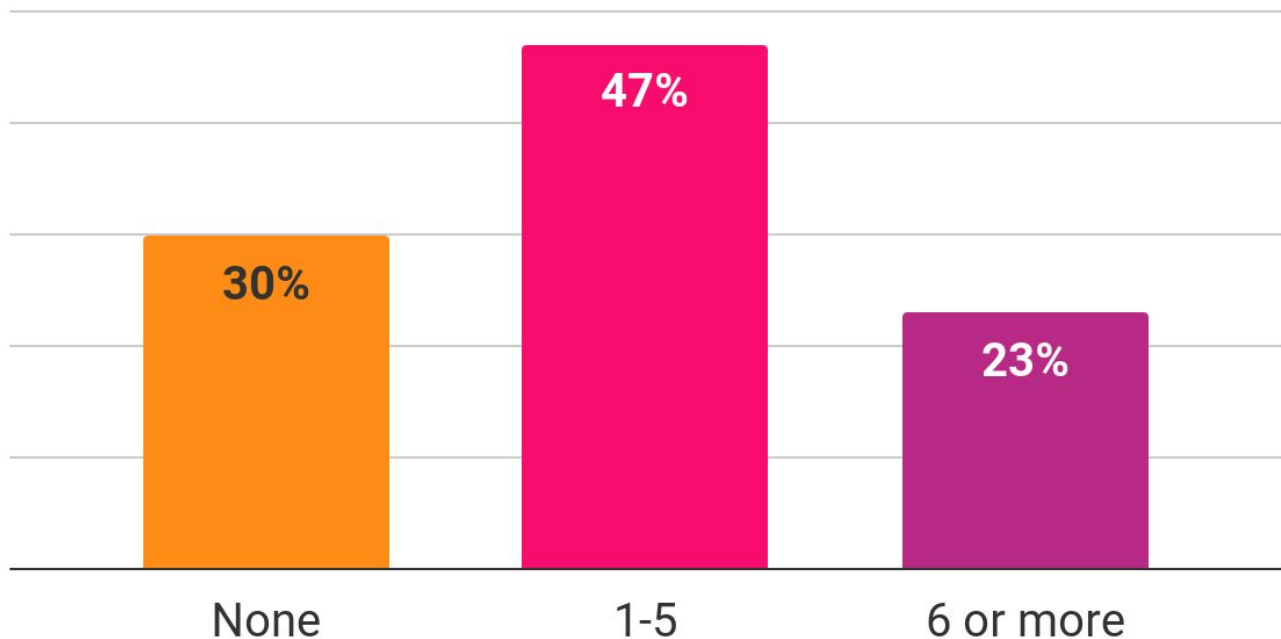
INDUSTRY INSIGHT

Industrial / logistics and office / clerical / administrative agencies are leading the way in process automation. More than one-third of agencies in these verticals has automated six or more processes.

Most Valuable Technology

Applicant tracking systems (ATSs) are the most valuable technology in the staffing tech stack, with 57% of respondents mentioning either ATS as a category or the specific tool they use. The most valuable sourcing platform is LinkedIn, while Sense is the most valuable automation platform.

Most Valuable Technology

1. Applicant tracking system (57%)
2. Sourcing software (14%)
3. CRM / Sales software (8%)

Most Valuable Sourcing Platform

1. LinkedIn (28%)
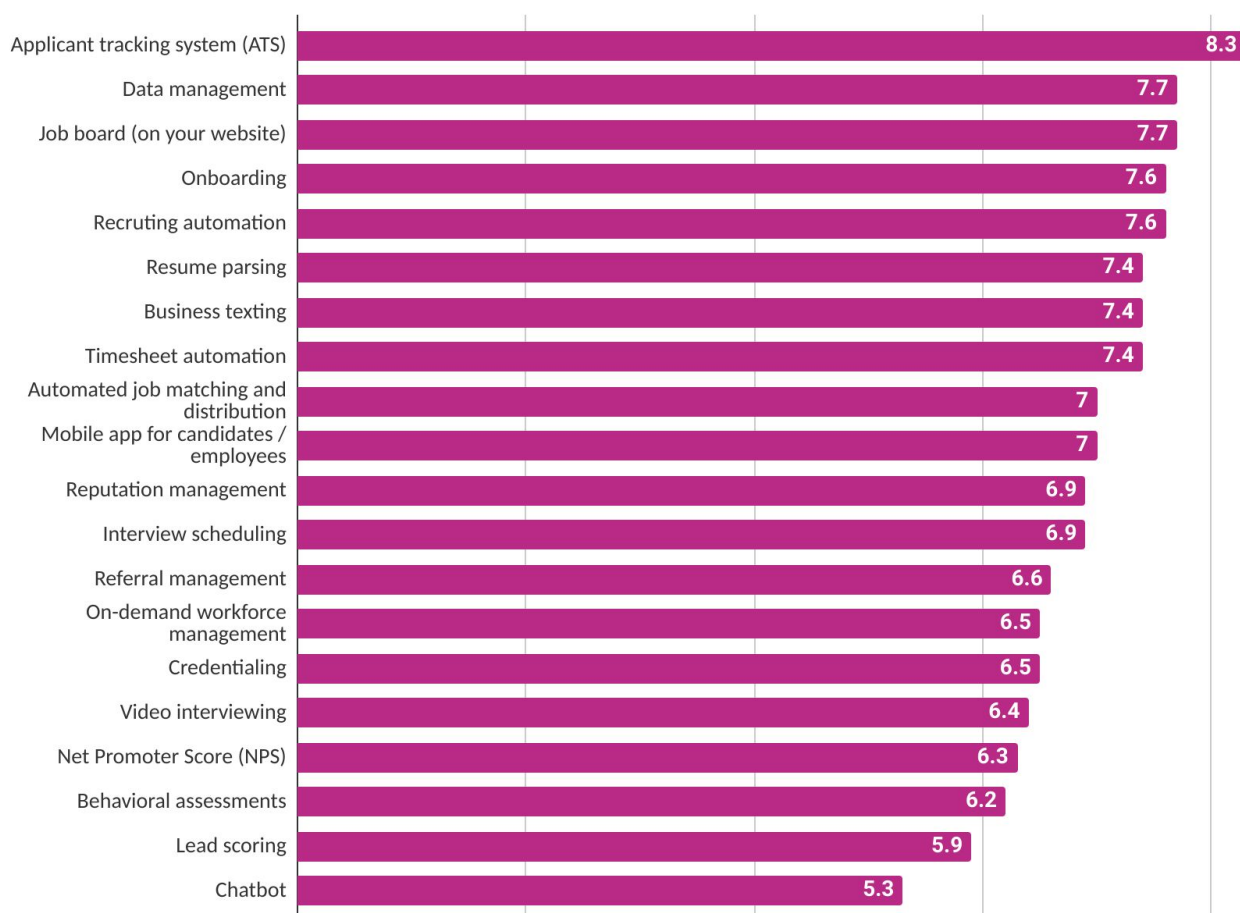2. Indeed (18%)
3. ZoomInfo (6%)

Most Valuable Automation Platform

1. Sense (24%)
2. Bullhorn (8%)
3. Avionté (7%)

Most Valuable Technology

Overall, respondents rated their applicant tracking system (ATS) as the most valuable staffing software solution. Data management and website job boards tied for second.

How valuable are the following staffing software solutions for the success of your business?

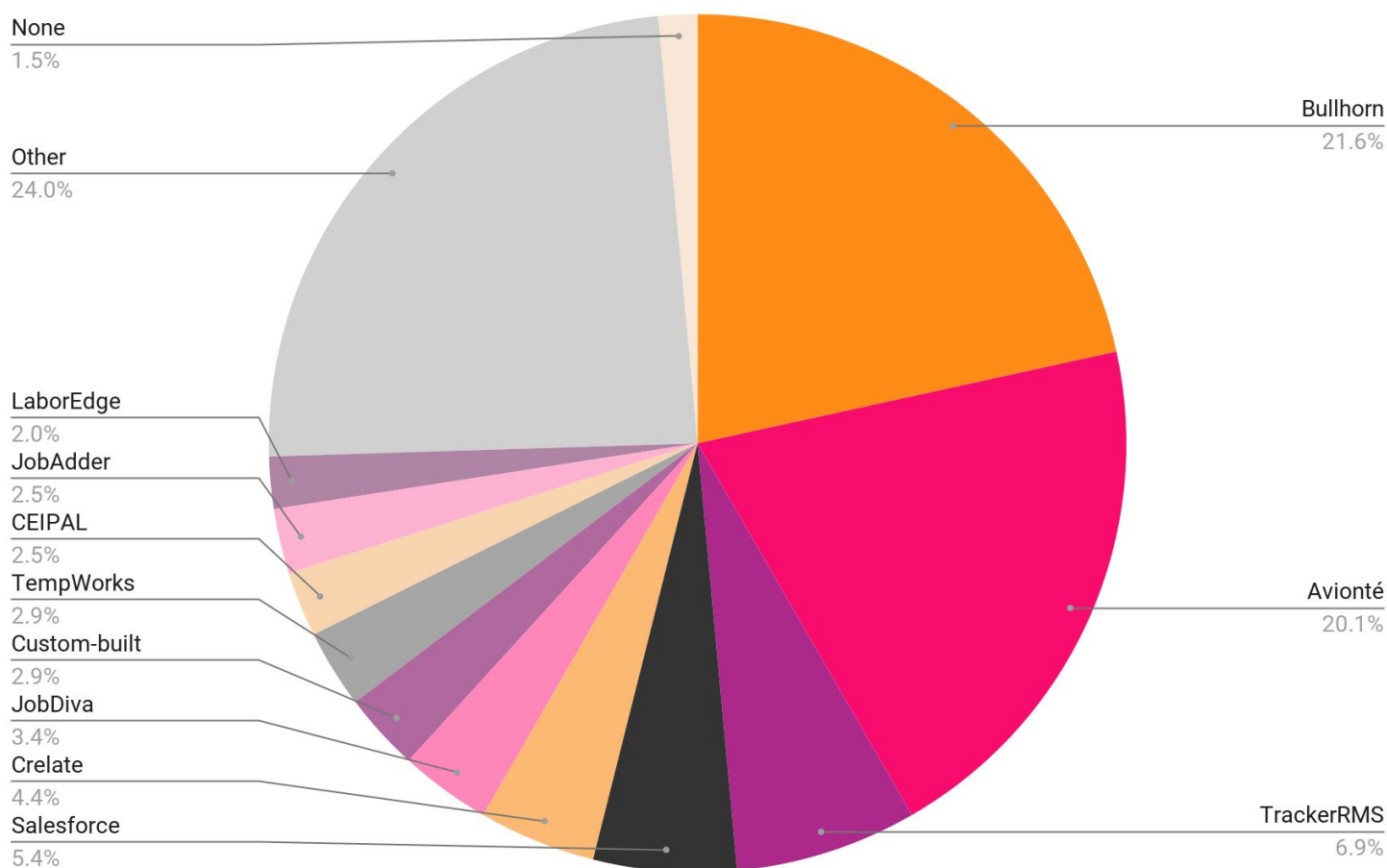| Technology	Rating
Applicant tracking system (ATS)	8.3
Data management	7.7
Job board (on your website)	7.7
Onboarding	7.6
Recruiting automation	7.6
Resume parsing	7.4
Business texting	7.4
Timesheet automation	7.4
Automated job matching and distribution	7
Mobile app for candidates / employees	7
Reputation management	6.9
Interview scheduling	6.9
Referral management	6.6
On-demand workforce management	6.5
Credentialing	6.5
Video interviewing	6.4
Net Promoter Score (NPS)	6.3
Behavioral assessments	6.2
Lead scoring	5.9
Chatbot	5.3

Compared to our previous report, ratings as a whole increased, which suggests that agencies are getting more value from their technology than they did in the past. Timesheet automation, resume parsing, and business texting, which were in the top 5 last year, fell in the rankings. They were replaced by data management, website job boards, and onboarding software.

Applicant Tracking Systems

Bullhorn remains the top-performing applicant tracking system in the market. However, Avionté and TrackerRMS are becoming more popular, with an increasing number of respondents reporting them as their ATS.

Which ATS do our survey respondents use?

None
1.5%

Other
24.0%

LaborEdge
2.0%

JobAdder
2.5%

CEIPAL
2.5%

TempWorks
2.9%

Custom-built
2.9%

JobDiva
3.4%

Crelate
4.4%

Salesforce
5.4%

Bullhorn
21.6%

Avionté
20.1%

TrackerRMS
6.9%

Bullhorn maintains market leadership, and has 10,000 customers according to G2.com.

