

Staffing Trends 2019





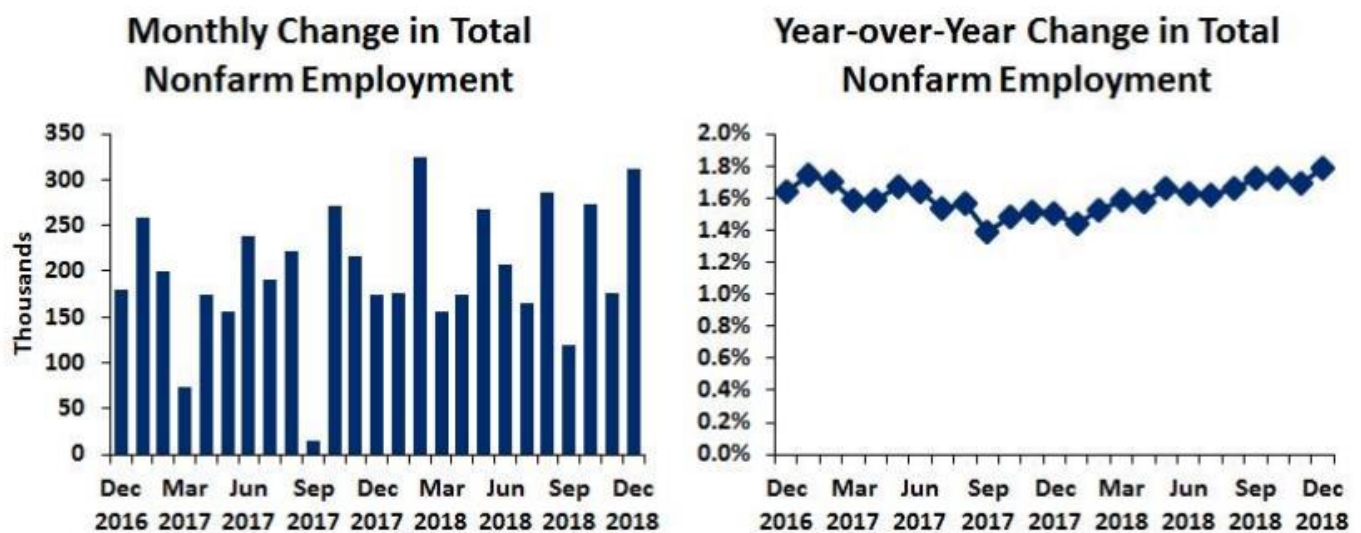
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Executive Summary

2018 was a great year for the growth of the staffing industry despite struggles associated with recruiting qualified candidates and filling orders. The year ended on a great note with December seeing an increase of 312K USD in employment and overall employment growing by 1.8% YoY.

The temp market also did show promising growth and 3 of the top temp markets outperformed in 2018. The manufacturing temp market experienced an accelerated growth of 2.3% and business and professional services grew by 2.8%. On the other hand, healthcare and finance temp markets were consistent with their past growth numbers. What is holding the market back is the churn rate. Even though the job market is looking good, the quit rate has been increasing.

Now that the business planning for 2019 has started, it is important to keep a few statistics and trends in mind. But before we do that, let us look at the industry forecast.



