How to Grow Your Staffing Agency:
Monitor These Industry Trends

loneoak
PAYROLL

INTRODUCTION

To successfully and sustainably grow your staffing agency, there is no perfect formula or magic trick. The best course of action for any staffing agency owner is to trust their own business instinct and maintain a thorough knowledge of economic and staffing industry trends and forecasts. This white paper outlines eight current trends in the staffing industry to help you make smart business decisions for your staffing agency's future.

CONTENTS

1. Employee Engagement
2. Recruiting and Onboarding
3. Mobile Staffing
4. Job Postings and Website Optimization
5. Social Media
6. Integrated Front and Back Office Staffing Software
7. Outsourced Payroll Services
8. Outsourced Payroll Tax Services

1. EMPLOYEE ENGAGEMENT

Employee engagement remains a hot topic of discussion in the staffing and recruiting industry as a tight labor market due to the low unemployment rate continues to present challenges. Staffing agency recruiting teams have their work cut out for them as they experience increased pressure to retain qualified employees through engagement tactics.

INDUSTRY TRENDS

It's estimated that turnover costs the U.S. economy $30.5 billion each year. (Gallup, Millennials: The Job-Hopping Generation)

Only 33% of employees in the U.S. are engaged. (Gallup, Designing Your Organization's Employee Experience)

2. RECRUITING AND ONBOARDING

Improving the candidate experience will be a top concern for staffing agencies as recruiting continues to be a challenge due to the tight labor market. Staffing agencies will search for creative ways to build a positive candidate experience and increase employee engagement. This includes leveraging new mobile staffing tools for recruiting and employee engagement.

INDUSTRY TRENDS

For 2018, the top concern for staffing firms was attracting and retaining top talent. (American Staffing Association, Staffing Industry Playbook 2018)

Only 12% of employees strongly agree that their organization does a great job of onboarding. (Gallup, Designing Your Organization's Employee Experience)

loneoak
PAYROLL

3. MOBILE STAFFING

Don't fall behind the mobile curve when it comes to staffing technology. With the tight labor market, job seekers are at an advantage and you can't afford to give them a reason to go to your competitor. Investing in mobile staffing technology can help boost your recruiting and sales efforts.

INDUSTRY TRENDS

76% of staffing clients and candidates think a staffing firm using the most up-to-date technology differentiates them from the competition. (CareerBuilder and Inavero, Staffing Advantage Report: Where to Make the Right Technology Investments in Staffing)

33% of HR managers saw bigger candidate drop-off rates when their applicant tracking system was not mobile-optimized. (CareerBuilder, Reduce Time To Hire)

77% of active job seekers search for jobs using mobile devices at least weekly. (Inavero and American Staffing Association, 2018 Candidate Influence Report)

4. JOB POSTINGS AND WEBSITE OPTIMIZATION

Make sure your website and job postings have the relevant keywords to rank in search engine results from both prospective candidates and clients. Make sure to include the most commonly searched for terms (e.g. forklift operator) as well as the location of the job. You won't get candidates to apply if they don't see your job posting in the first place!

INDUSTRY TRENDS

30% of mobile searches are related to a location. (Google, 2016)

61% of marketers say improving SEO and growing their organic presence is their top inbound marketing priority. (HubSpot, 2018)

Organic SEO is about 5.66 times better than paid search ads in achieving digital marketing goals. (New Media Campaigns, 2018)

5. SOCIAL MEDIA

Don't settle for vanity metrics like followers. Social media platforms should be used to achieve business goals, not just because "everyone" uses it. For example, if you use your social channels primarily for recruiting, set metric goals and a content marketing strategy to help support your recruiting goals. You can't calculate the social ROI without the metrics to back it up.

INDUSTRY TRENDS

79% of job seekers use social media in their job search. (Recruitics.com Report)

86% of job seekers in the first 10 years of their career use social media in their job search. (Recruitics.com Report)

9 of 10 companies use some form of social media to attract, source and engage qualified talent. (Recruitics.com Report)

6. INTEGRATED FRONT AND BACK OFFICE STAFFING SOFTWARE

There are many different options for staffing software systems on the market. Start by searching for staffing software that offers the functionality that aligns to your staffing agency's industry. Next, make sure you invest in a staffing solution that provides a seamless experience between front and back office functions. A separate system for front office tasks, such as applicant tracking and customer relationship management processes, and a separate system for back office functions may not seem like a big deal when your staffing agency is small; however, this set up is difficult to scale as your staffing agency grows.

