

How to Thrive in a Tight Post-Pandemic Labor Market



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Insights from the latest staffing industry research



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About ClearlyRated



Est. 2003

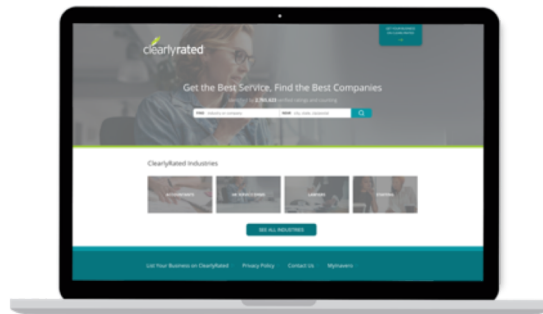
Focus on professional service providers since 2007

We believe it's **good business** to place client and employee satisfaction at the heart of your growth strategy.



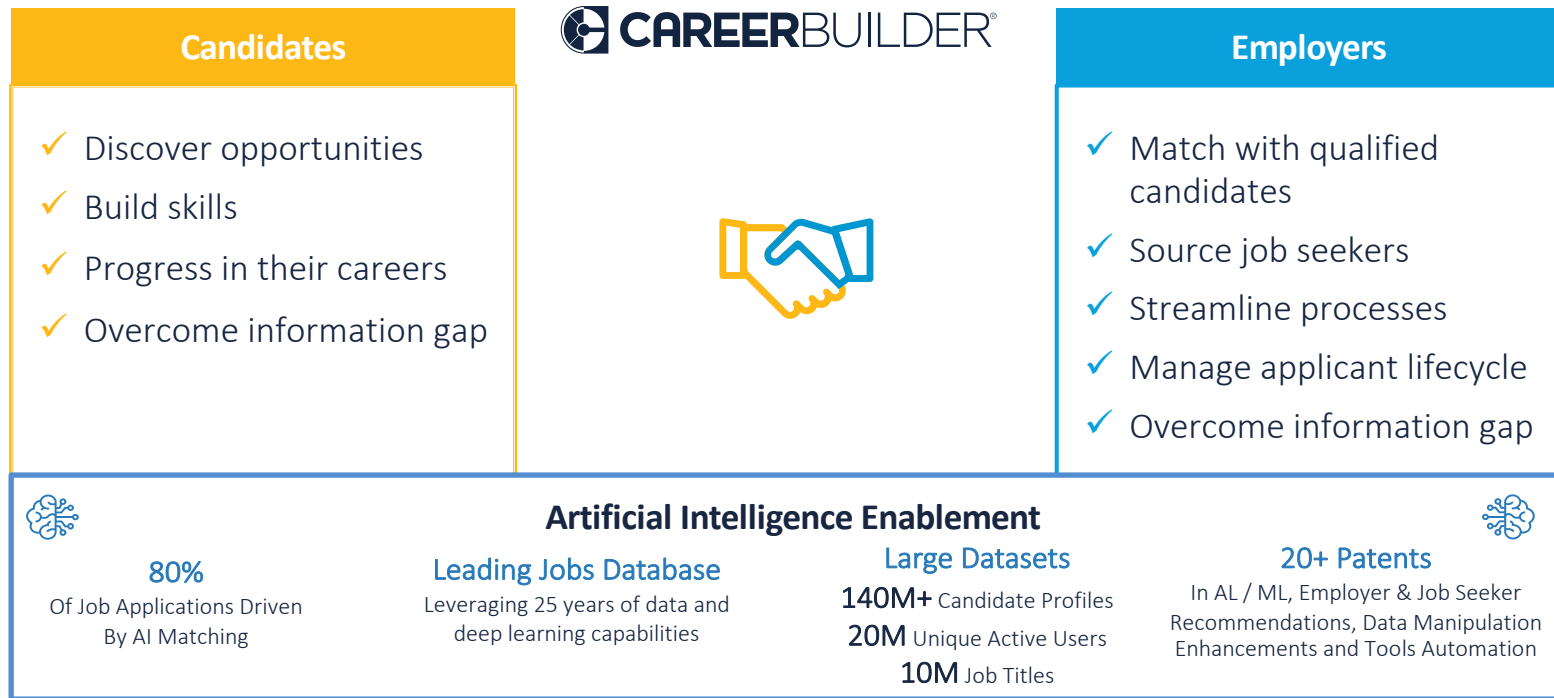
Annual survey & award program for client, talent, and employee satisfaction.

Recognizes firms that have demonstrated exceptional service quality based exclusively on ratings provided by their clients, candidates, and internal staff.



Online service provider directory that translates client and talent satisfaction scores into online ratings and testimonials.

Unique combination of technology & candidates in one platform disrupts how companies acquire candidates and streamlines recruiting



About the Research

2021 Staffing Buyer Study

- What factors influence the decision to hire a staffing firm?
- What matters most when it comes to client satisfaction?
- What factors drive client loyalty?
- How do hiring managers perceive, find, and buy from staffing firms?
- The current and lasting effects of COVID-19 on hiring practices, economic conditions and remote work

Sample: 603 hiring managers

Timeline: March – April 2021

2021 State of the Staffing Professional Study

- What drives internal employee satisfaction and loyalty at staffing firms?
- Remote work trends in the staffing industry
- What factors impact employee attraction, retention, and career outlook at staffing firms?
- How are employees dealing with the ongoing effects of COVID-19?