Avionté is second in the market with 1,000 customers according to G2.com.

ATS Survey Responses by Vertical

ATS selections vary widely by the vertical because of the unique needs for each industry. Below you'll find a breakdown of survey responses to "Which ATS does your organization use?" by staffing industry segment.

Legend:
- Bullhorn
- Avionté
- TrackerRMS
- Salesforce
- Crelate
- JobDiva
- Custom-built
- TempWorks
- JobAdder
- None
- CEIPAL
- LaborEdge
- Other

Healthcare: Bullhorn 16%, Avionté 16%, TrackerRMS 4%, Salesforce 7%, Crelate 5%, JobDiva 7%, Custom-built 7%, 2% 2% 2%, LaborEdge 7%, Other 26%

IT: Bullhorn 27%, Avionté 10%, TrackerRMS 6%, Salesforce 6%, Crelate 6%, JobDiva 7%, Custom-built 3%, 3% 1%, 4% 1%, Other 24%

Office / Clerical / Admin.: Bullhorn 27%, Avionté 36%, 2% 2%, 4%, 5%, 4%, 4%, 5%, Other 13%

Finance / Accounting: Bullhorn 29%, Avionté 17%, 4% 2%, 6%, 10%, 4% 2% 4%, Other 21%

Engineering / Design: Bullhorn 22%, Avionté 19%, 6%, 9%, 3% 3% 3% 3% 3%, Other 28%

Creative / Marketing: Bullhorn 21%, Avionté 11%, 11%, 5%, 5%, 5%, 5%, Other 37%

Industrial / Logistics: Bullhorn 18%, Avionté 38%, 4% 3% 1% 1%, 4%, 5%, 1% 3%, Other 23%

Bullhorn leads in healthcare, IT, finance, engineering, and creative / marketing.

Avionté is the market leader in office / clerical / administrative and industrial / logistics.

Recruiting & Marketing Automation

More agencies are using marketing and recruiting automation. 20% of respondents said their agency doesn't use these tools at all, down slightly from 23% in our previous report.

Among agencies that do use automation, Sense and Staffing Referrals are the most widely used. Last year's top platform – HubSpot – fell to third place.
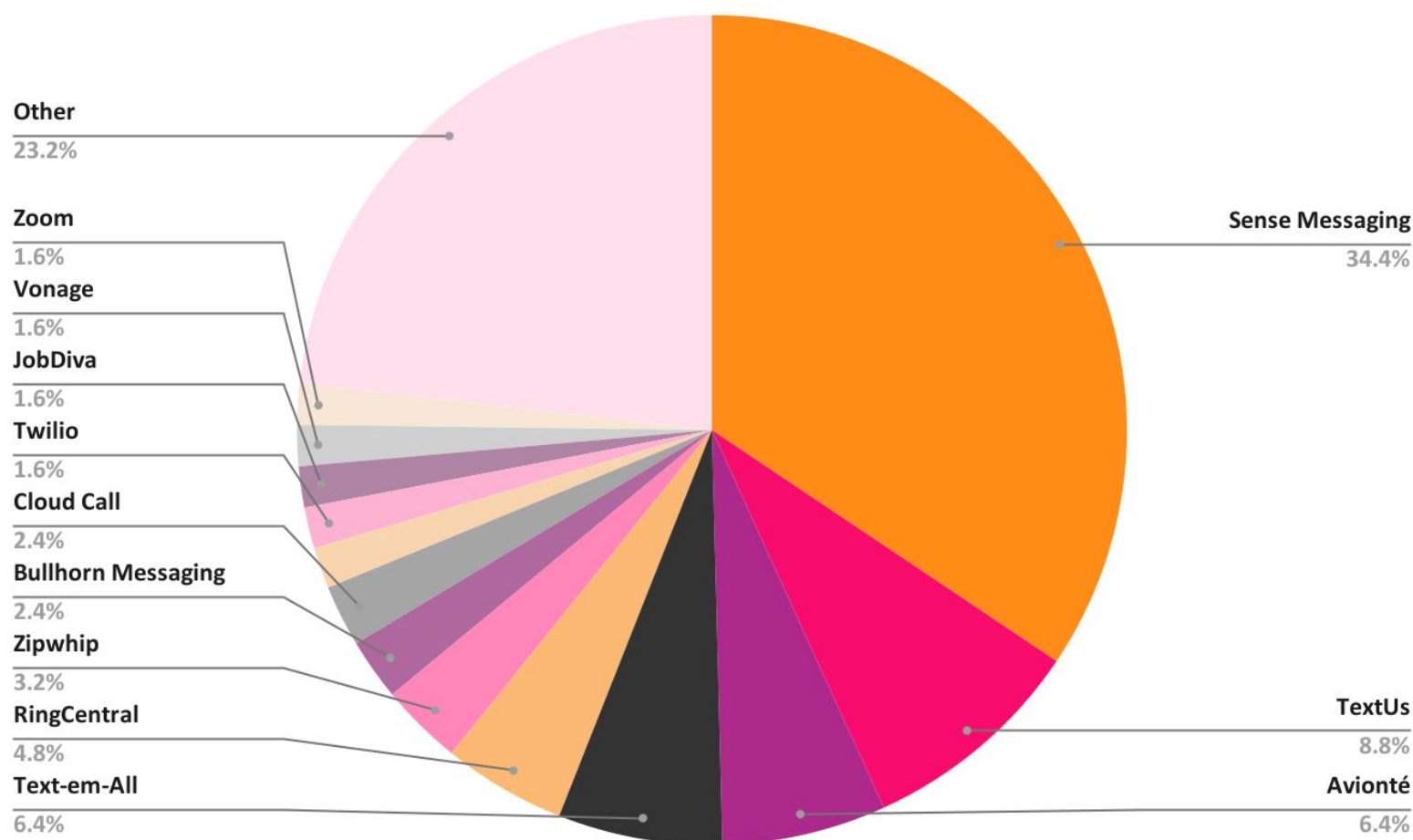
None
20.4%

Sense
14.0%

Staffing Referrals
10.4%

HubSpot
9.0%

Salesforce
7.5%

WorkN
5.7%

Other
13.3%
ActiveCampaign
1.1%
Pardot
1.1%
Loxo
1.8%
Adobe Experience Cloud
2.9%
Herefish
3.2%
Great Recruiters
2.2%
Mailchimp
7.5%
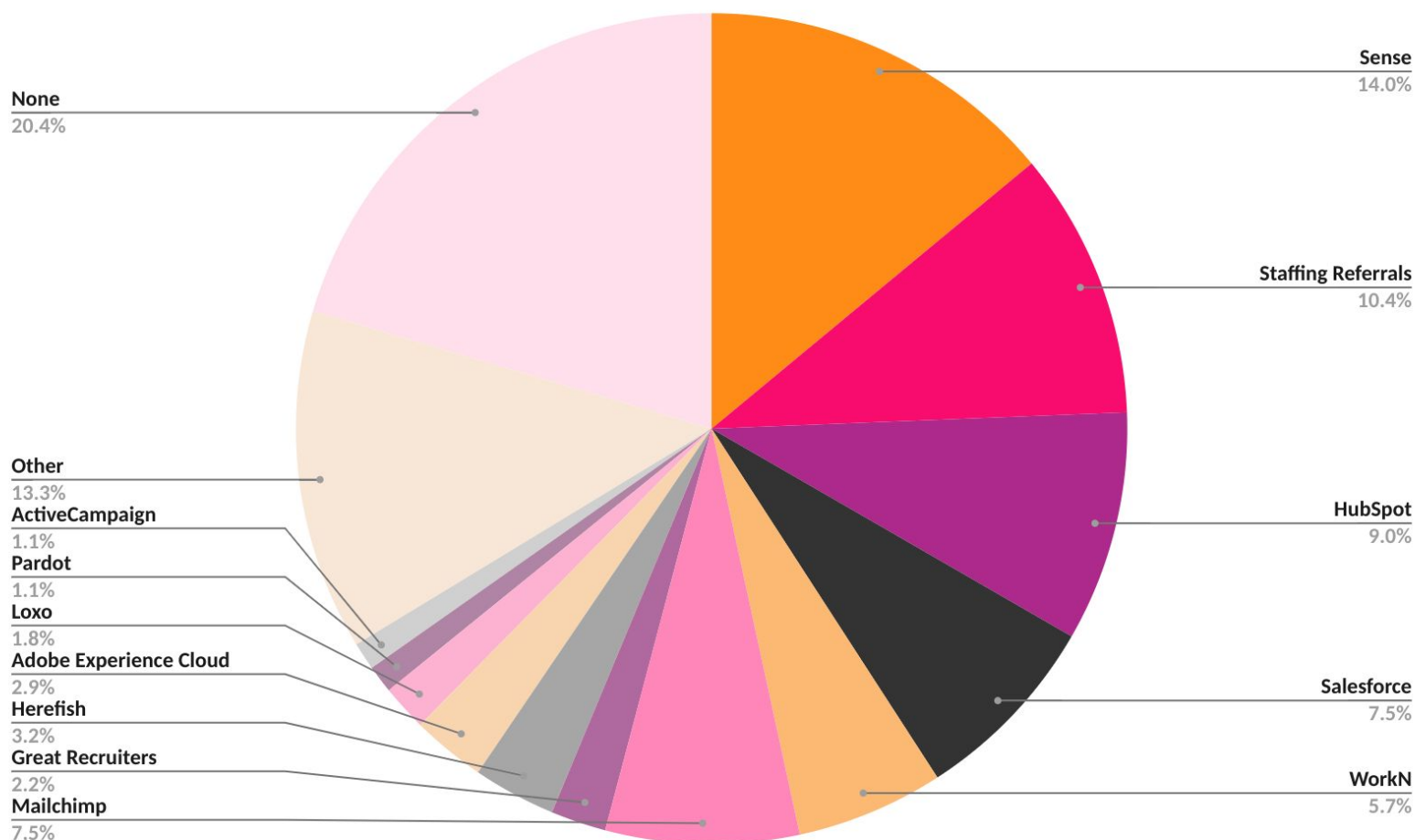
Sense is the most common recruiting automation tool, with 14% market share.

Staffing Referrals came in second among recruiting automation tools, with 10%.

Text Messaging Tools

64% of respondents said their firm currently uses text messaging software.
Of those, Sense claims 34% of the market followed by TextUs at 9%.

Other
23.2%

Zoom
1.6%

Vonage
1.6%

JobDiva
1.6%

Twilio
1.6%

Cloud Call
2.4%

Bullhorn Messaging
2.4%

Zipwhip
3.2%

RingCentral
4.8%

Text-em-All
6.4%

Sense Messaging
34.4%

TextUs
8.8%

Avionté
6.4%

Sense grew by 7 percentage points from last year, holding the top spot for market share.

TextUs remains in second place with 9% of the market (-11 percentage points from last year).

Mobile Apps

One-third (38%) of agencies currently provide a mobile app for candidates. This represents an 11-percentage point increase from last year. The clear market leader is WorkN, with 29% market share, followed by custom-built apps at 16%. The large percentage of "Unknown" responses is due to respondents indicating that they had a mobile app, but weren't sure who made it.