Source: Bureau of Labor Statistics, Staffing Industry Analysts

Global Staffing Revenue Forecast

\$466 Bn

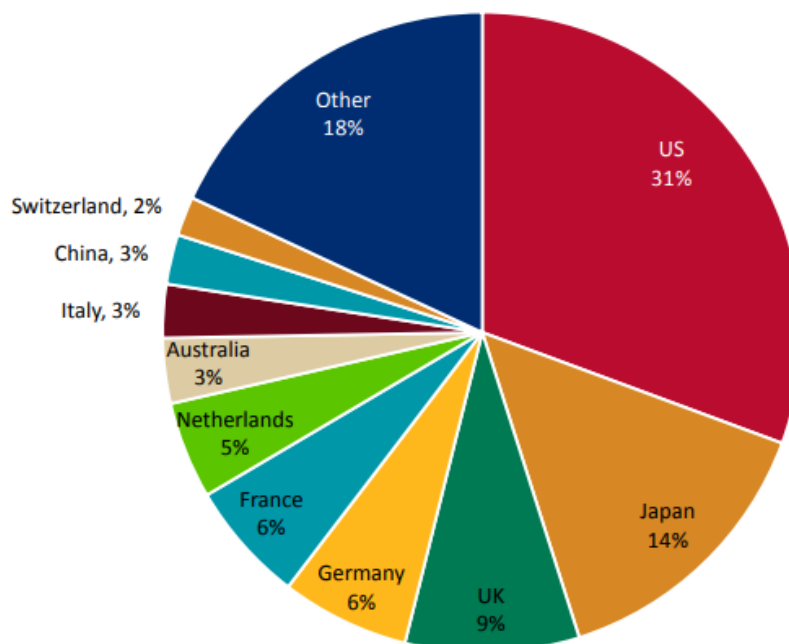
According to Staffing Industry Analysts' Report, the staffing industry worldwide generated \$466 Bn in 2017.

Top 17

The share of **US being 31%**, for Japan it is 17% and the **UK contributed to 9%** of the revenue generated. **Top 17** countries accounted for **90%** of the staffing revenue in 2017.

6%

The industry will follow the growth path as usual and the revenue will continue to grow at **6% for 2019**. Strong growth is expected in countries like Japan, China, India, and several other markets. This revenue doesn't include the temporary staffing market, which is also expected to grow at 4% this year.



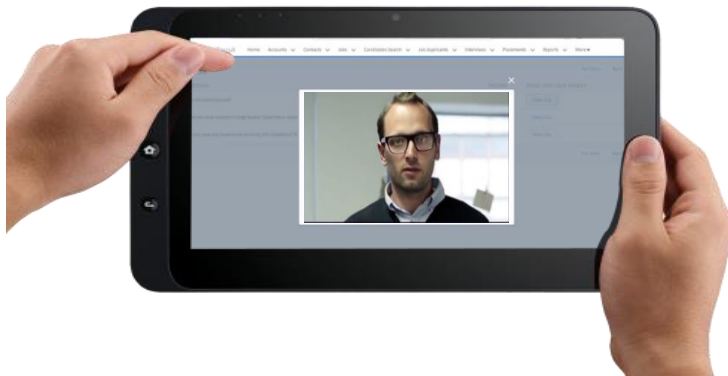
Source: Global Staffing Industry Market Estimates and Forecast: November 2018 Update, SIA

Considering these statistics, employers are expected to focus on quality hiring, offer more flexibility and go digital. Let's now look at the trends expected in 2019.

Trends to watch in 2019

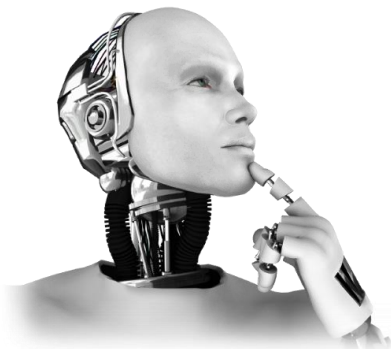
More Digital Disruptors

New digital technologies are constantly coming up to ease the life of recruiters as well as candidates. Employees and candidates will expect a high level of digital sophistication from employers in 2019. Employers will have to make sure that they are relevant in today's hiring process by embracing the right tools. Technologies like video interviewing, resume parsing, and text messaging are becoming more advanced and seeing more widespread adoption.