Sample: 513 internal employees

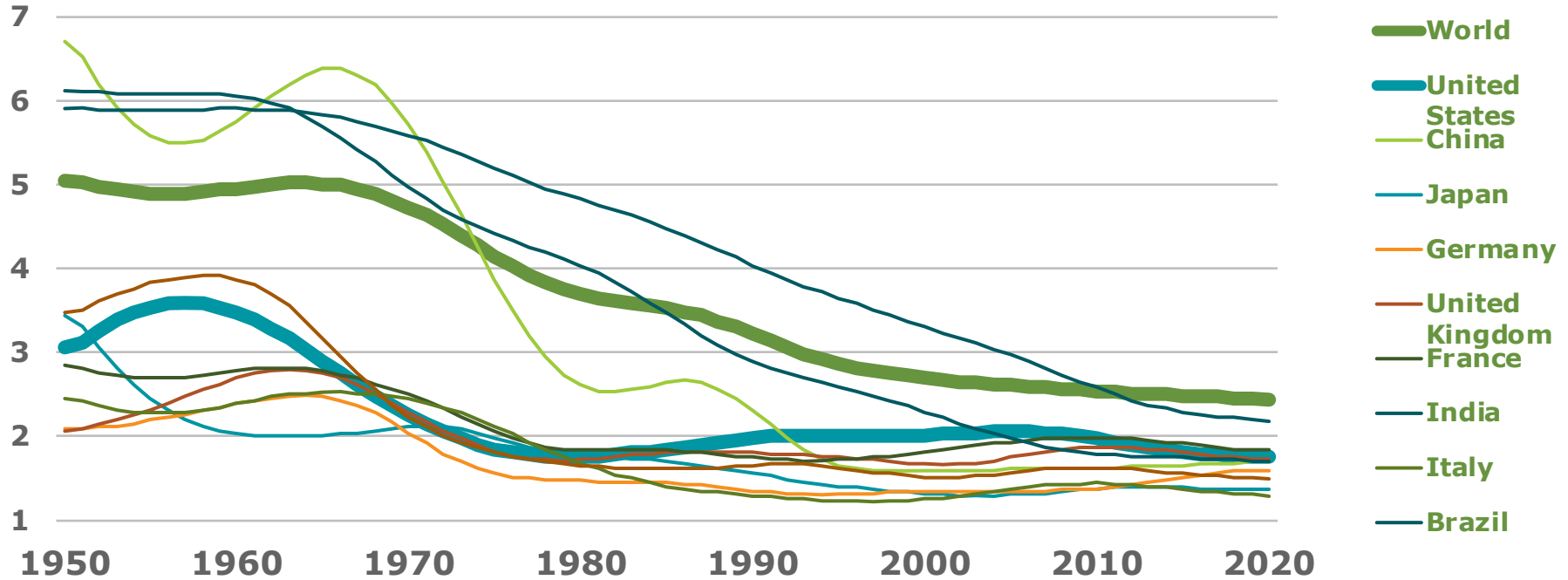
Timeline: March – May 2021



Macro Trends Impacting Staffing

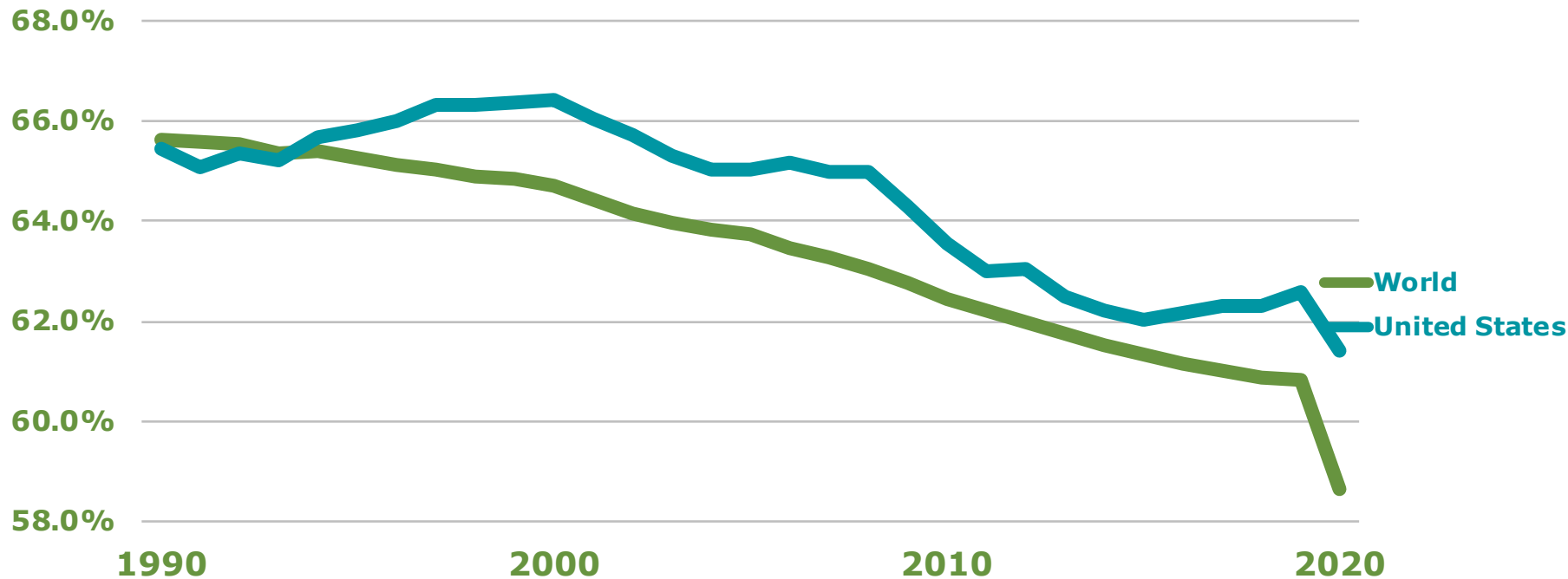
World and U.S. fertility rate declines will impact staffing

Fertility Rate Falls Below Replacement in
90% of Top 10 Global Economies



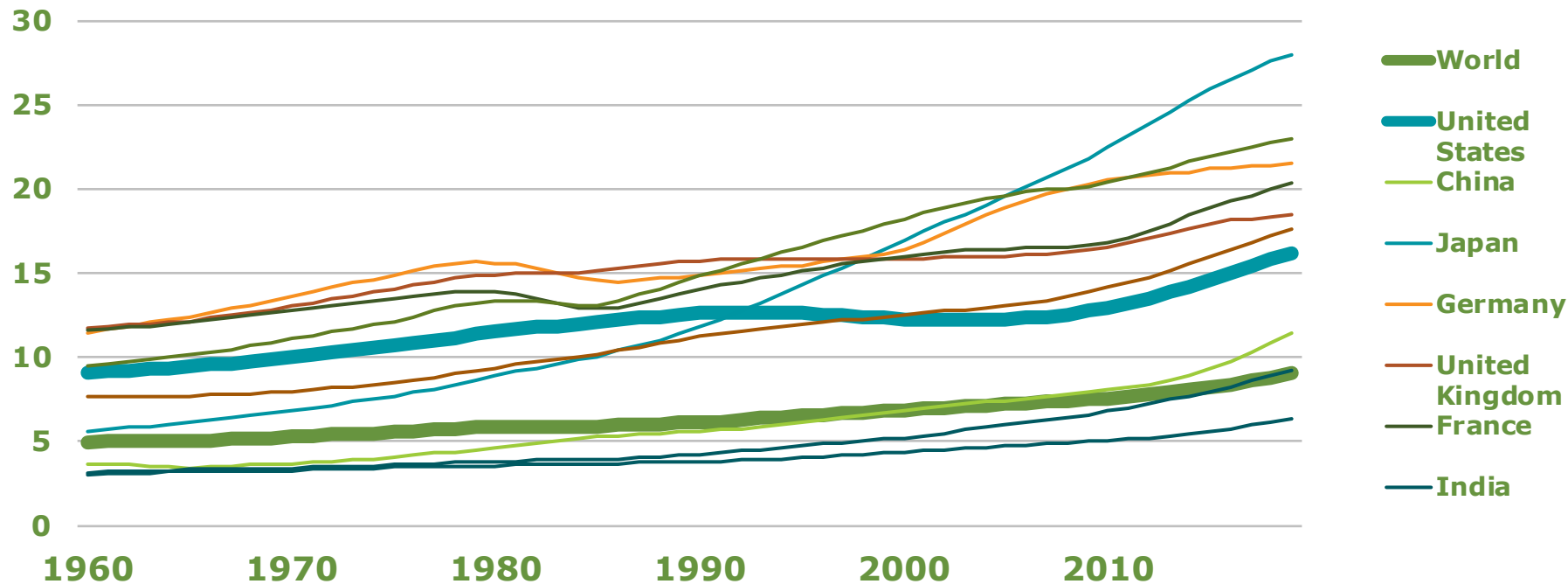
And many eligible workers are opting out of the workforce

Labor Participation Rates Are Falling Across the Globe



While world populations are living longer

Percentage of Population 65+ Years of Age



While world populations are living longer



Macro Trends

Discussion



A photograph of three professionals in a modern office setting, overlaid with a green tint. On the left, a man in a suit stands and looks towards the center. In the middle, a woman in a light blue shirt stands with her arms crossed, looking towards the right. On the right, a woman in a patterned shirt sits in a chair, looking up and smiling. The background shows office desks, chairs, and large windows.

