

2019

Staffing's Greatest Challenges

Report



AVIONTÉ
Staffing & Recruiting Software

Report Overview

Only a handful of industries are as fast-paced and genuinely fulfilling as the staffing industry. There's just something special and rewarding about putting the nation to work.

However, success doesn't come easy to this trade. Succeeding in staffing takes passion, hard-work and a certain willingness to overcome the frequent obstacles hurdled at the industry. Between shifting regulations, variable compliance policies and constantly evolving technology, change seems to be the only constant in staffing. Today's staffing challenges will not be the same as tomorrows.

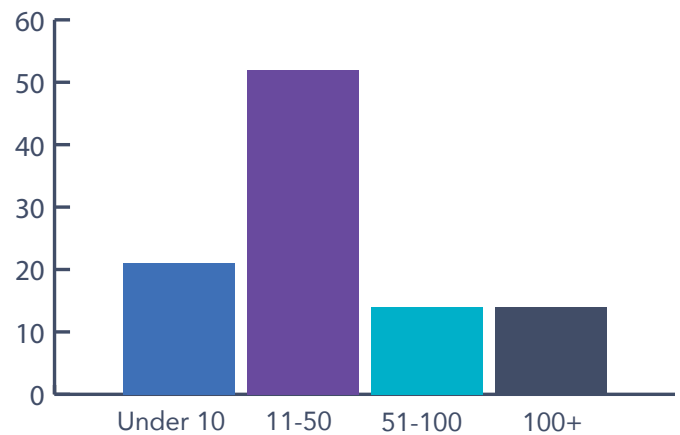
The good news is you're not alone in your endeavors and challenges are meant to be overcome.

This thought is exactly the reasoning behind this report. We wanted to get a true feel for what challenges are currently facing the staffing industry so that you're prepared for them and have confidence that you're not alone.

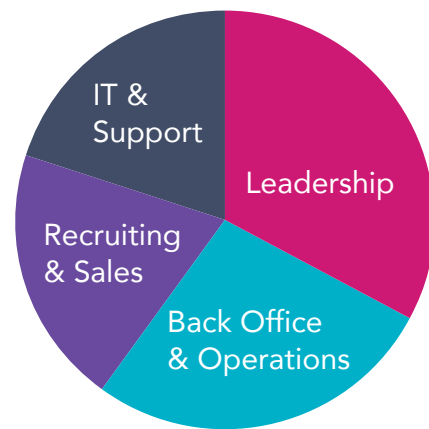
We surveyed over **450 staffing professionals** from all corners of the industry to discover precisely what the biggest challenges they are facing in their businesses today. This report will unveil what's keeping staffing execs up at night to the everyday obstacles that impact the entire organization.

Survey respondents ranged in roles, verticals and sizes across the staffing industry. We uncovered a long list of challenges facing staffing professional today, including three very clear front runners that nearly every firm cited as a leading challenge for their organization in 2019.

Breakdown of Respondents by Number of Employees



Breakdown of Respondents by Staffing Roles



Top Responses

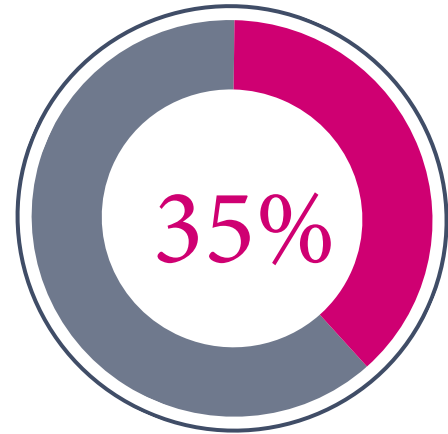
#1. Finding Talent

According to over a third of survey respondents, finding talent remains the biggest challenge for 2019.

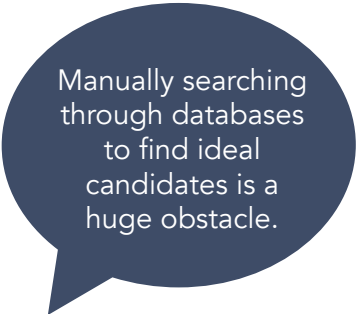
This isn't too surprising considering finding qualified candidates was also the biggest day-to-day challenge for the [2019 State of Staffing Industry Growth](#) report by StaffingHub.