Opportunity Engine
1.8%
TempWorks Buzz
3.6%
Custom-built app
16.1%

Unknown
50.0%
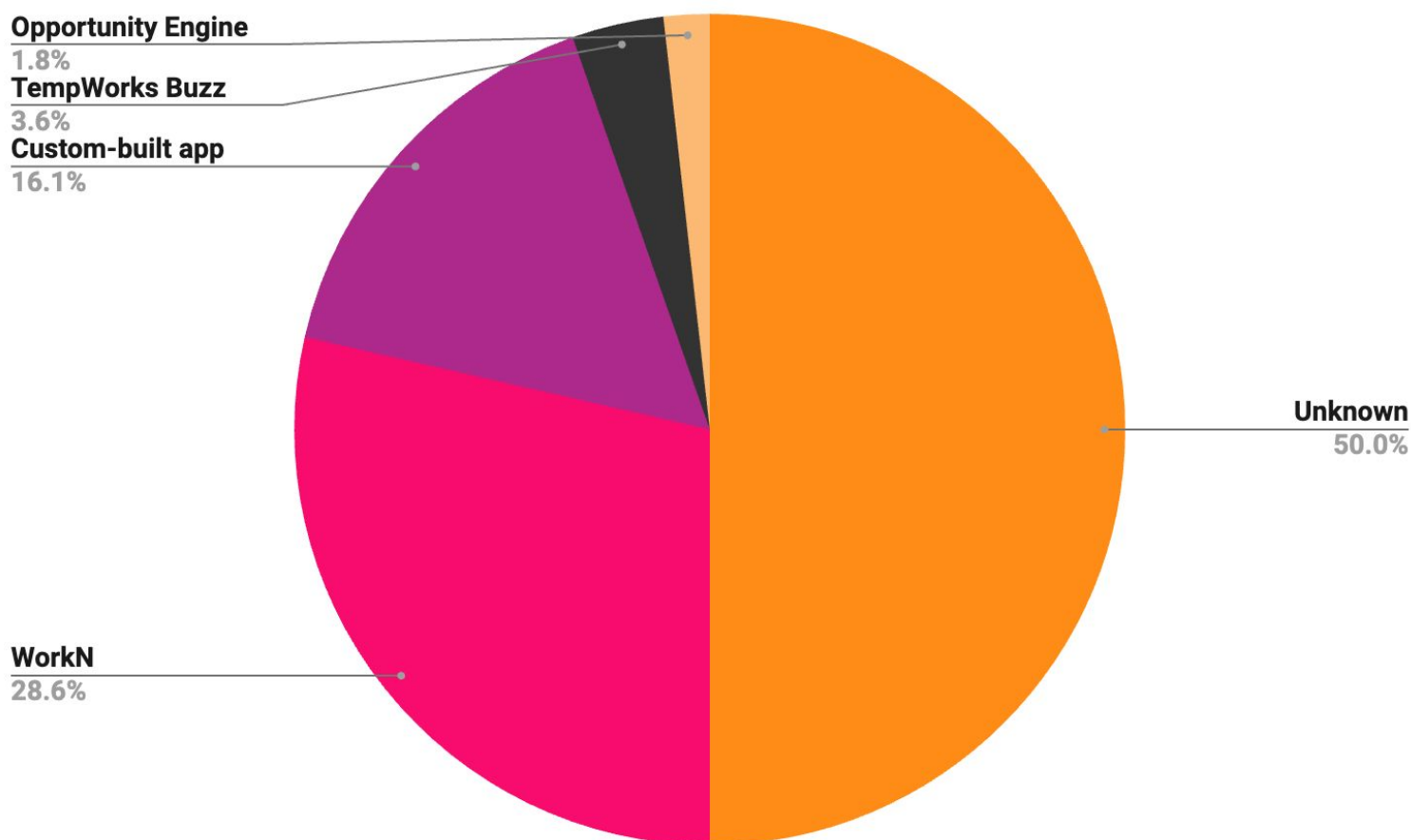
WorkN
28.6%

WorkN is the market leader for mobile apps with 29% market share, up from 26% last year.

Chatbots

Approximately 20% of respondents said their agency currently uses a chatbot. This is up slightly from 18% last year.

Sense — 29.4%
HubSpot — 8.8%
Bullhorn — 8.8%
Staffing Engine — 8.8%
Other — 44.1%
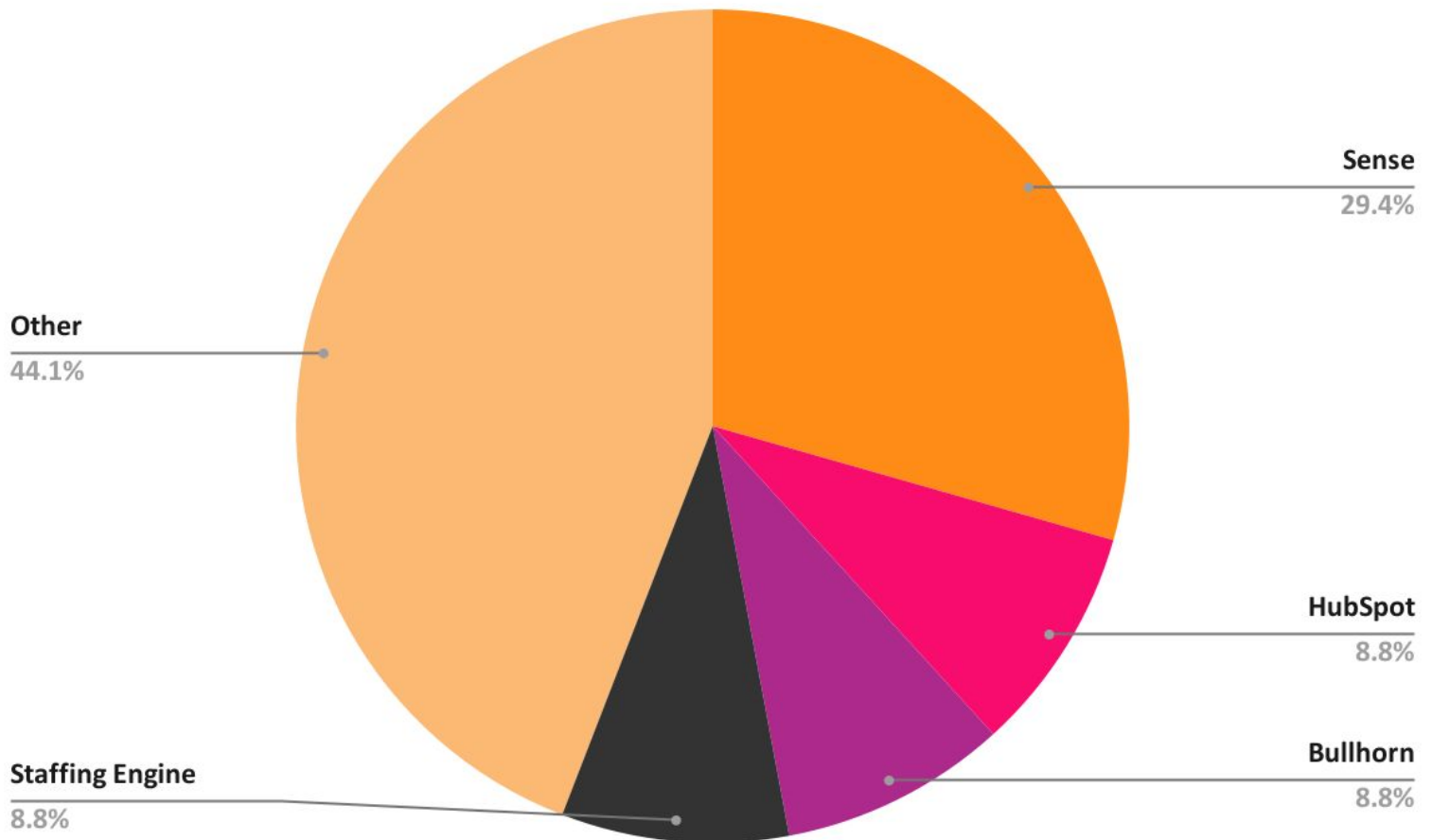
Sense is the most commonly used chatbot tool, with 29% of market share.

Other chatbot platforms used by staffing agencies:

- Digital Air Strike
- Landbot
- Leadoo
- LiveChat
- Pixel
- PureChat
- Tidio
- WorkLLama

Automated Referral Management Tools

17% of agencies are currently using automated referral management (ARM) tools, up from 11% last year. Staffing Referrals is the most widely used. No other platform accounted for more than 5% of responses.

Other
25.9%

Proprietary
3.7%

Sense
3.7%

Staffing Referrals
66.7%

StaffingReferrals
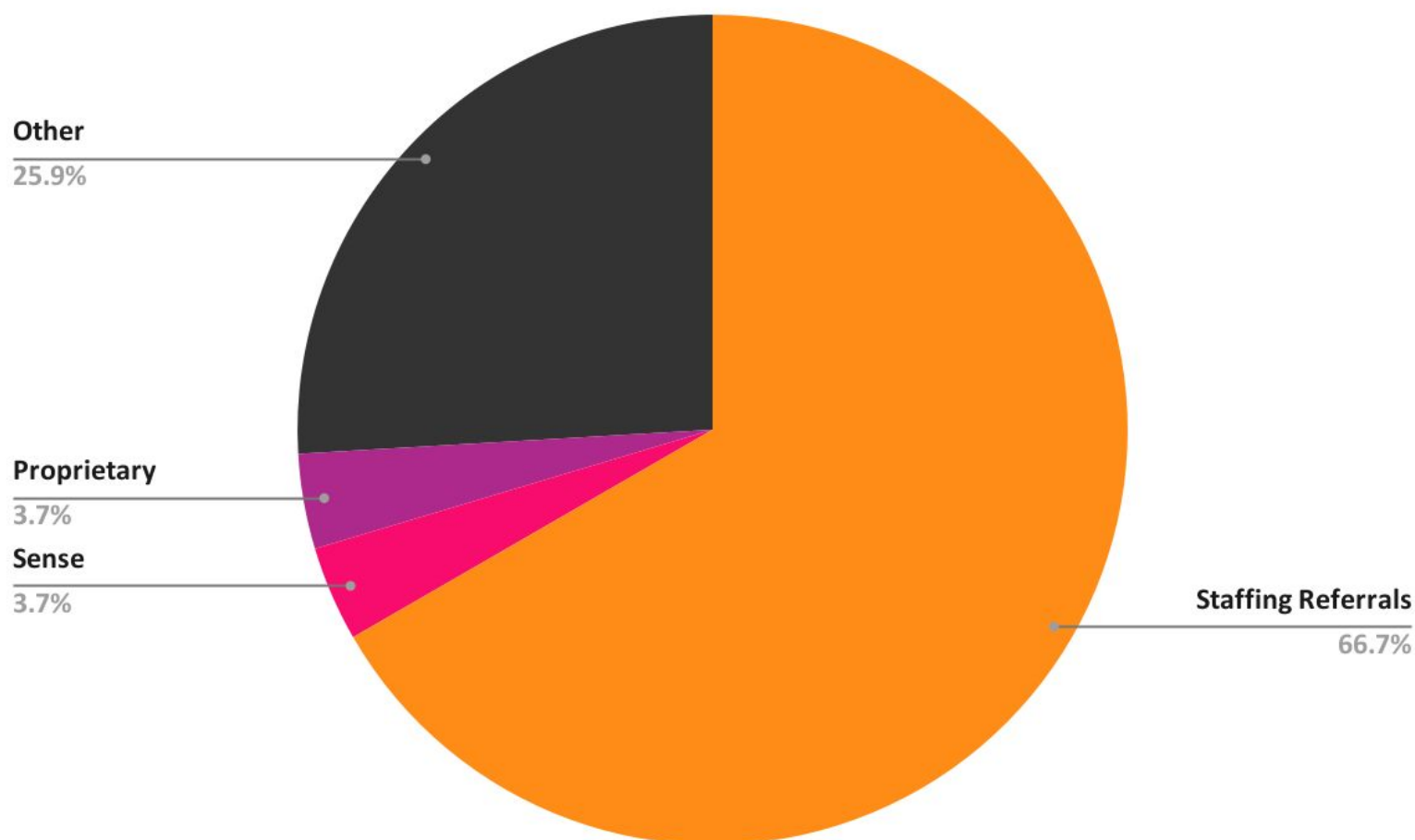
Staffing Referrals is the market leader, with a 67% share of the market.

Tech & Software Budget

Firms of all sizes expect to spend slightly more on software and technology solutions in 2023 than they did in 2022.

What percent of your budget is allocated to technology?