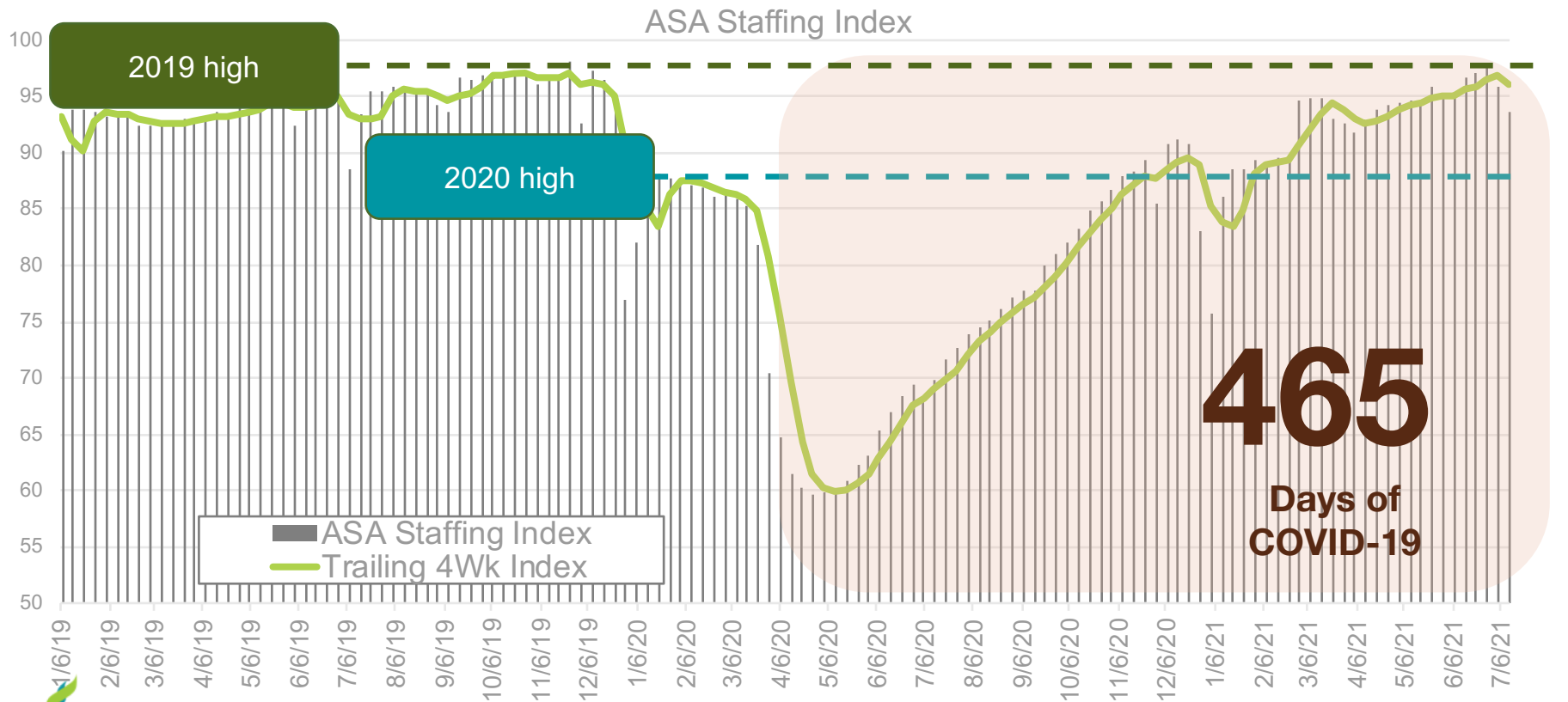
Industry Update: July 2021

— Poll —

Which of the following best describes where your firm is currently, compared to pre-pandemic levels?

- a) **Behind where we were pre-pandemic**
- b) **Back to pre-pandemic levels**
- c) **Above pre-pandemic levels**

ASA weekly index nearing 2019 highs



A Common Misconception: Low-wage workers are the only workers not applying for jobs.

50% of job openings in construction are for *skilled* workers. The demand far outweighs the supply.

Insights into factors like compensation are valuable when trying to find candidates.

| Occupation | Demand per candidate |
|---------------|----------------------|
| Nurse | 53:1 |
| Software Dev. | 24:1 |
| Server | 22:1 |

Compensation Summary: Server in Atlanta, GA

[Download](#)

Based on your search within a 30-miles radius of Atlanta, GA, this position earns between \$16.83 to \$24.04 per hour. The typical candidate earns the median of \$19.23 per hour, holds a High School, and has 3-5 years of experience.



Source: NFIB Small Business Jobs Report, May 2021; Internal CareerBuilder Data, CareerBuilder tool Supply & Demand

Industry Trends

Discussion

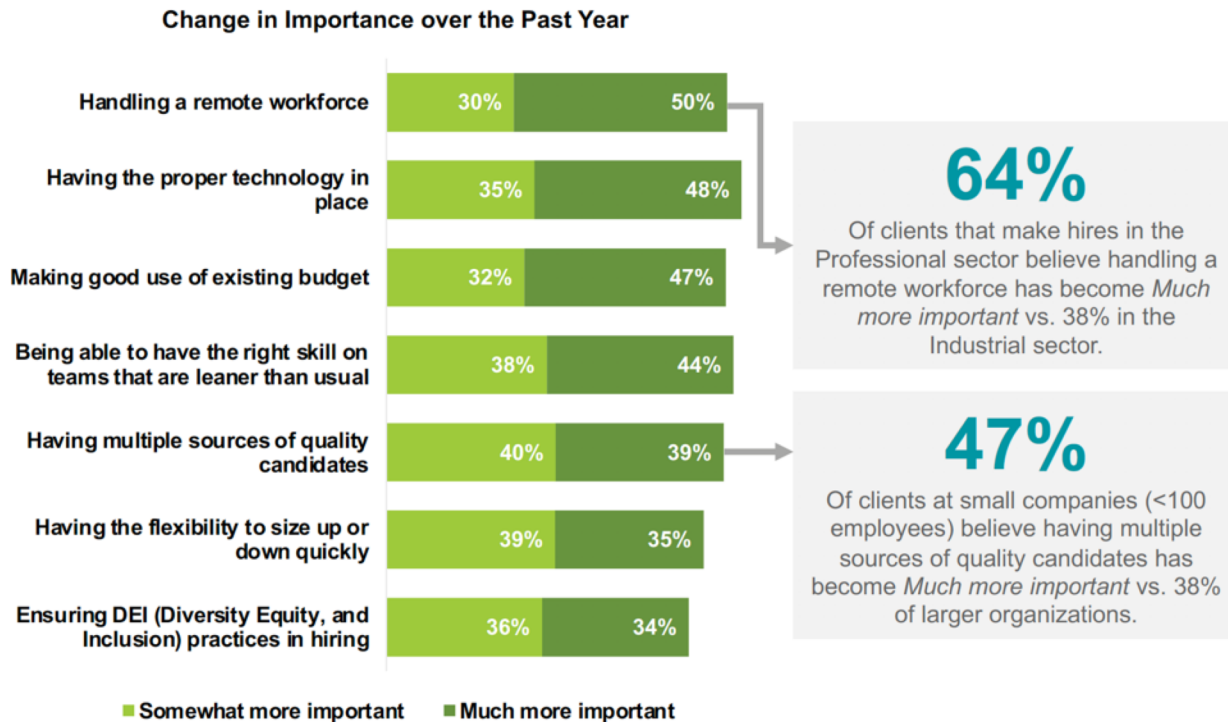




Staffing Buyers Post-COVID

The current and lasting effects on hiring practices,
economic conditions and remote work

Handling a remote workforce and having the proper technology to do so are top of mind for many organizations



While optimism is high, nearly 1/3 agree that COVID has permanently impacted their industry in a negative way

Agreement with Statements on the Impacts of COVID-19

I am optimistic about the next 12 months at my organization.



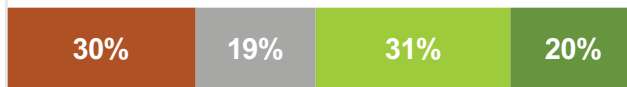
My organization will ultimately be in a stronger position competitively as a result of COVID-19.