Discovering new and qualified talent to fill job orders, both temporary and permanent has continuously been one of the core roles of a recruiter but due to the record low unemployment rate and outdated sourcing technologies, finding talent has rarely been as difficult or competitive as it is today.

With more Americans working, there's less talent to pull from causing a disturbance in the job placement rate. Many staffing firms are looking for new and innovative ways to bring talent into their ATS while others are searching for faster ways to find ideal talent within their existing databases.



of respondents stated finding talent as their greatest challenge.

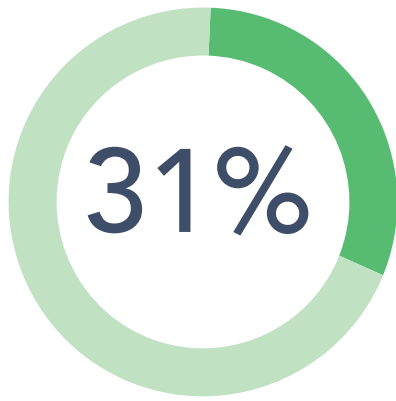


Manually searching through databases to find ideal candidates is a huge obstacle.



"Time is money for us in staffing. The faster we put someone to work, the faster we make money,"

- MICHAEL KOHN, IMPACT EMPLOYMENT SOLUTIONS



said streamlining and driving efficiencies is their biggest challenge.

#2. Streamlining and Driving Efficiencies

Words like, “manual, legacy and outdated technology,” continue to plague staffing & recruiting organizations. Most staffing firms interested in growth are at least looking (if not implementing) for new ways to improve processes, increase efficiencies and streamline operations.

According to our study, 31% of survey responses indicated that streamlining and driving efficiencies was their biggest challenge.

Using outdated technology or manually performing tasks like printing W-2s or faxing resumes are still widely used across the staffing world today, costing precious time and resources. Many firms are looking to streamline efficiencies and achieve a higher growth potential by harnessing staffing & recruiting technology.

#3. Adapting New Technologies

Technology is always evolving and changing rapidly. In the fast-pace and highly competitive market of staffing, this is no exception. Around 13% of survey respondents said that adopting new technologies was their biggest challenge in 2019.

Whether it’s an applicant tracking system (ATS), recruitment chatbots, AI technology or a recruitment marketing tool, staffing technology can have a huge impact on growth and day-to-day staffing tasks. Perhaps the biggest challenge with staffing technology is choosing the right technology.



pointed to adopting new technologies as their biggest challenge.

“One of the biggest challenges our organization faces is keeping pace with the change in technology that our talent requires.”

- HEATHER, AVIONTÉ CONNECT ATTENDEE

Other Top Challenges

Finding talent, driving efficiency and implementing technology are the clear front runners for 2019. The following were also amongst the list of highly ranked responses.



Not Filling Jobs Fast Enough

With an unemployment rate around 3.7% (July 2019), there's currently more open positions than candidates available to fill them. In an industry where putting people to work is the main objective, how do you put people to work if they're already working? This sobering thought has kept plenty of staffing professionals awake at night.



Customers Demanding Lower Markups

According to the Bureau of Labor Statistics, average hourly earnings have risen by 3.2% over the previous year. This steady increase in employee wages has created a bit of turbulence in the staffing industry. More and more customers are demanding lower markups from their staffing & recruiting partners in an attempt to maintain profitability.



Turnover is Atrocious

It's estimated that 41 million people voluntarily quit their jobs last year (up 8% from 2017) and rising. It's predicted to jump even higher in 2020 to 47 million or roughly 1 in 3 workers. Between lack of career development, work-life balance and pay – employers are struggling to find ways to get employees to stay.



Poor Candidate Experience

The candidate experience can make or break a placement. According to a talent relationship marketing study, 60% of job seekers report a negative experience and 72% of whom write about it on the employer-review website.