■ Tech spend 2022   ■ Planned tech spend 2023

Company size	Tech spend 2022	Planned tech spend 2023
Less then $9M	21%	22%
$10M to $24M	21%	24%
$25M to $99M	21%	23%
Over $100M	18%	21%

Company size
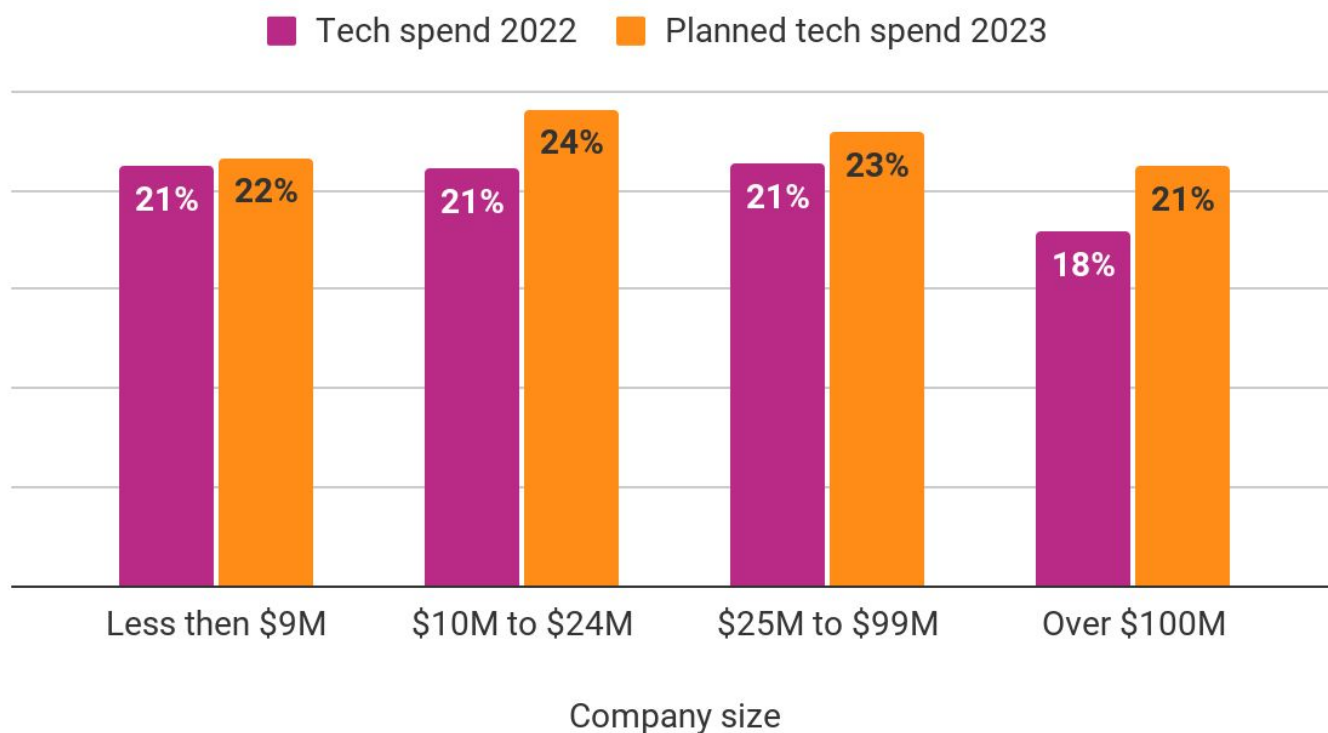
Planned Tech Implementations

ATS, Recruiting Automation, CRMs, and mobile-apps top the list for planned implementations in 2023.

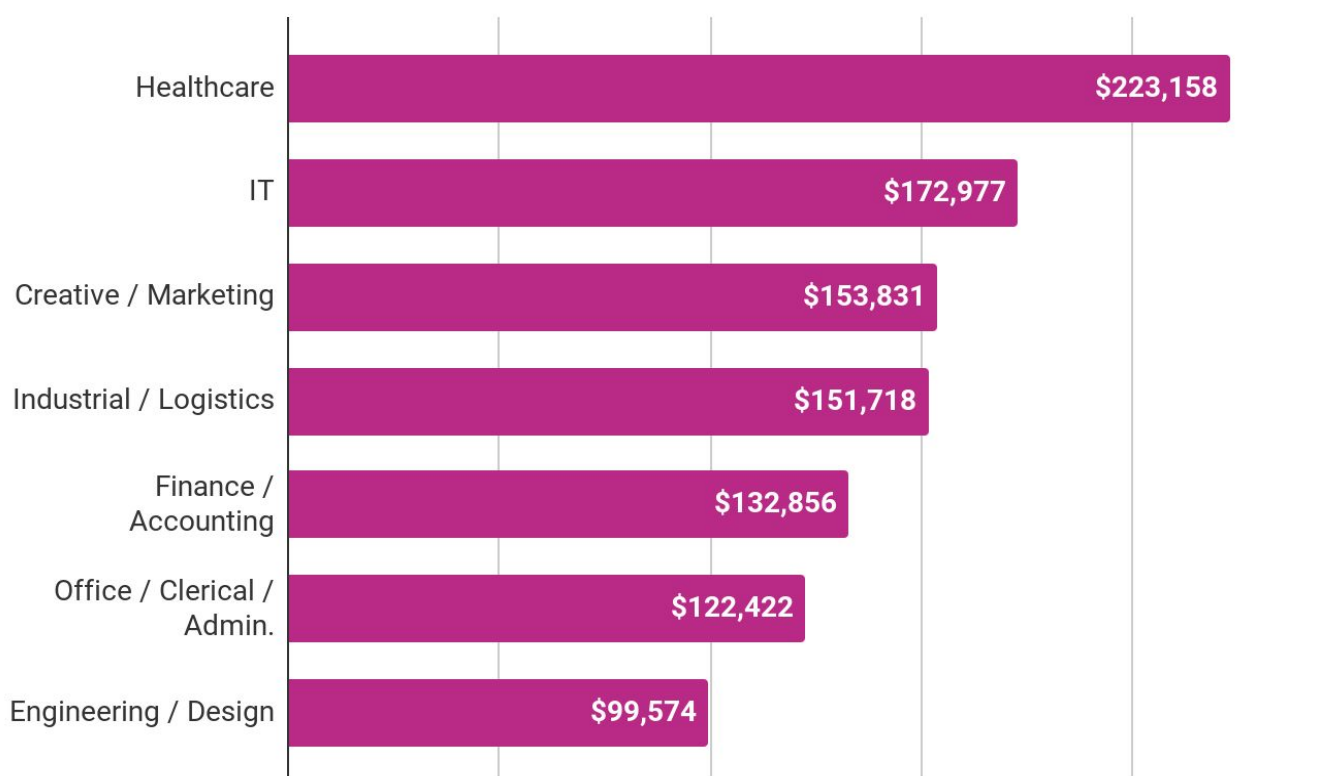## What software solutions do you plan to implement in 2023?

Solution	Percentage
ATS	16%
Recruiting automation	9%
Sales / Marketing	9%
CRM	9%
Mobile app	7%
Other	6%
Sourcing	6%
Accounting / Payroll	5%
Chatbot	4%
Automated referral management	4%
Onboarding	3%
Resume parsing	3%
Text messaging	3%
Client portal	2%
Data / Analytics / Business	2%
Time tracking	2%
Interviewing	2%
Job posting	2%
Candidate engagement	1%
Cloud calling	1%
Communication / Collaboration	1%
Credentialing	1%
Human resources	1%
Learning / Development	1%
LinkedIn automation	1%
Social media	1%

Monthly Job Board Spend

Fast-growth companies spend 21% more on job boards per month than slow-growth companies.

The difference between the groups decreased since our previous report, when fast-growth companies spent 62% more.

Monthly spend on job boards

■ Slow growth   ■ Fast growth

$ 9,089

$ 11,017
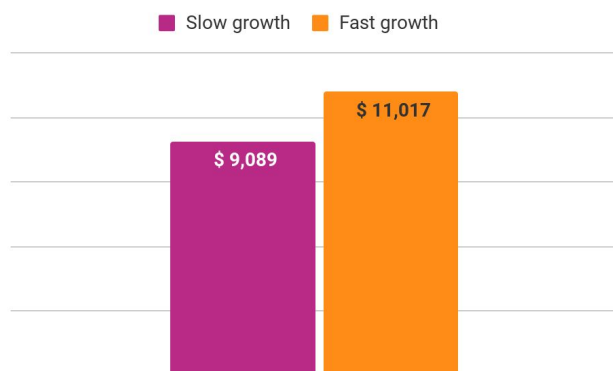
Expected yearly spend on job boards in 2023 by industry

Industry	Spend
Healthcare	$223,158
IT	$172,977
Creative / Marketing	$153,831
Industrial / Logistics	$151,718
Finance / Accounting	$132,856
Office / Clerical / Admin.	$122,422
Engineering / Design	$99,574

Agencies in the healthcare, IT, and creative / marketing sectors are expected to spend the most on job boards in 2023. For some industries, like healthcare, expected spending is up from last year, while in others, like industrial / logistics, it's down.

5.0

STAFFING AGENCY SUCCESS FACTORS

1. Key Performance Metrics

2. The Ideal Recruiter

3. Recruiter and Candidate Experience

Success Factors

Summary

This year, we again asked respondents a variety of questions about their agency's key performance metrics. On the following pages, you'll find data about everything from fill rate and time to fill to cost per hire and gross margins, all broken out by industry.

We also asked some specific questions about successful recruiters and the recruiter experience.

Respondents identified "relationship-oriented" and "goal-oriented" as the top two attributes of an ideal recruiter. To retain good employees, agencies are offering flexible PTO as well as increasing salaries.

> **"Traditional staffing is going away. Problems have to be solved in a new, unique way."**
>
> Survey Response

Key Performance Metrics

We asked respondents about several key performance indicators, including how long it takes them to fill job orders, redeployment rate, and average cost per hire. On the next few pages, you'll find the results by industry vertical and growth rate.

Fill rate by industry
Percent of job orders filled

Industry	Fill rate
Industrial / Logistics	72%
Office / Clerical / Admin.	67%
Finance / Accounting	66%
Creative / Marketing	59%
IT	58%
Healthcare	55%
Engineering / Design	54%
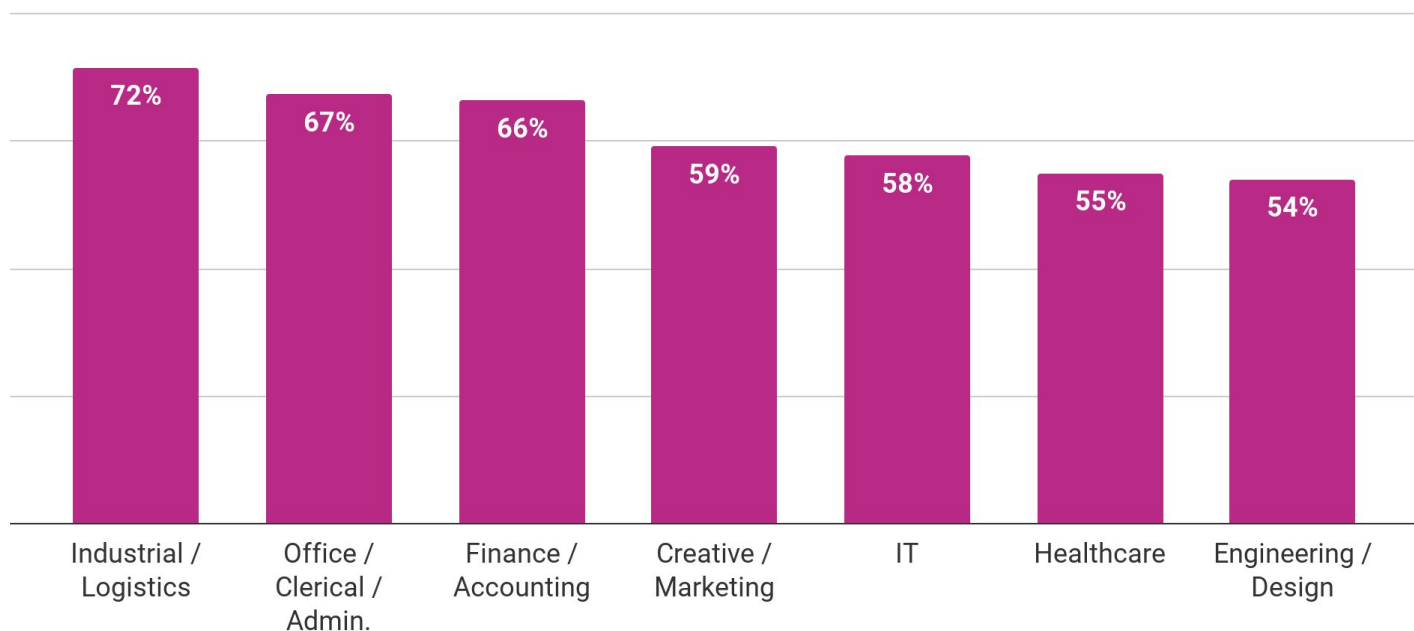
Fill rates are highest for industrial / logistics and office / clerical / administrative roles.

On average, fast-growth companies fill 15% more of their job orders than slow-growth companies.