Hiring at my organization is more difficult now than it was before COVID-19.



COVID-19 has permanently impacted my industry in a negative way.



■ Disagree ■ Neutral ■ Somewhat agree ■ Strongly agree

78%

Of respondents in the education industry said that COVID has permanently impacted their industry in a negative way.

53%

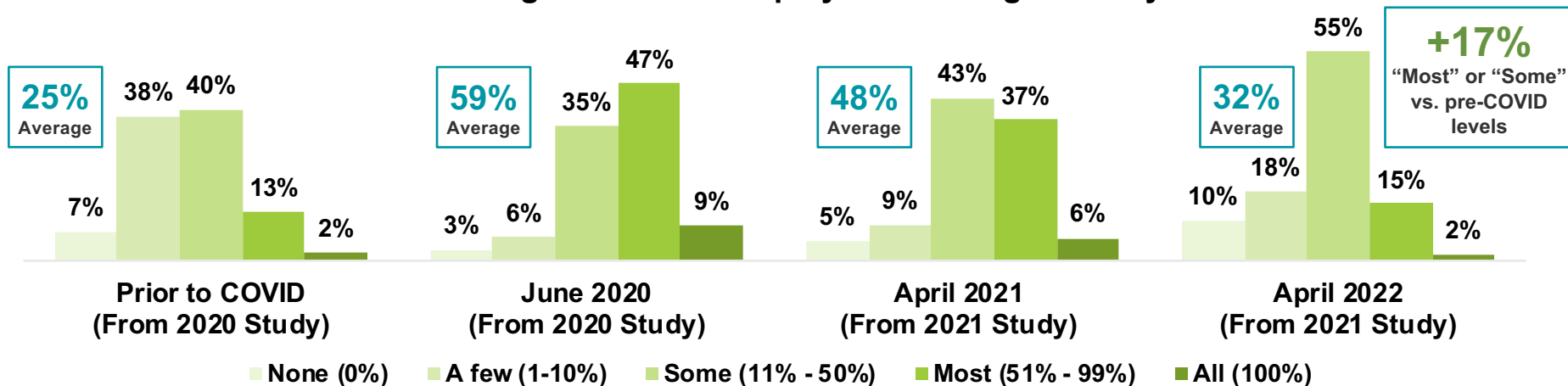
Of Millennials/Gen Z *strongly agree* that they are optimistic about the next year at their firm, vs. 43% of Gen X and 33% of Baby Boomers.

While clients mostly view their staffing firms as key to helping them navigate the past year, half also agree that service and timeliness suffered

| Staffing Clients % Agree | | Staffing Professionals % Agree | |
|---|-----|--------------------------------|---|
| My primary staffing firm was less equipped to service our needs remotely. | 42% | 18% | My firm was less equipped to service our clients' needs remotely. |
| My primary staffing firm struggled to provide the level of service we have come to expect. | 52% | 28% | My firm struggled to provide the level of service our clients have come to expect. |
| Deadlines were more likely to be missed by my primary staffing firm during the pandemic. | 52% | 26% | Deadlines were more likely to be missed by my firm during the pandemic. |
| My primary staffing firm was a key partner to our ability to navigate the COVID-19 pandemic. | 67% | 93% | My firm was a key partner to our clients' ability to navigate the COVID-19 pandemic. |
| I relied more heavily on my primary staffing firm than I have in prior years due to COVID-19. | 64% | 80% | Our clients relied more heavily on my firm than they have in prior years due to COVID-19. |

Companies will have more remote workers than they did pre-COVID

Percentage of internal employees working remotely



There is less fear about worker productivity at home, and more concern around worker/team isolation

| Experienced Upsides of Remote Work | % Agree | Vs. 2020 |
|--|---------|----------|
| Employees have higher regard for employers because they allow remote work. | 81% | +4% |
| Employees are more relaxed at home. | 80% | -2% |
| Not commuting allows people to get more work done. | 72% | 0% |
| Employees are in fewer unnecessary meetings. | 71% | +2% |
| → People are more productive working at home. | 57% | +10% |
| Office environments stress employees out. | 50% | -1% |
| Experienced Downsides of Remote Work | % Agree | Vs. 2020 |
| Employees can experience feelings of loneliness or depression. | 69% | +3% |
| Employees find it harder to focus sometimes. | 67% | -2% |
| → Team cohesion suffers. | 64% | +5% |
| Employees take advantage of reduced accountability. | 55% | -4% |
| Teams are less organized. | 54% | -1% |
| Teams are less focused on common goals. | 50% | 0% |
| Employees feel like the work they do is less important or impactful. | 43% | +2% |
| People are less productive working at home. | 43% | -2% |
| → Employees are making more mistakes. | 36% | +5% |

57%

Of clients are *currently* working primarily remotely

76%

Of clients have worked primarily remotely *at any point* as a direct result of COVID-19.

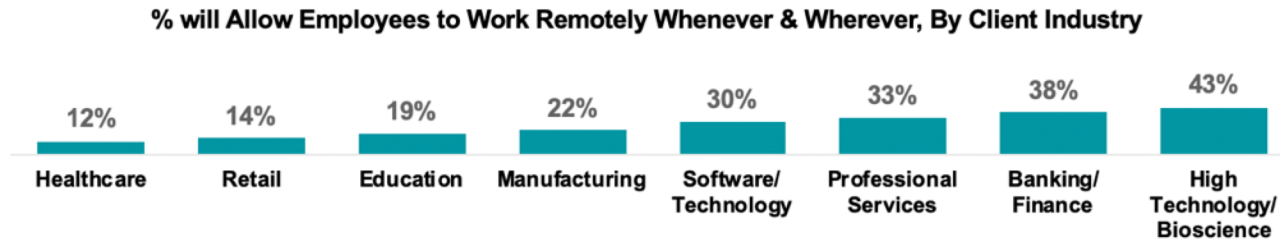
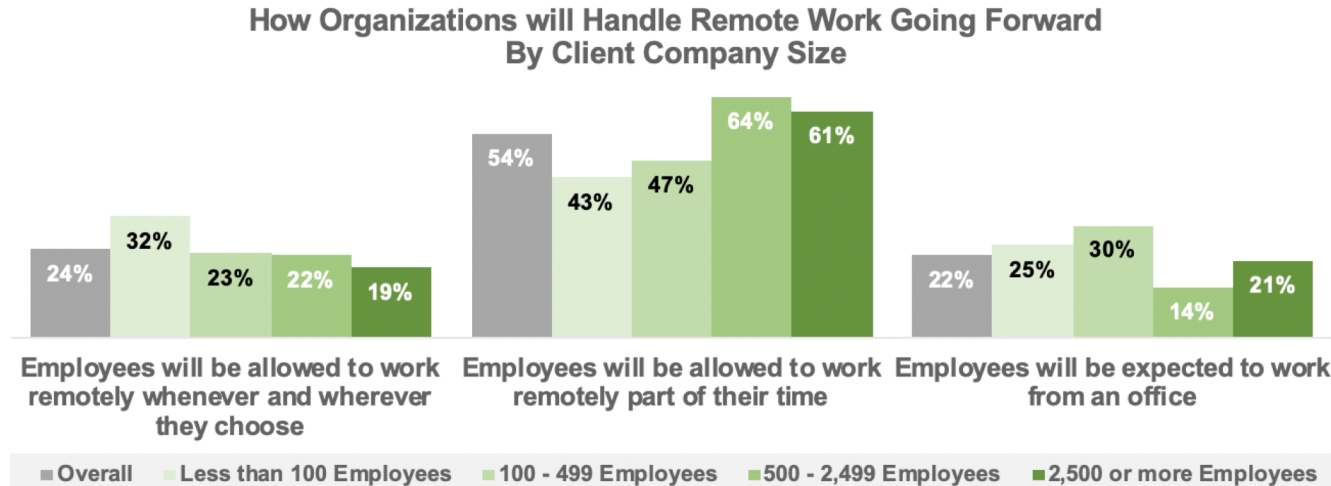
26%

Of clients would prefer to work remotely *full-time* if given the choice. Millennials & Gen Z are twice as likely to prefer this option (32% vs. 16% Baby Boomers).