Ensuring Compliance Nationwide

The increase in employment rules and regulations across the national and state level have put many staffing firms in a catch 22 situation. On one side, more regulations make customers want to use staffing firms to avoid navigating around the changing laws, rules and regulations. On the other side, it squeezes the margins and makes it difficult to do business and stay in compliance.



Increasing Cost of Growing Back Office Administration

The back office is the main artery of many staffing organizations, often consuming copious financial and employee resources. The back office is also a common area of bottlenecks due to outdated technology and manual processes, which increases overhead expenses and drives down profitability.



Gig Economy

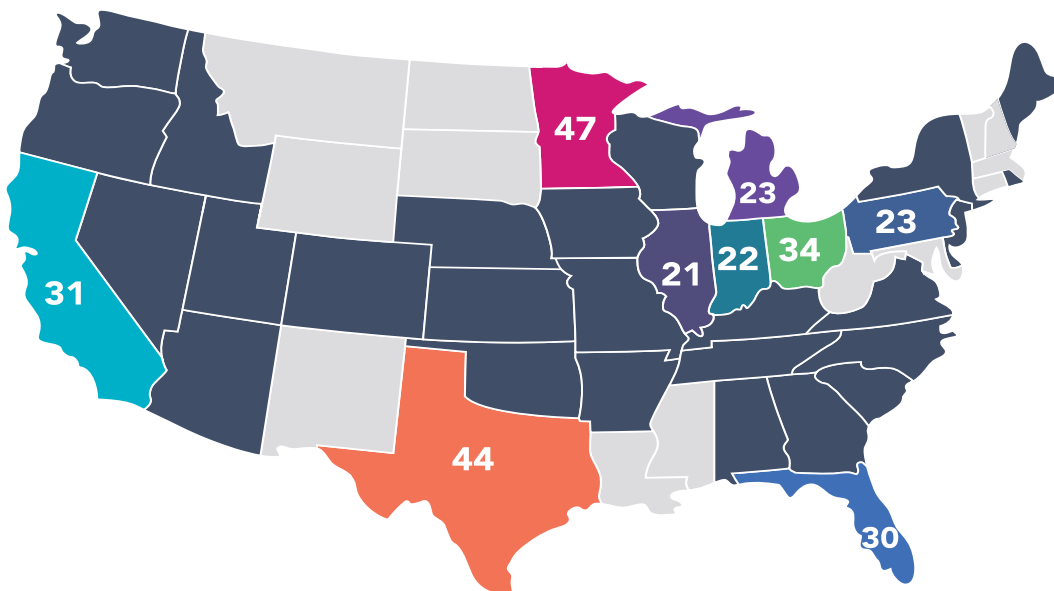
The gig economy has no doubt caught up to the staffing industry. Traditional staffing & recruiting agencies must now compete with everything from Uber to 99 Designs for talent. With all the self-directed employment options, staffing companies are challenged to find a way to remain a valid option for candidates seeking flexible employment.



Recruiters Getting Burnt out

Today's recruiters are asked to work harder and deliver more during an extremely intense employment climate. From spending hours sourcing new candidates to building relationships, recruiters wear a lot of hats. With all this pressure, responsibility and challenges, many are getting burnt out, putting more pressure on staffing firms to find ways to keep internal teams happily employed.

Top Responses by State



Final Thoughts

While a lot of these challenges may seem discouraging, this download only aims to identify them and let you know that you're not alone in your efforts.

Since the history of civilization, challenges have always been present, slyly offering great opportunity to those willing and determined to overcome them. The staffing industry is ripe with opportunity.

It just takes a little passion, hard-work and a willingness to overcome the frequent challenges flung at the industry.

"There are no negatives in life, only challenges to overcome that will make you stronger."

- ERIC BATES

Source Better.
Onboard Faster.
Place Sooner.

AVIONTÉ



LET'S GO



Delivering innovative front and back office software solutions for over a decade, with great partnerships and continuous development. Avionté is driven to bring you the best products and services the industry has to offer.

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