Fill rate by growth rate

Growth	Fill rate
Slow growth	58%
Fast growth	67%
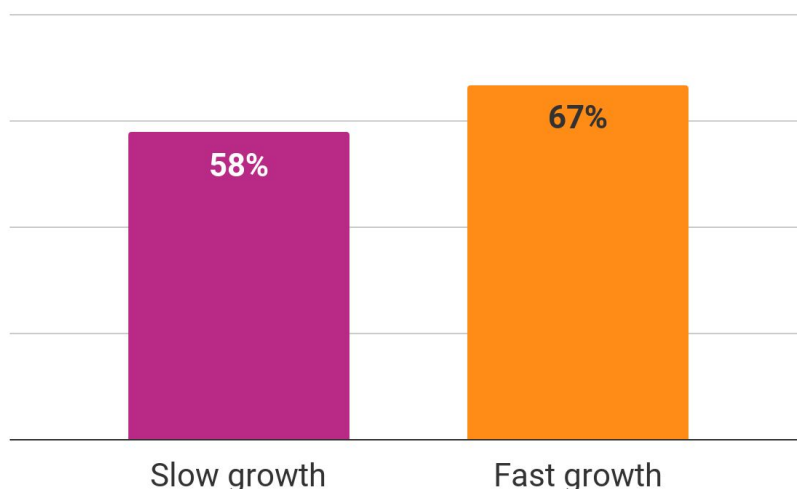
Key Performance Metrics

Time to fill by industry
days between when a job requisition is approved and when an offer is accepted

Industry	Days
Creative / Marketing	28.2
IT	22.5
Finance / Accounting	19.8
Engineering / Design	19.6
Healthcare	17.4
Office / Clerical / Admin.	13.3
Industrial / Logistics	9.4
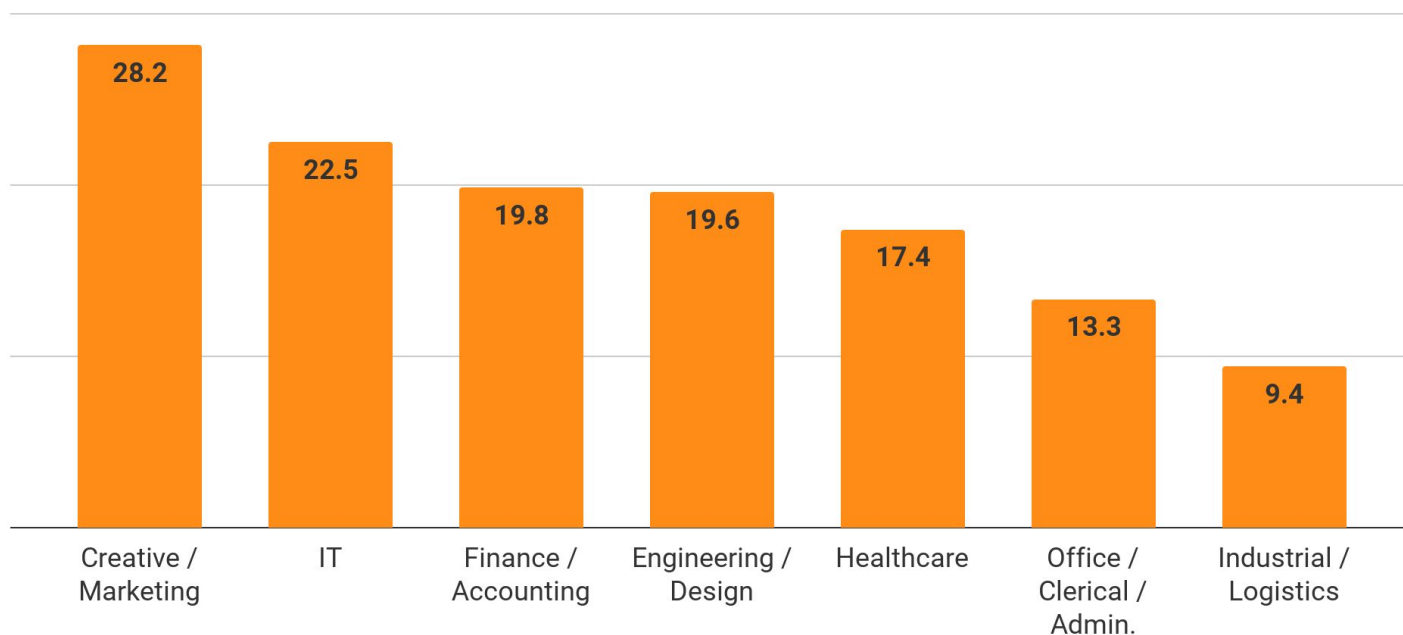
The time it takes to fill orders is shortest in industrial / logistics and office / clerical / administrative.

On average, fast-growth agencies take longer to fill their job orders, which may reflect the industries they serve (e.g., healthcare, finance / accounting, and IT).

Time to fill by growth rate

	Days
Slow growth	16
Fast growth	20
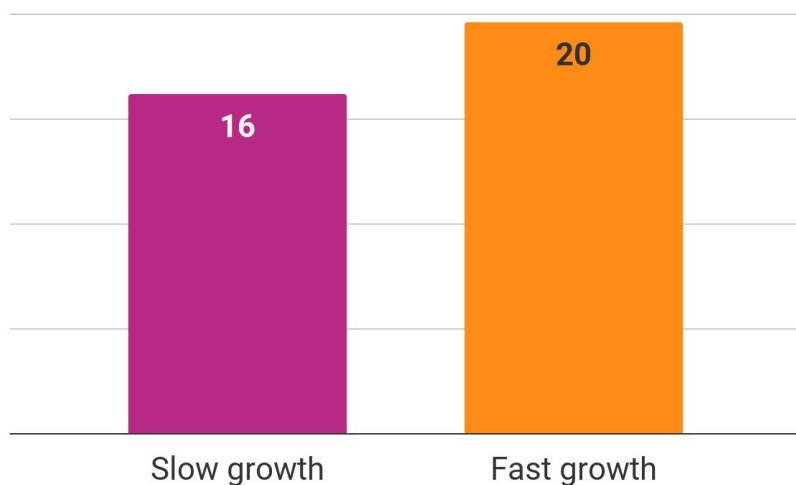
Key Performance Metrics

Redeployment rate by industry
Percent of employees who renew their contract

Industry	Rate
Industrial / Logistics	52%
Office / Clerical / Admin.	52%
Finance / Accounting	48%
Healthcare	48%
Engineering / Design	39%
IT	37%
Creative / Marketing	18%
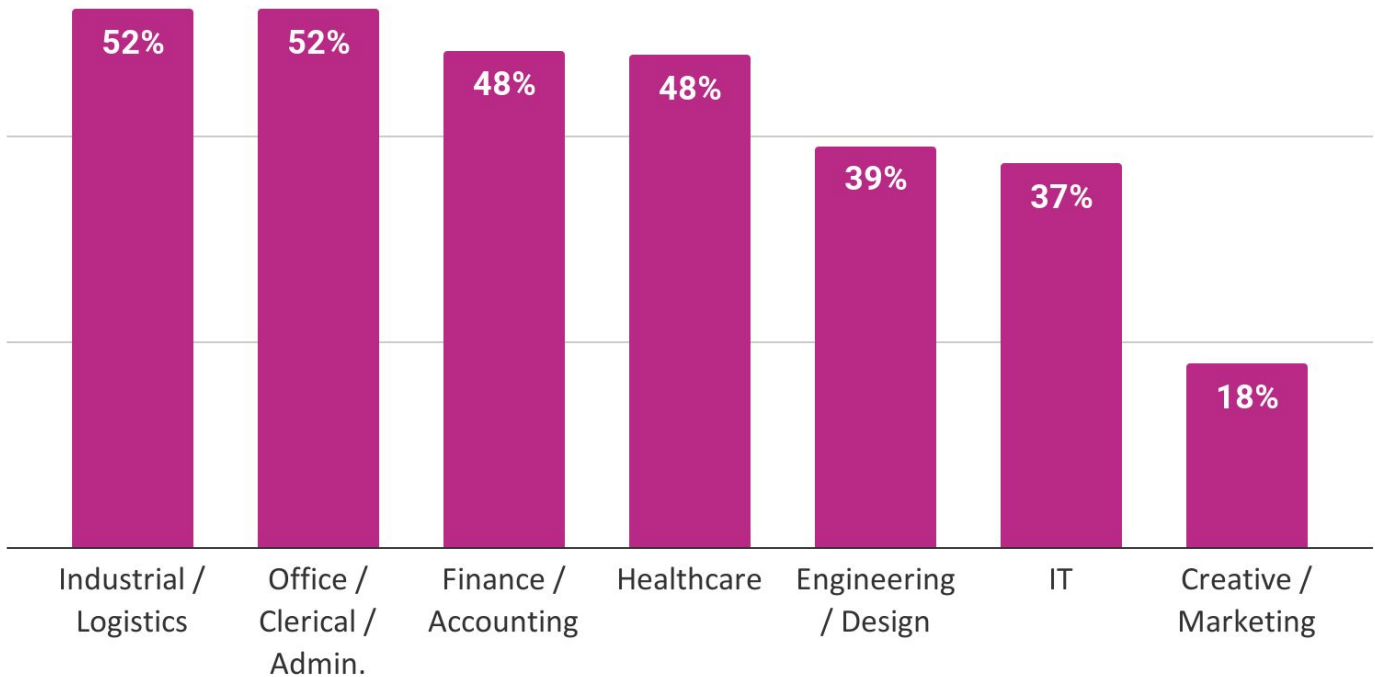
Redeployment rates are highest for industrial / logistics and office / clerical / administrative jobs.

Fast-growth agencies have a redeployment rate 17% higher than slow-growth agencies.

Redeployment rate by growth rate

	Rate
Slow growth	40
Fast growth	47
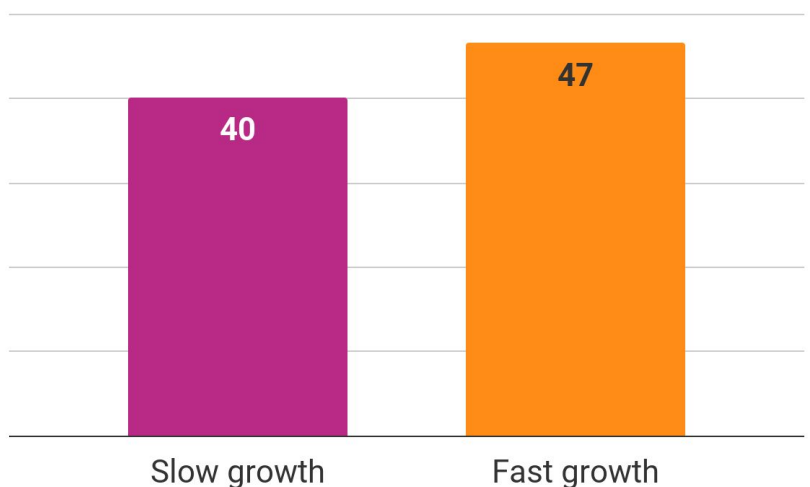
Key Performance Metrics

Cost per hire by industry
Recruiting costs divided by the number of hires in a specific time period

Industry	Cost
IT	$4,138
Office / Clerical / Admin.	$1,814
Finance / Accounting	$1,755
Engineering / Design	$1,440
Healthcare	$1,025
Industrial / Logistics	$706
Creative / Marketing	$64
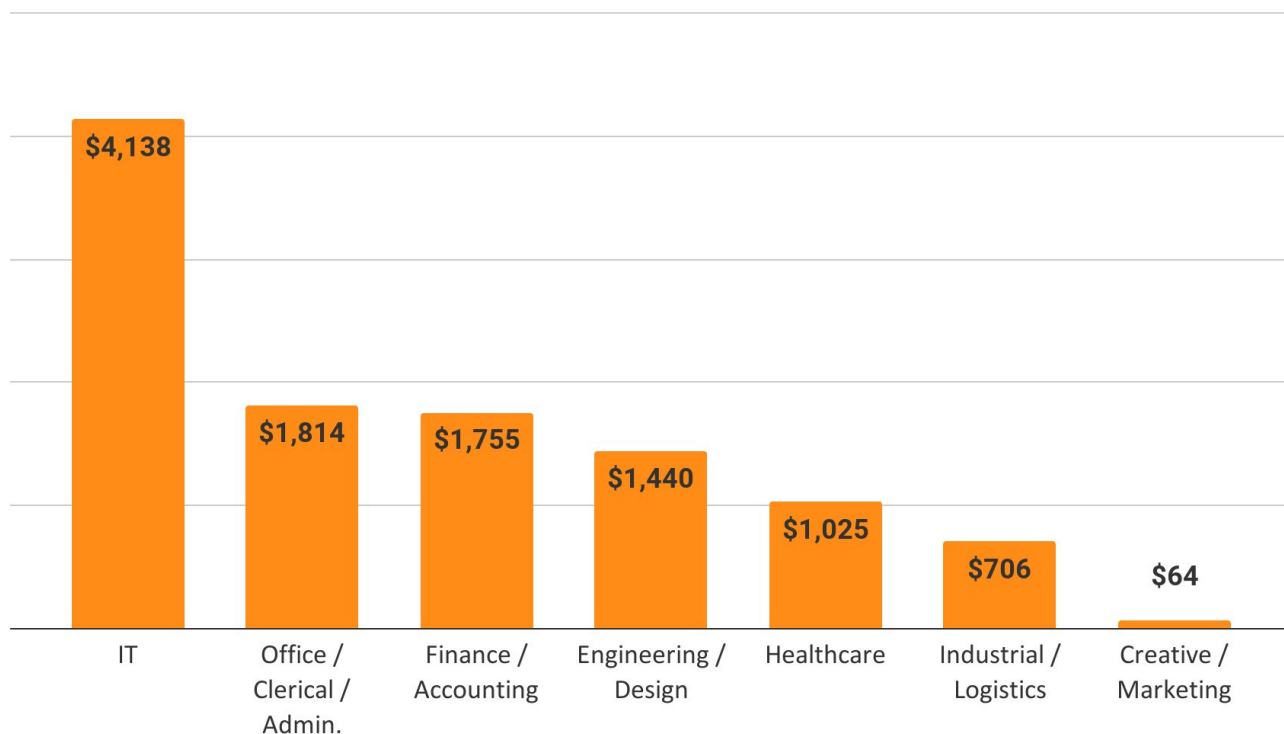
The cost per hire for IT roles almost doubled compared to last year.