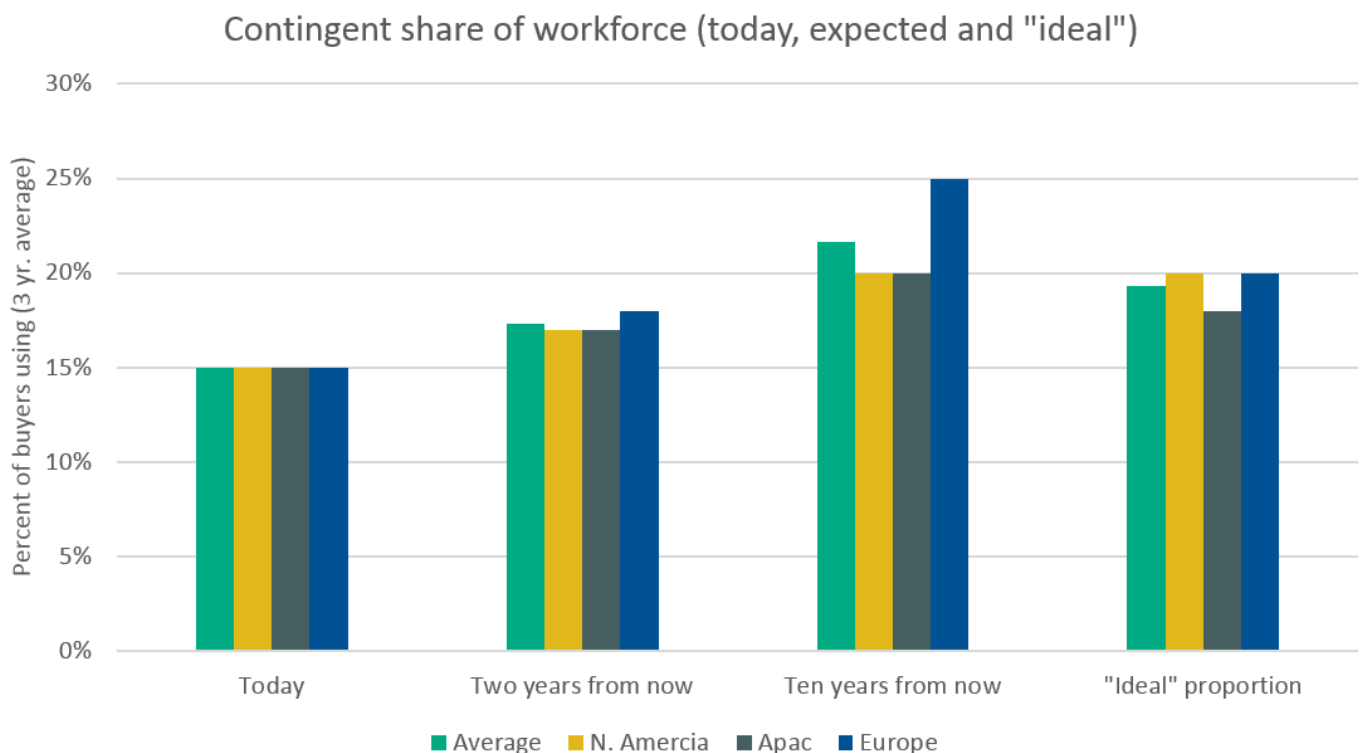
Artificial Intelligence

Well, this is a no brainer. Artificial intelligence is not only becoming a fast growing job segment, but it is also changing hiring from inside. Recommendation engines are AI driven and recruiters are now making informed decisions in shortlisting candidates. This will become aggressive in the coming year. Some larger players in the technology space have major initiatives to make AI mainstream (such as Salesforce's Einstein project) and this will start to show a larger impact on the space.