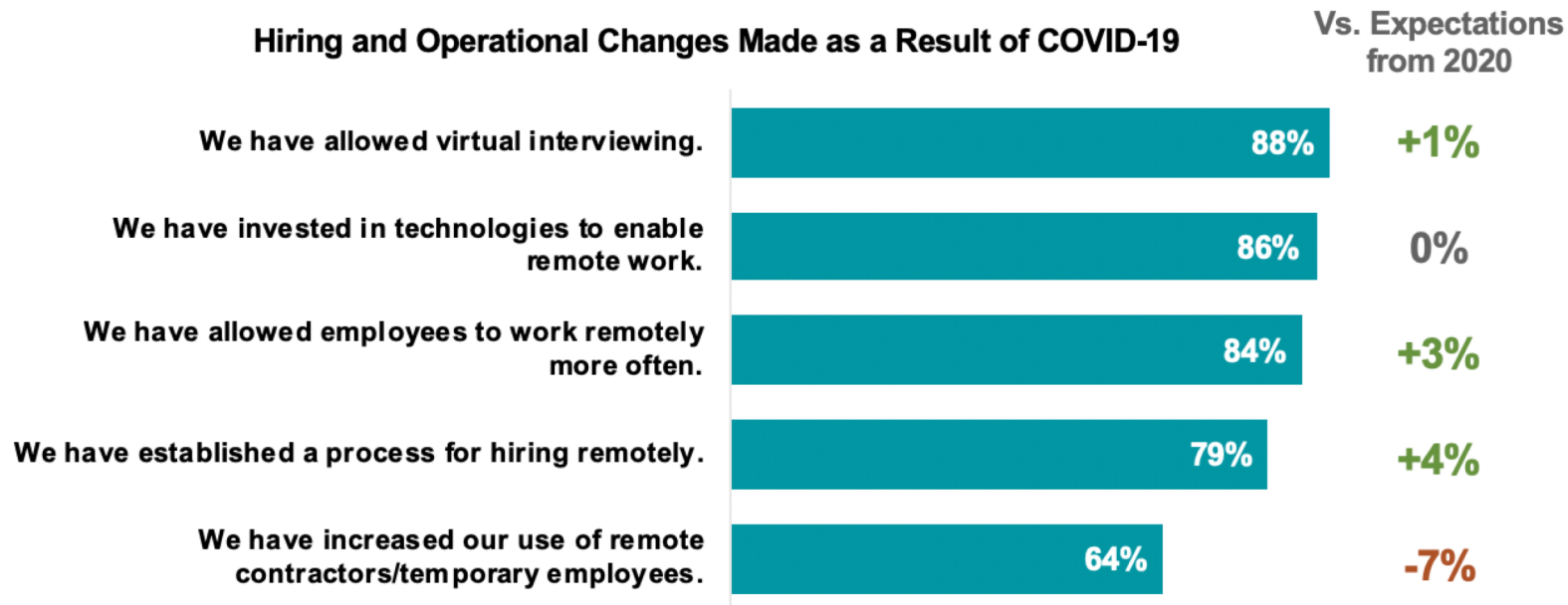
Note: 2020 Data is from June 2020, when most employees were quite new to remote work

SOURCE: ClearlyRated, CareerBuilder, ASA—2021

Remote-first adoption is highest among smaller organizations, hybrid models seen at larger companies

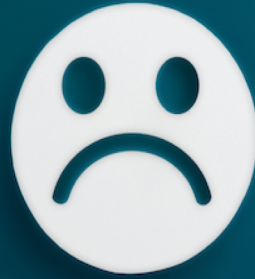


To support an increasingly remote workforce, most organizations have allowed virtual interviewing and invested in remote-enabling technologies



Staffing Buyers Post-COVID

Discussion



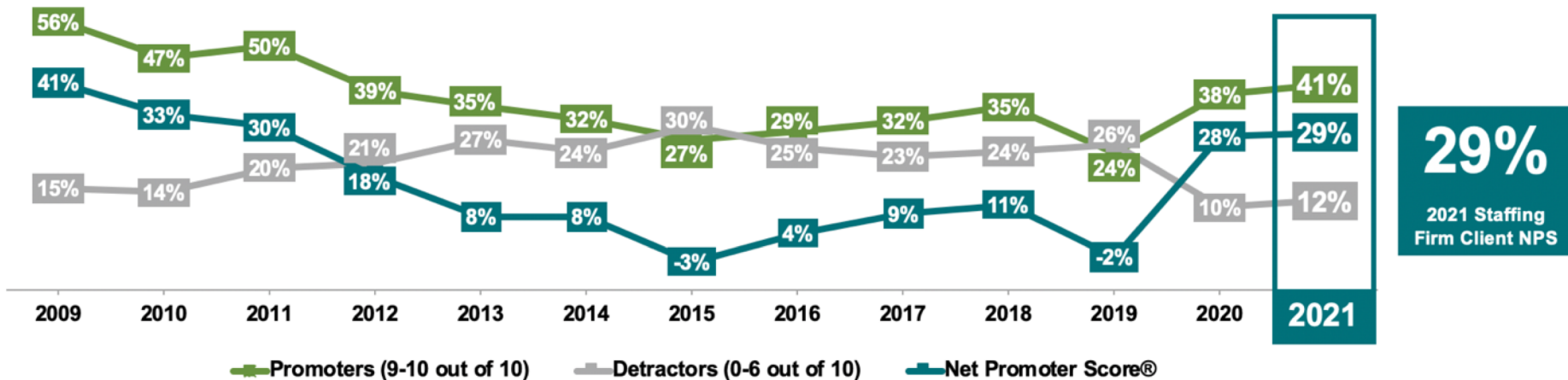
A background image of two women in a professional setting, possibly a meeting or collaborative work environment. The image is overlaid with a semi-transparent green filter. The woman on the left is looking down thoughtfully, while the woman on the right is looking towards the left.

Client Satisfaction Post-COVID

Key drivers for winning and retaining business in 2021

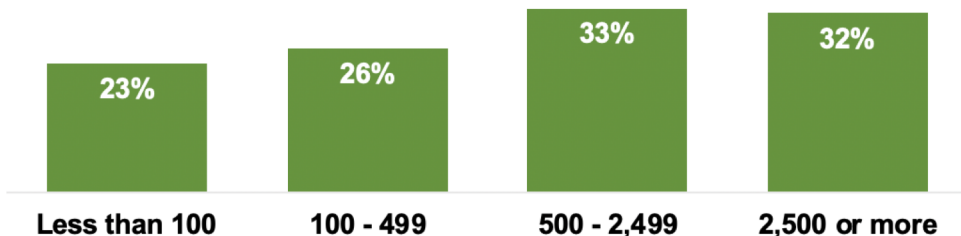
Staffing firm clients remain quite satisfied with their providers

Clients: Likelihood to Recommend Working with Current Staffing Firm

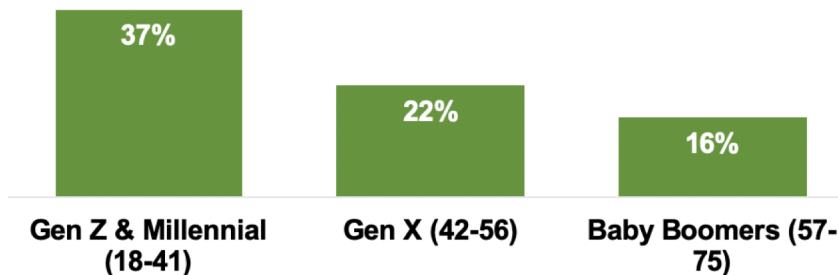


Satisfaction with staffing firms is higher among larger organizations and younger buyers