The average cost per hire for fast-growth agencies is 30% higher than for slow-growth firms, which is due in part to the number of IT staffing agencies in this group.
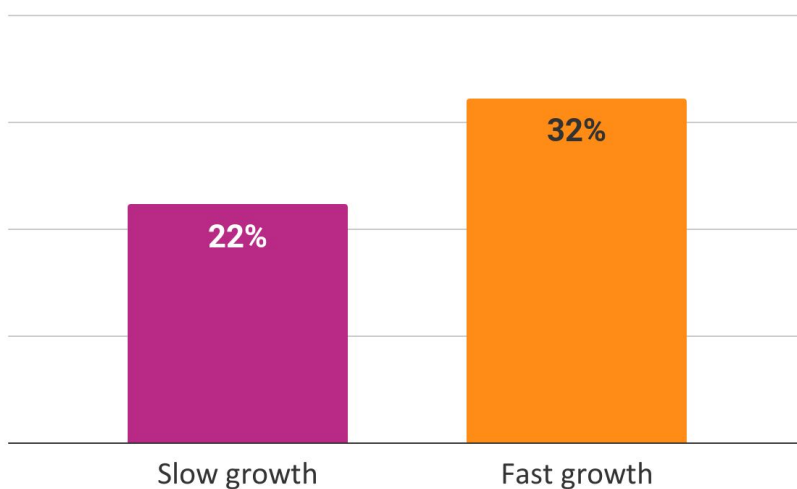
Cost per hire by growth rate

Growth rate	Cost
Slow growth	$2,135
Fast growth	$2,785
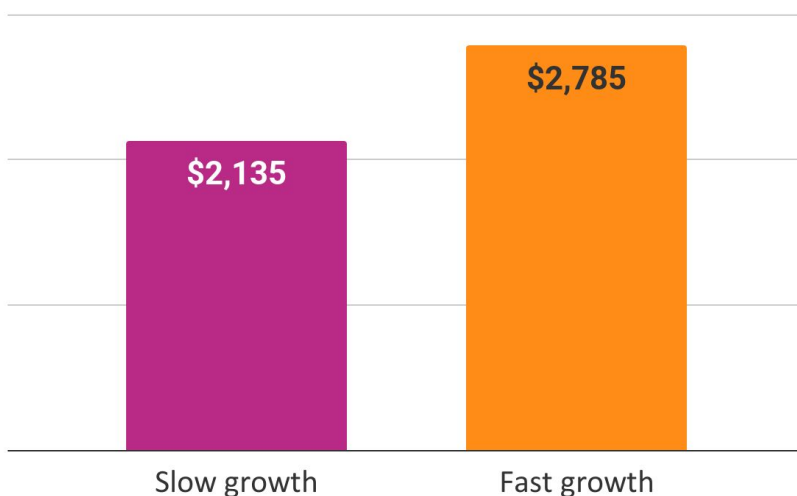
Key Performance Metrics

Gross margin per recruiter by industry

Industry	Margin
Engineering / Design	45%
Finance / Accounting	35%
Industrial / Logistics	33%
IT	32%
Office / Clerical / Admin.	29%
Healthcare	26%
Creative / Marketing	20%
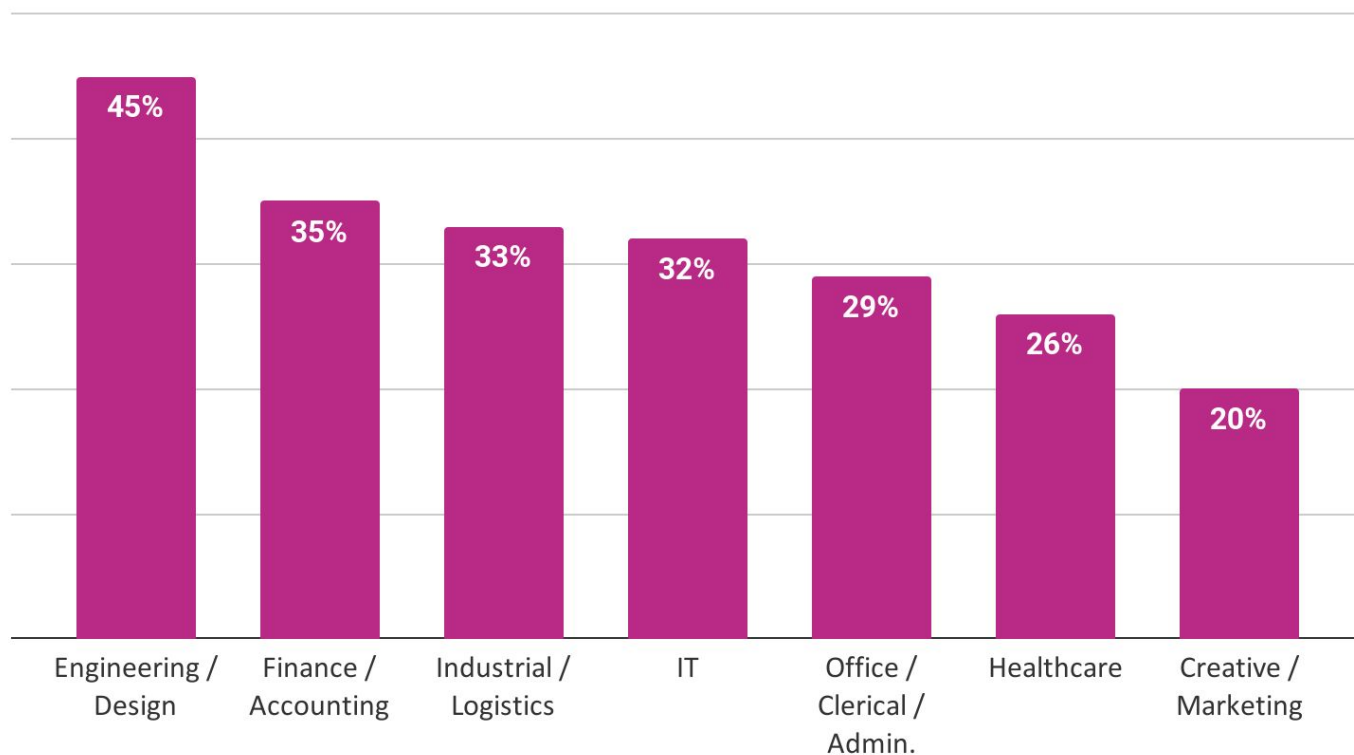
Gross margins per recruiter are highest in the engineering / design industry.

Not surprisingly, margins are higher (+45%) at the fastest-growing agencies.

Gross margin per recruiter by growth rate

Growth	Margin
Slow growth	22%
Fast growth	32%

Key Performance Metrics

Annual on-target earnings (OTE)

■ Recruiter ■ Sales representative

	Recruiter	Sales representative
Engineering / Design	$117,058	$122,196
Finance / Accounting	$112,010	$128,614
Industrial / Logistics	$108,162	$134,867
IT	$115,977	$149,713
Office / Clerical / Admin.	$108,497	$136,496
Healthcare	$114,258	$122,977
Creative / Marketing	$110,962	$117,429
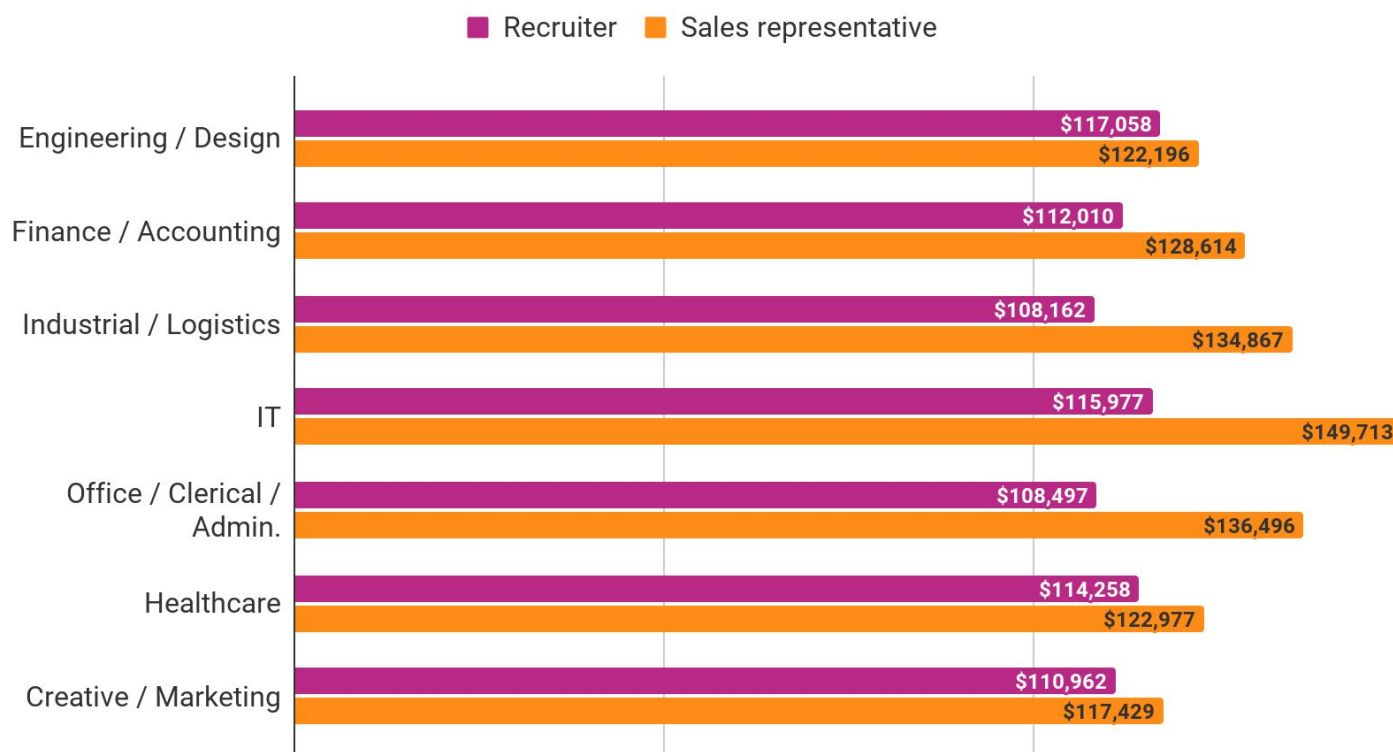
OTE by growth rate

■ Recruiter ■ Sales representative

Recruiters are paid 61% more at fast-growth companies, likely reflecting that recruiters at these agencies are making significantly more placements.