Holistic Hiring Solutions

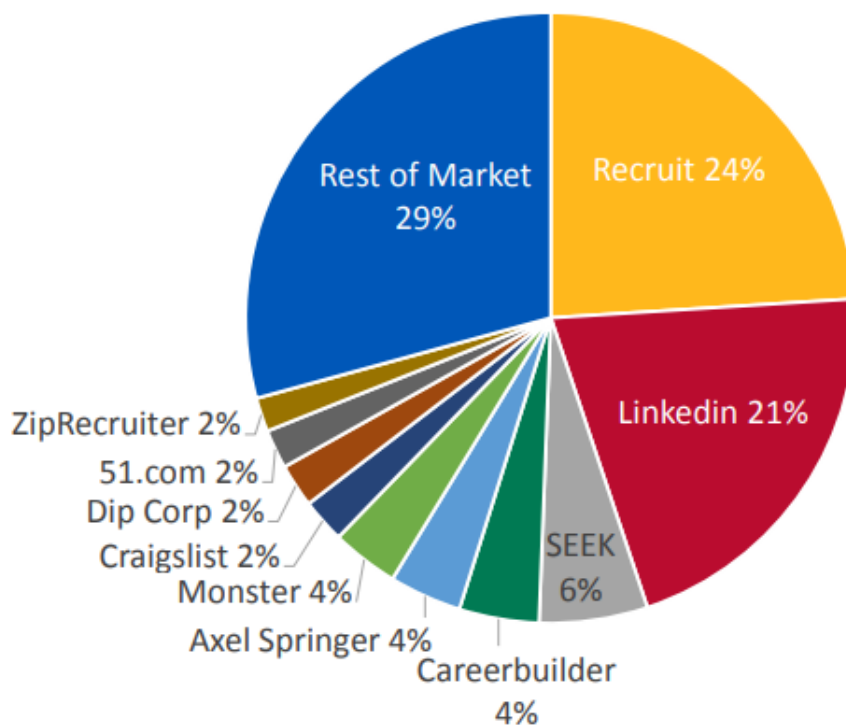
It will not be enough for staffing firms to just showcase their ability to fill job orders in 2019. They will have to create differentiators for themselves. Many staffing firms have already started offering complete hiring solutions, which integrate workforce planning for full time and gig. Contingent workforce is becoming popular and you won't be able to ignore it. Staffing firms will need tools and technology to offer this and more holistic, end-to-end solutions will prevail due to their ability to streamline processes.



Source: Contingent Workforce Strategies, Staffing Industry Analysts

Online Job Advertising

The online job advertising space for candidate discovery includes job boards, aggregators, social media, online classifieds and other digital spaces like this. In 2017, the revenue was \$13.9 Bn and its growing 14% YoY. This space will continue to grow in importance as well as revenue with more and more staffing firms and companies looking to use digital forms of candidate discovery. The chart shows the global market share of the 10 largest firms in this space, where Recruit and LinkedIn are leading with the highest market shares.



Google for Jobs

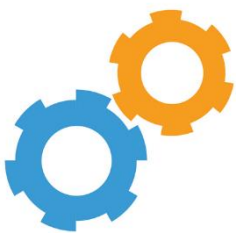
Google has two products for job search and they are becoming really popular with candidates as well as staffing firms.

Google Job Search is a search widget for candidates, which is non-sponsored and based on relevancy only. Candidates can choose the application channel as well as can use additional tools like commute distance and show similar roles to accentuate their searches. This has the potential to drive more candidate traffic to the jobs.

Another product is Google Cloud Job Discovery, which is meant for staffing firms. This way staffing firms can offer Google-like search service on their job boards. This is priced on a per search basis and thousands of staffing firms are reportedly partnered with it already.



Relevant Screening



Many staffing companies over-screen candidates and in the process lose out on some good ones. Running background checks is good but you will need industry-specific, job-specific screening processes. Make sure your ATS supports the creation of customized screening parameters because staffing firms will need to do away with irrelevant checks in 2019. This will also lead to reduced time-to-fill and will keep hiring costs low.

Newer Dynamics

In addition to the above trends, there are aspects of work culture and hiring that are taking a new shape and changing the way the staffing industry operates, like:

- Diversity and inclusion will be a major focus in 2019 for staffing firms and corporate alike. Employers will make sure that they are able to attract a wider talent pool.
- On-demand training and dedicated career coaching is becoming an expectation of employees and the churn numbers have greatly started depending on it.
- The definition of a quality candidate will change and it will be more focused on the probability of retention than anything else

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