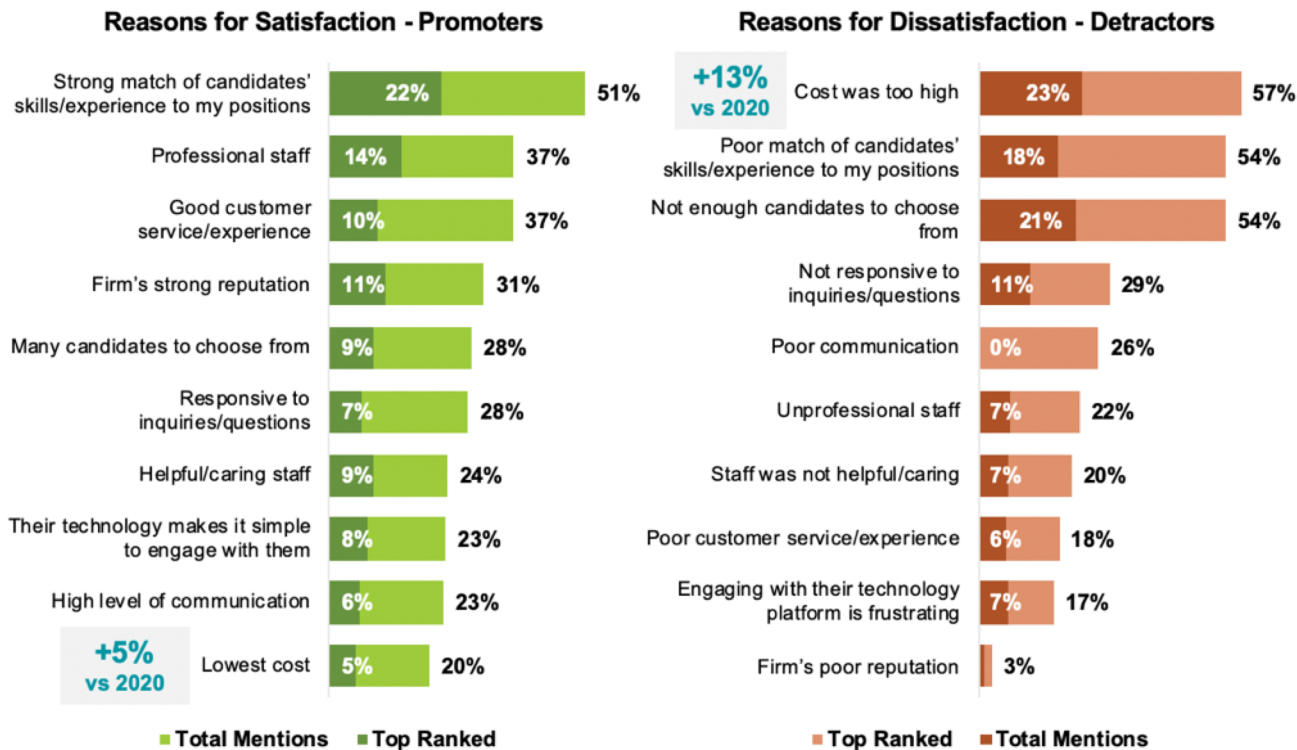
Client Satisfaction (NPS) by Organization Size



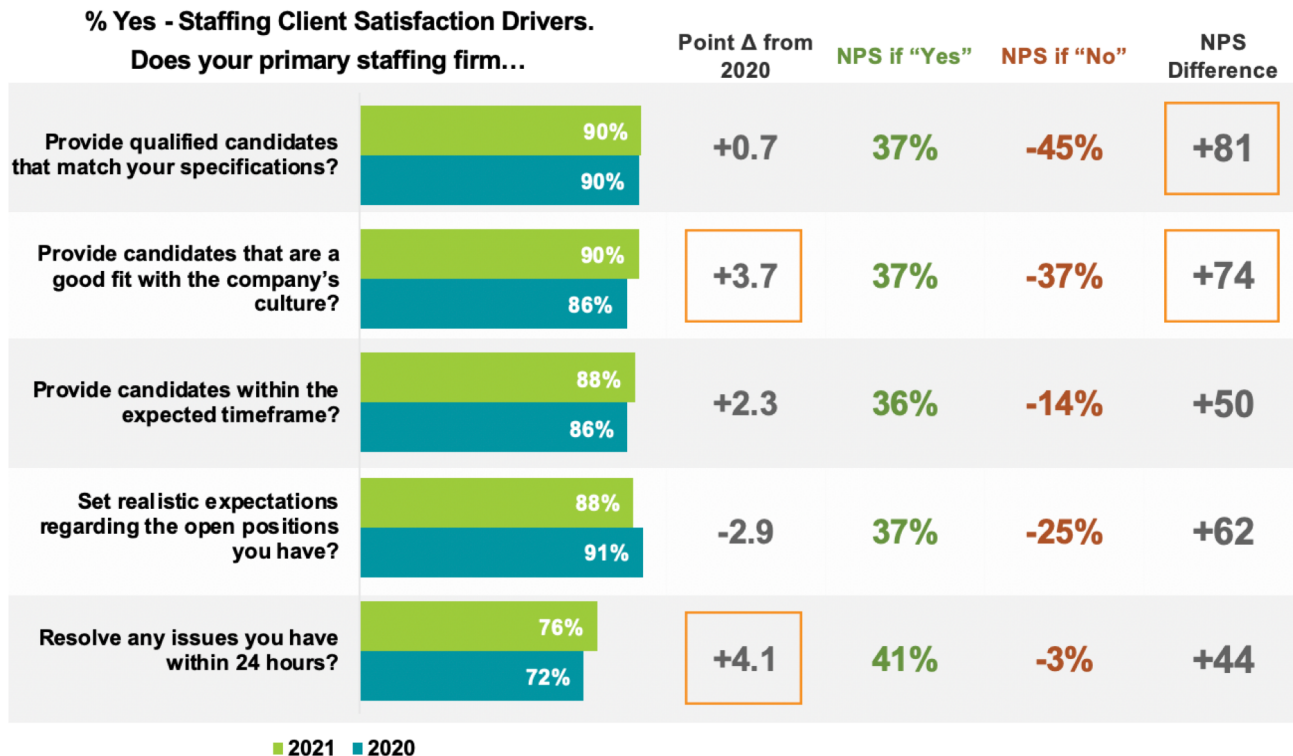
Client Satisfaction (NPS) by Generation



Candidate match leads to satisfaction, while the importance of cost savings has increased in the past year

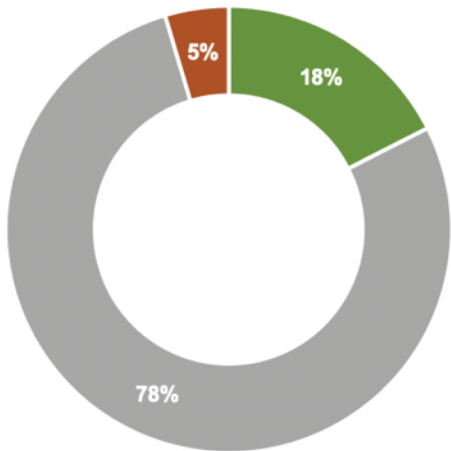


Clients are more satisfied in 2021 with issue resolution and candidate match to company culture



Keeping their options open: The majority of clients are not fully committed to their firm

Client level of Commitment to Primary Staffing Firm



- Committed to using only our current provider
- Open to exploring other options
- Actively looking for a new provider

Reasons Clients Consider Leaving their Primary Staffing Firm



Spend on staffing relative to other talent solutions is steady, but younger buyers are turning to freelancers at higher rates

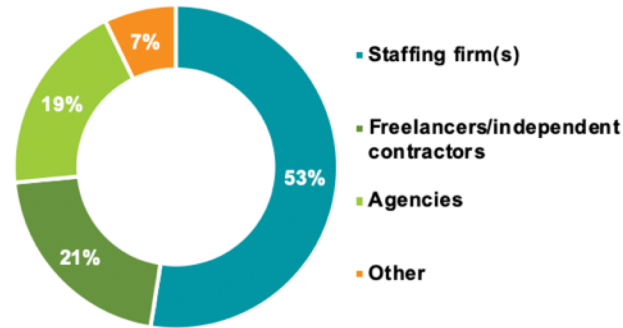
53%

Average outsourced talent budget dedicated to staffing firms, steady from 2020.