	Recruiter	Sales representative
Slow growth	$91,897	$147,913
Fast growth	$128,517	$127,845
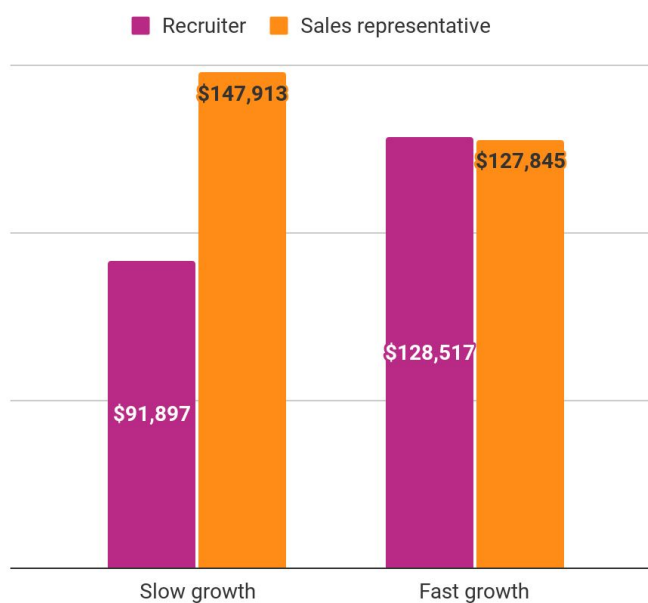
Key Performance Metrics

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

Legend: ■ Slow growth ■ Fast growth

Response time	Slow growth	Fast growth
1 to 5 minutes	11%	15%
6 to 10 minutes	3%	14%
11 to 59 minutes	30%	23%
1 to 6 hours	37%	31%
7 to 24 hours	14%	13%
More than 24 hours	4%	4%
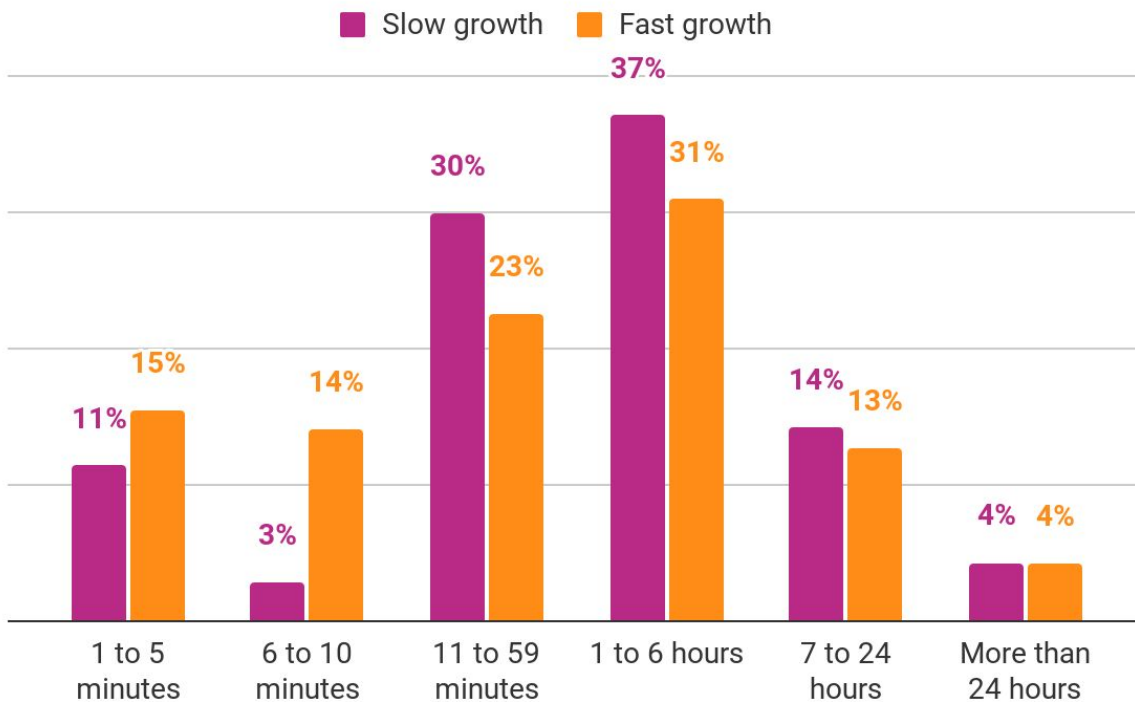
Fast-growth agencies respond more quickly to leads. More than half (52%) of fast-growth agencies respond within an hour, compared to 44% of slow-growth agencies.

The Ideal Recruiter

Similar to last year, a relationship orientation was rated as the most important recruiter attribute overall. Goal-oriented moved into second.

But there was an interesting difference when we looked at growth rates. Respondents from fast-growth companies were more likely to prioritize being relationship-oriented over being goal-oriented. For slow-growth companies, the pattern was reversed.
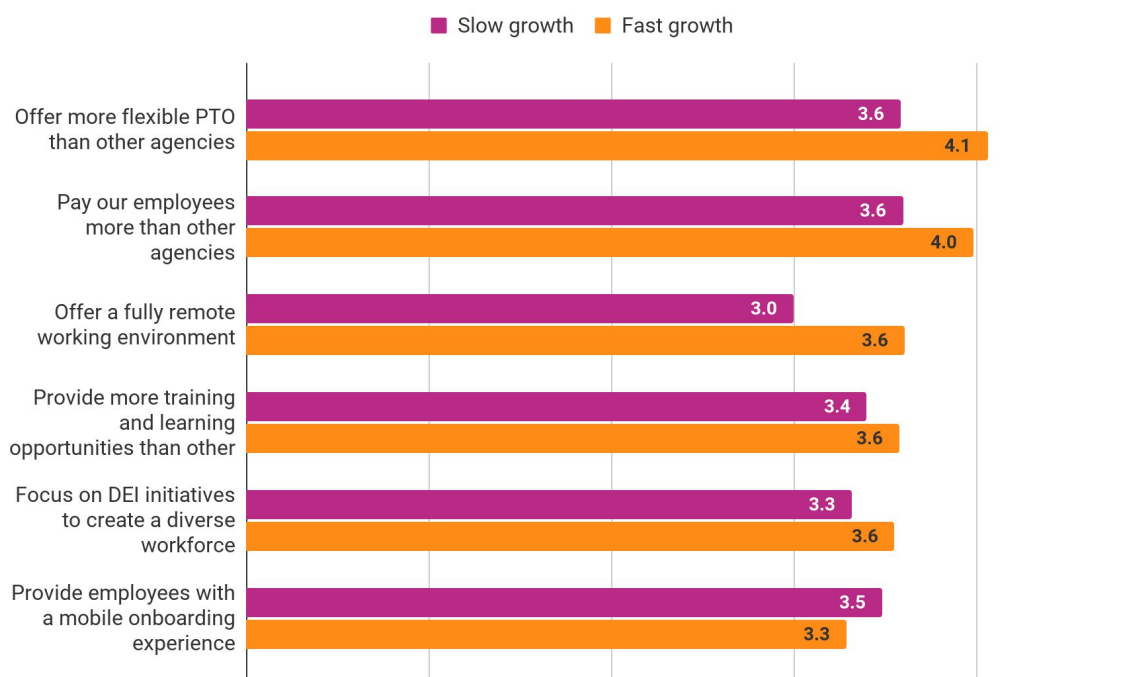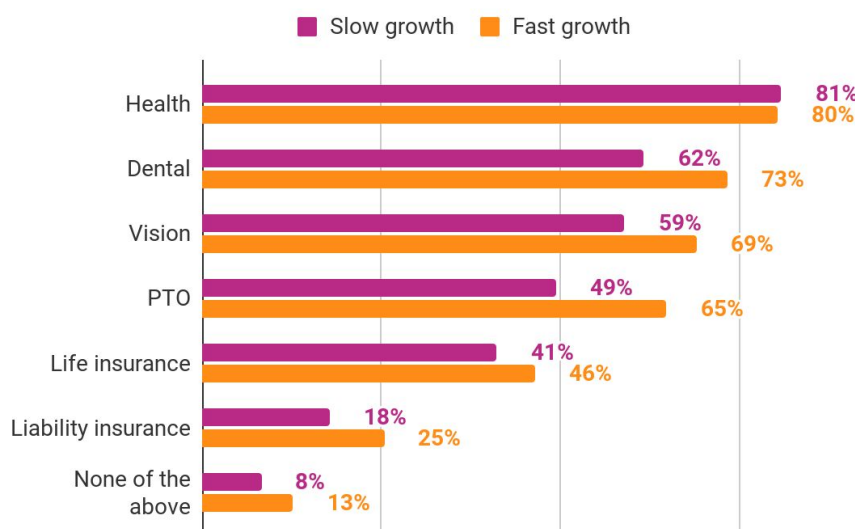
Ideal Recruiter Attributes

Legend: ■ Slow growth   ■ Fast growth

Attribute	Slow growth	Fast growth
Relationship-oriented	22%	27%
Goal-oriented	23%	20%
Resilient	12%	13%
Likable	11%	10%
Detail-oriented	8%	8%
Critical thinker	10%	9%
Tech-savvy	6%	6%
Experienced in staffing	4%	3%
Proficient in social media networking	3%	4%
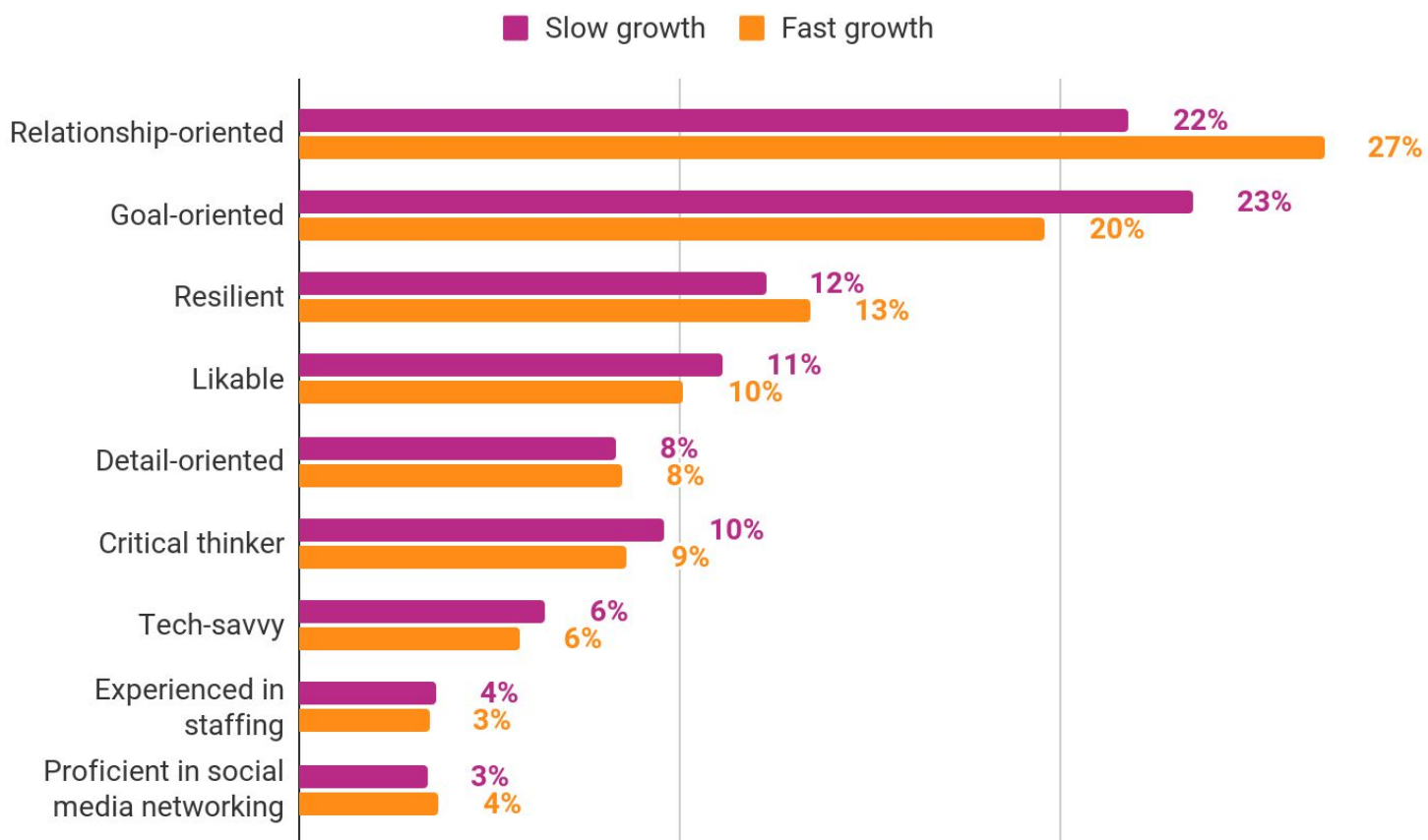
Recruiter and Candidate Experience

Offering flexible PTO was again the top initiative for creating a positive recruiter experience. In general, respondents from fast-growth companies were more likely to strongly agree with all statements except "Provide employees with a mobile onboarding experience."

Do you agree with the following statements?
(1 = Strongly disagree | 5 = Strongly agree)

■ Slow growth ■ Fast growth

Statement	Slow growth	Fast growth
Offer more flexible PTO than other agencies	3.6	4.1
Pay our employees more than other agencies	3.6	4.0
Offer a fully remote working environment	3.0	3.6
Provide more training and learning opportunities than other	3.4	3.6
Focus on DEI initiatives to create a diverse workforce	3.3	3.6
Provide employees with a mobile onboarding experience	3.5	3.3

What benefits do you offer candidates?