INDUSTRY TRENDS

78% of employers using an applicant tracking system say the technology makes finding great talent easier. (CareerBuilder, 2017 Candidate Experience Study)

Common technology frustrations for staffing agency employees include: Candidate data is outdated, too many different programs and needs to be streamlined, lack of integration with other internal systems. (CareerBuilder and Inavero, Staffing Advantage Report: Where to Make the Right Technology Investments in Staffing)

7. OUTSOURCED PAYROLL SERVICES TRENDS

When a staffing agency is small, administrative functions such as payroll and invoicing may seem like a simple task to complete internally. But, as your staffing agency starts to grow, it is important to keep in mind alternative options. Outsourcing payroll services can create many efficiencies for your office operations, help to mitigate the risk of tax penalties and compliance issues, and can enable you to focus more resources on revenue-generating tasks like sales and recruiting.

INDUSTRY TRENDS

"Small business operators are specialists in their particular field, but not necessarily experts in business administrative tasks such as bookkeeping and payroll. Many of these small business managers consider their time better spent performing core business functions to grow company operations, rather than handling administrative tasks. This factor is the primary motivation for small businesses to outsource payroll and bookkeeping. The outsourcing of such administrative services also ensures businesses will not experience action from the Internal Revenue Service (IRS) or other regulatory bodies for incorrect payments and withholdings."

- IBISWorld Industry Report 54121b Payroll and Bookkeeping Services in the US

8. OUTSOURCED PAYROLL TAX SERVICES TRENDS

Making sure that you're making timely adjustments to changing tax codes is an increasingly tricky issue for staffing agencies to handle internally. As you look to expand your staffing agency and possibly open new branches in different cities and states, taxes become a more complex area for staffing agencies to manage without outside help or a dedicated internal tax team. Rapidly growing staffing agencies should evaluate the pros and cons of keeping an internal tax team versus outsourcing payroll tax services in order to reduce risk of tax penalties or being noncompliant with new tax codes and regulations.

INDUSTRY TRENDS

"Furthering this trend are tax codes that regularly evolve to become more complex; this includes the recent 2017 overhaul to the domestic tax system put in place by the current presidential administration, known as the Tax Cuts and Jobs Act. Business owners that do not possess the expertise necessary to pay taxes and handle payroll in accordance with federal, state and local taxes are likely to outsource payroll services. Companies are often willing to pay for industry services to reduce the potential for paying such fines. Tax code has become increasingly complex since 2013, which has made it more difficult for businesses, and particularly smaller businesses, to submit payroll taxes in accordance with regulations. This has led more businesses to outsource payroll to companies with expertise in this area."

- IBISWorld Industry Report 54121b Payroll and Bookkeeping Services in the US

SOURCES:

1. **Gallup, Millennials: The Job-Hopping Generation**, *https://www.gallup.com/workplace/236474/millennials-job-hopping-generation.aspx*

   Gallup, Designing Your Organization's Employee Experience, *https://www.gallup.com/workplace/242240/employee-experience-perspective-paper.aspx*

2. **American Staffing Association, Staffing Industry Playbook 2018**, *http://www.asa-digital.net/amstaffingassoc/2018_staffing_industry_playbook*

   Gallup, Designing Your Organization's Employee Experience, *https://www.gallup.com/workplace/242240/employee-experience-perspective-paper.aspx*

3. **CareerBuilder and Inavero, Staffing Advantage Report: Where to Make the Right Technology Investments in Staffing**, *https://resources.careerbuilder.com/guides/making-smarter-technology-investments*

   CareerBuilder, Reduce Time To Hire, *https://resources.careerbuilder.com/guides/reduce-time-to-hire-infographic*

   Inavero and American Staffing Association, 2018 Candidate Influence Report, *http://go.inavero.com/2018-candidate-influence-report-glassdoor-inavero*

4. **Google, 2016, accessed through HubSpot, Search Engine Optimization Statistics**, *https://www.hubspot.com/marketing-statistics*

   HubSpot, Search Engine Optimization Statistics, *https://www.hubspot.com/marketing-statistics*

   New Media Campaigns accessed through HubSpot, Search Engine Optimization Statistics, *https://www.hubspot.com/marketing-statistics*

5. **Recruitics.com Report, accessed through NexGoal, Not Using Social Media for Your Job Search is a Mistake**, *https://www.nexgoal.com/not-using-social-media-for-your-job-search-is-a-mistake/*

6. **CareerBuilder, 2017 Candidate Experience Study**, *https://resources.careerbuilder.com/guides/candidate-experience-guide*

   CareerBuilder and Inavero, Staffing Advantage Report: Where to Make the Right Technology Investments in Staffing, *https://resources.careerbuilder.com/guides/making-smarter-technology-investments*

7. **IBISWorld Industry Report 54121b Payroll and Bookkeeping Services in the US**, *https://www.ibisworld.com/industry-trends/market-research-reports/professional-scientific-technical-services/professional-scientific-technical-services/payroll-bookkeeping-services.html*

8. **IBISWorld Industry Report 54121b Payroll and Bookkeeping Services in the US**, *https://www.ibisworld.com/industry-trends/market-research-reports/professional-scientific-technical-services/professional-scientific-technical-services/payroll-bookkeeping-services.html*