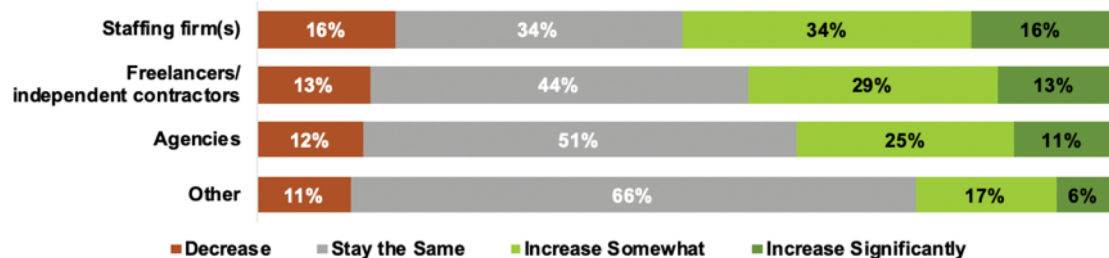
55%

of Gen Z/Millennial buyers plan on increasing freelancer usage in the next year, vs. 23% of Baby Boomers.

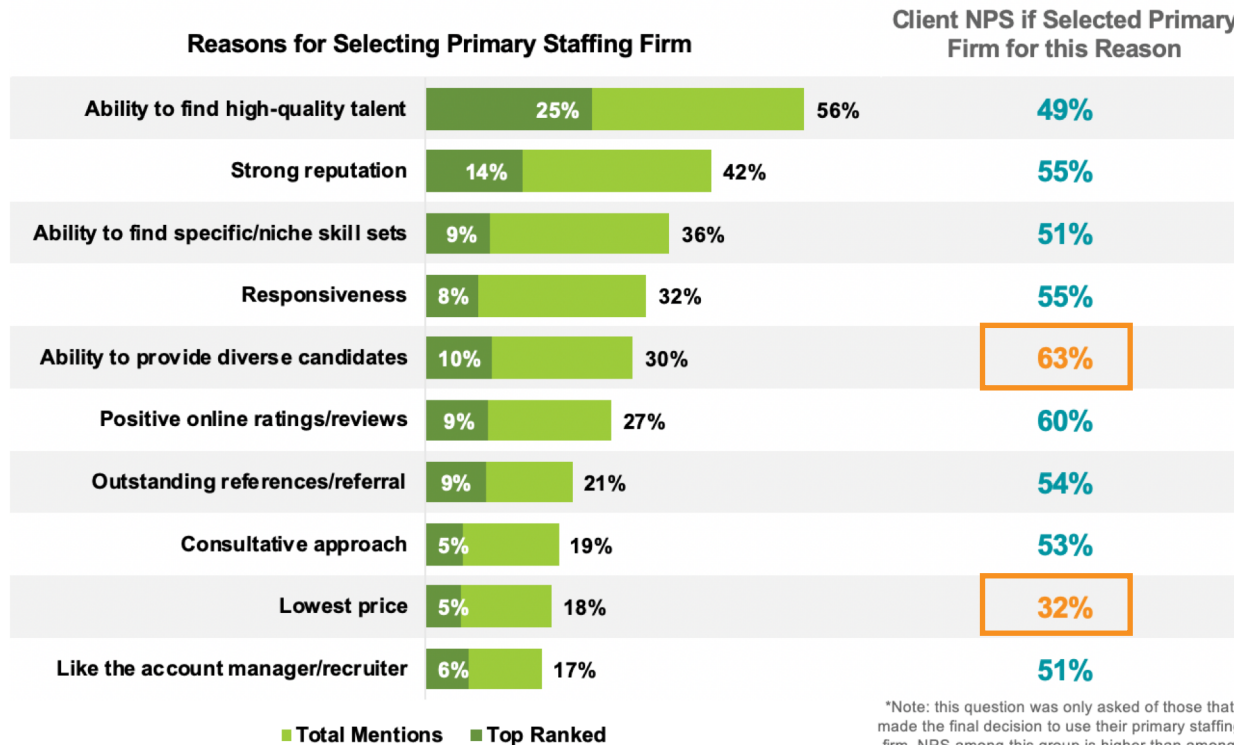
Expected % of Outsourced Talent Budget Next Year



Expected Change in Usage of Outsourced Talent Sources



Clients are most likely to pick firms with high-quality talent, have a strong reputation, and can find specific skill sets



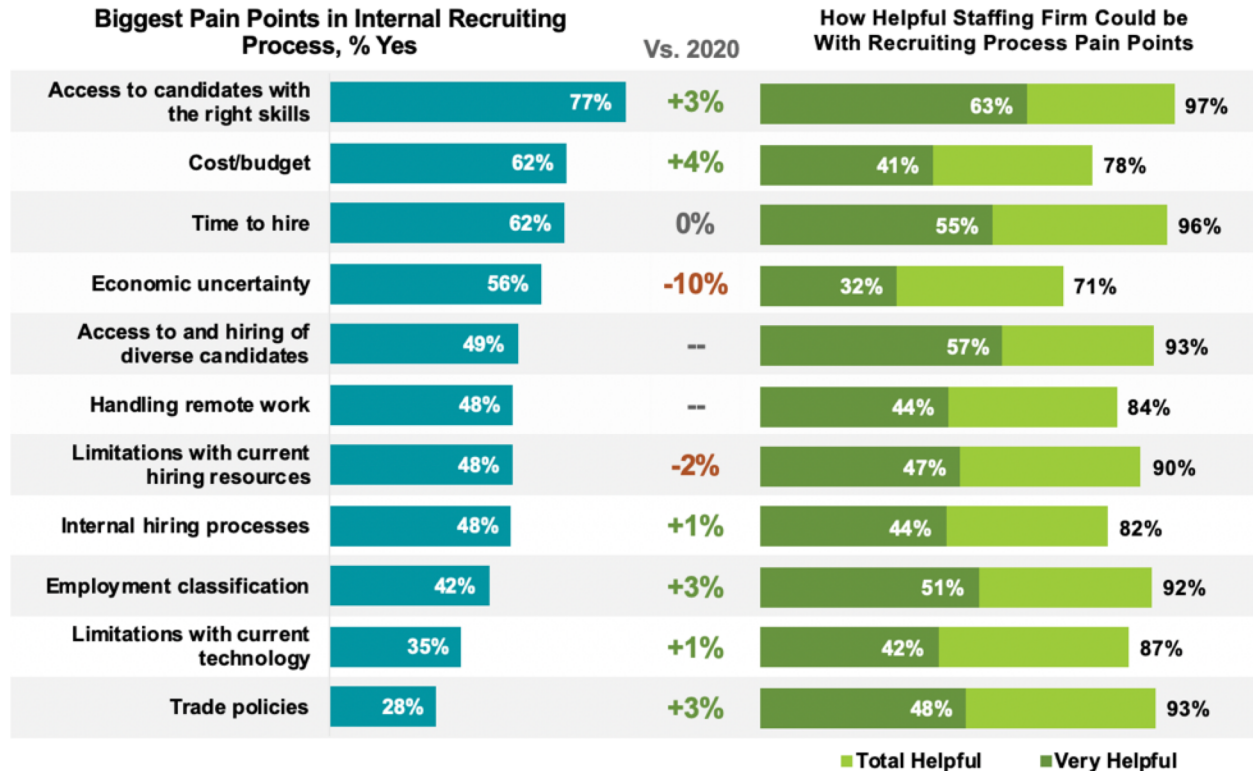
*Note: this question was only asked of those that made the final decision to use their primary staffing firm. NPS among this group is higher than among all clients.