■ Slow growth ■ Fast growth

Benefit	Slow growth	Fast growth
Health	81%	80%
Dental	62%	73%
Vision	59%	69%
PTO	49%	65%
Life insurance	41%	46%
Liability insurance	18%	25%
None of the above	8%	13%

Health benefits remain the most common benefits agencies offer to candidates. Fast-growth companies are more likely to offer candidates all benefits except health, where there is no difference between the groups.
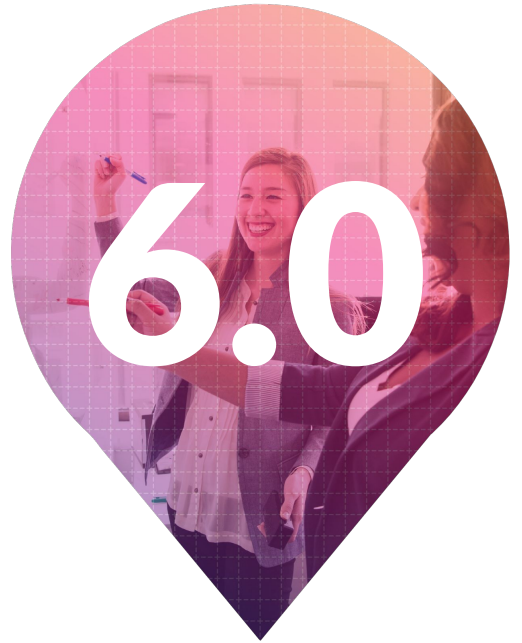
RESOURCES AND ADVICE FOR NEW AGENCIES

6.0

1. Conference Attendance and Top Publications

2. Advice for New Agency Owners

Resources & Advice

Summary

Every year, we ask respondents what conferences and resources they find most valuable. As in the past, respondents identified ASA Staffing World and SIA Executive Forum as the industry's most valuable conferences and their associated publications as the industry's most valuable content.
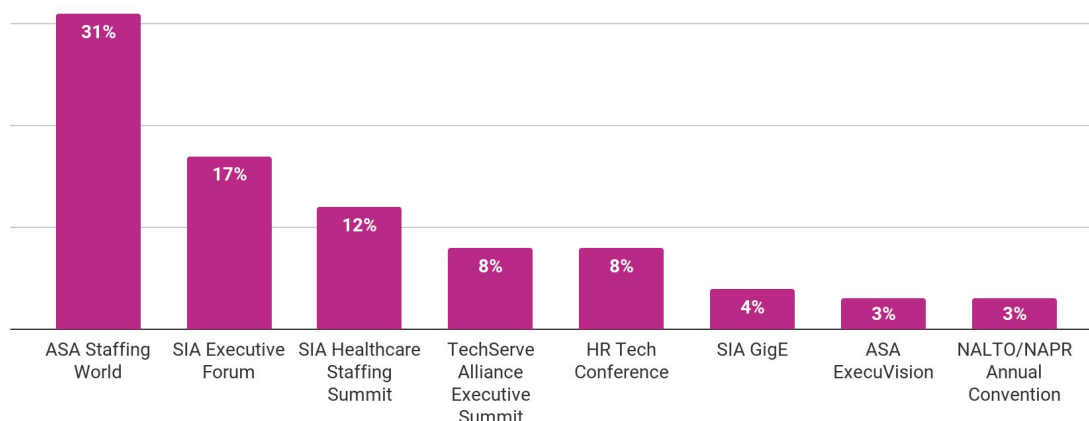
We also asked current staffing professionals about their advice for new agency owners. This year, the responses focused on the importance of adaptability and having a positive attitude, as well as taking advantage of opportunities to network with peers and mentors.

> **"Build a network of your peers."**
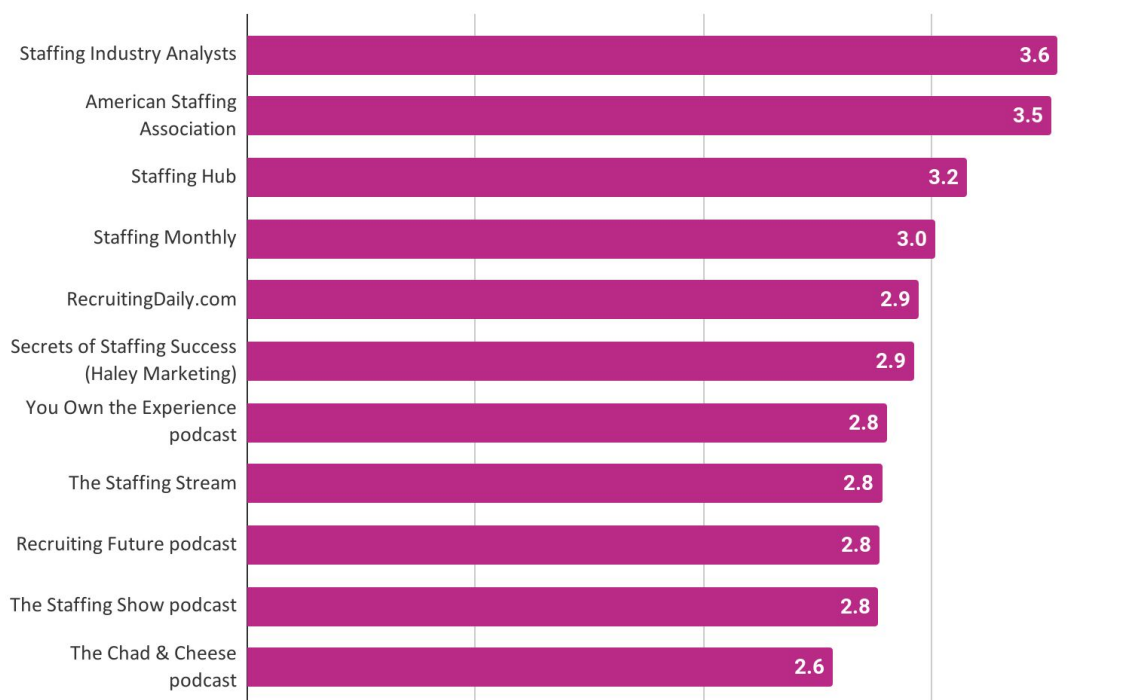>
> Survey Response

Conference Attendance

Only half of the respondents expect to attend conferences this year. ASA Staffing World and SIA Executive Forum remain the top two industry conferences.

Bar chart values:
- ASA Staffing World: 31%
- SIA Executive Forum: 17%
- SIA Healthcare Staffing Summit: 12%
- TechServe Alliance Executive Summit: 8%
- HR Tech Conference: 8%
- SIA GigE: 4%
- ASA ExecuVision: 3%
- NALTO/NAPR Annual Convention: 3%

Most Valuable Publications and Content

Staffing Industry Analysts and the American Staffing Association continue to be viewed as the most valuable resources in the staffing industry.

How valuable are the following publications, podcasts, or blogs?
(1 = least valuable | 5 = most valuable)

Publication	Value
Staffing Industry Analysts	3.6
American Staffing Association	3.5
Staffing Hub	3.2
Staffing Monthly	3.0
RecruitingDaily.com	2.9
Secrets of Staffing Success (Haley Marketing)	2.9
You Own the Experience podcast	2.8
The Staffing Stream	2.8
Recruiting Future podcast	2.8
The Staffing Show podcast	2.8
The Chad & Cheese podcast	2.6

Advice for New Agency Owners

If you're new to the industry, a few of the top recommendations from your peers include **learn as much as you can, be adaptable,** and **stay positive**.

Here are a few of the most frequent themes and comments from your peers:

> Be open to learning, be teachable, and don't be afraid to try new things on a daily basis.

> Process, process, process. Don't automate before you know what you should actually scale.

> Don't give up. Keep a positive attitude.

> Be adaptable and flexible.

> Preserve margins, work with clients who see talent as an investment and not expenses, provide benefits to employees that they value.

> Never lose your sense of humility. Be patient because the industry is always changing. Always remember the industry either has too many jobs and not enough people or too many people and not enough jobs.
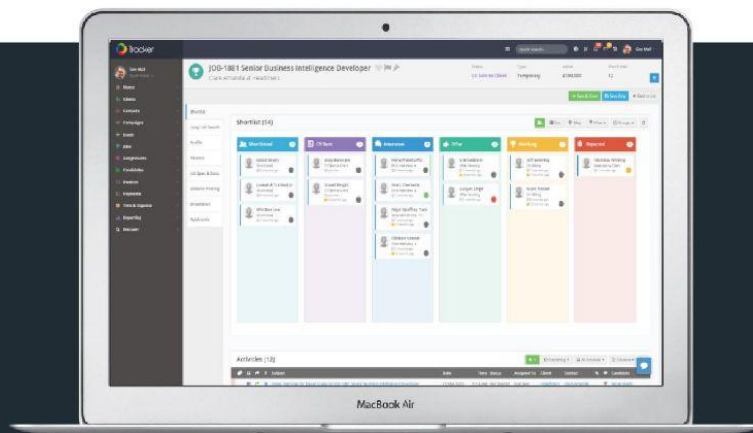
THE TEAM

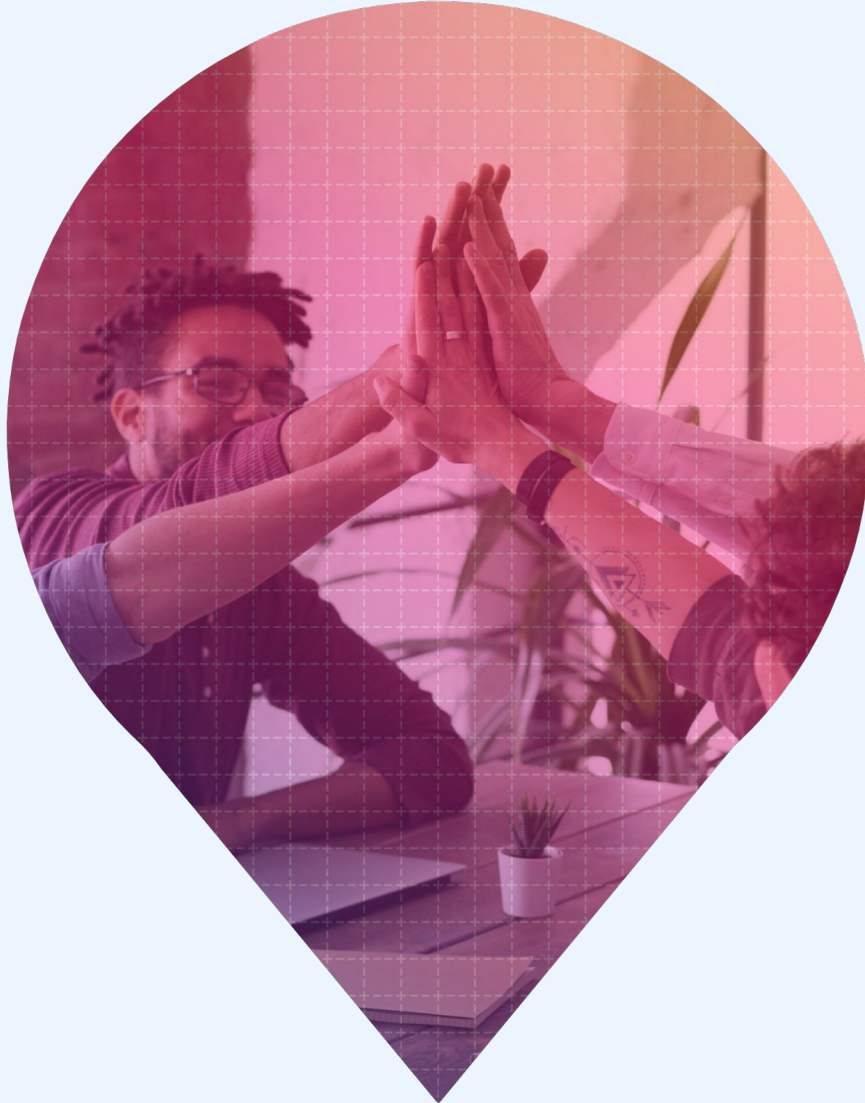**Authors:** Krista Garver and David Folwell

METHODOLOGY

In January of 2023, Staffing Hub surveyed 413 industry executives and 505 members of the workforce. Their responses are the basis of this report.

STATE *of* STAFFING

Notes

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Staffing Hub

THANK YOU!