What matters most to buyers?

Fast fill times and provability of talent quality

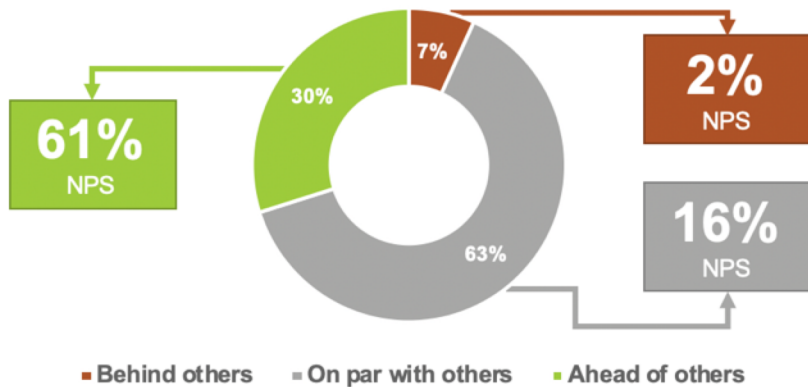


Staffing buyers biggest pain points: Access to candidates, cost/budget, and time to hire

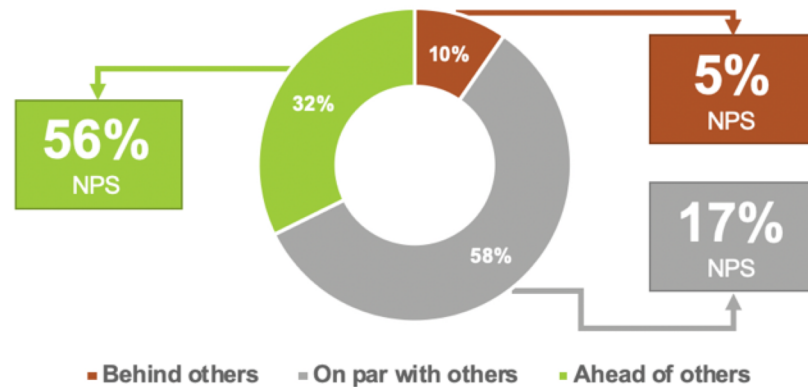


Client perception of staffing firm technology and DEI initiatives in recruiting have a large impact on satisfaction

Perception of Technology Use at Primary Firm, Compared to Other Staffing Firms



Perception of Implementation of DEI Initiatives in Recruiting at Primary Firm, Compared to Other Staffing Firms



Client Satisfaction Post-COVID

Discussion



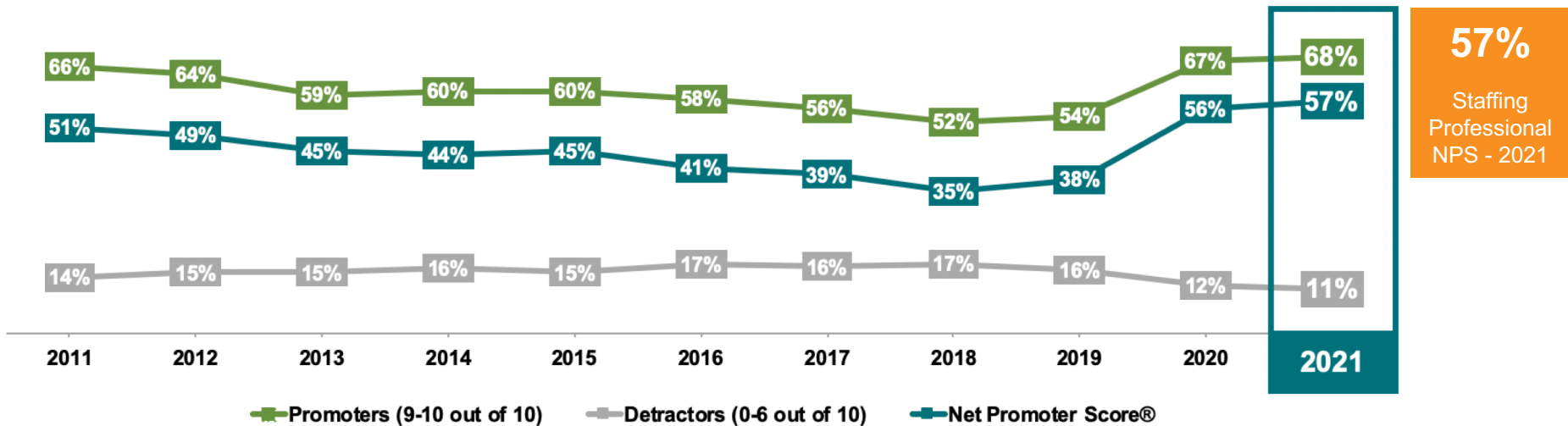
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Staffing Professionals: Looking Ahead

Meeting the changing perspectives and
needs of staffing professionals

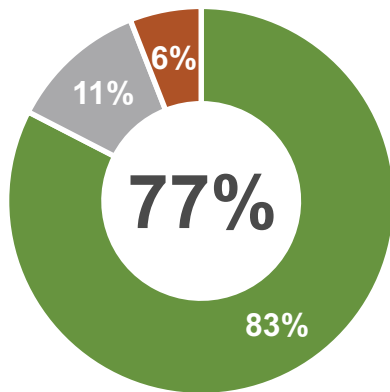
Satisfaction among staffing professionals remains high, with NPS ticking up one point to 57

Staffing Employees: Likelihood to Recommend Working for Current Staffing Firm



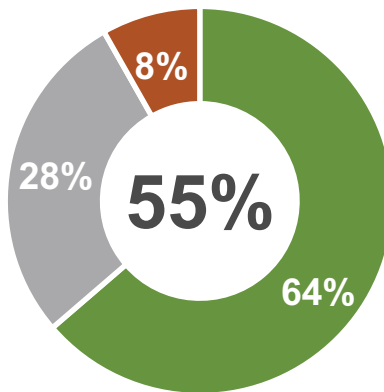
The slight increase in overall employee satisfaction was led in large part by an increase in satisfaction among AMs

Leadership NPS



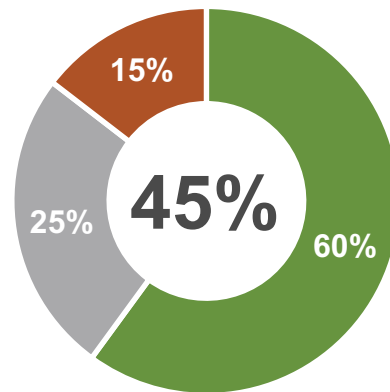
NPS +2 From 2020

Account Manager NPS



NPS +26 From 2020

Recruiter NPS



NPS Even From 2020

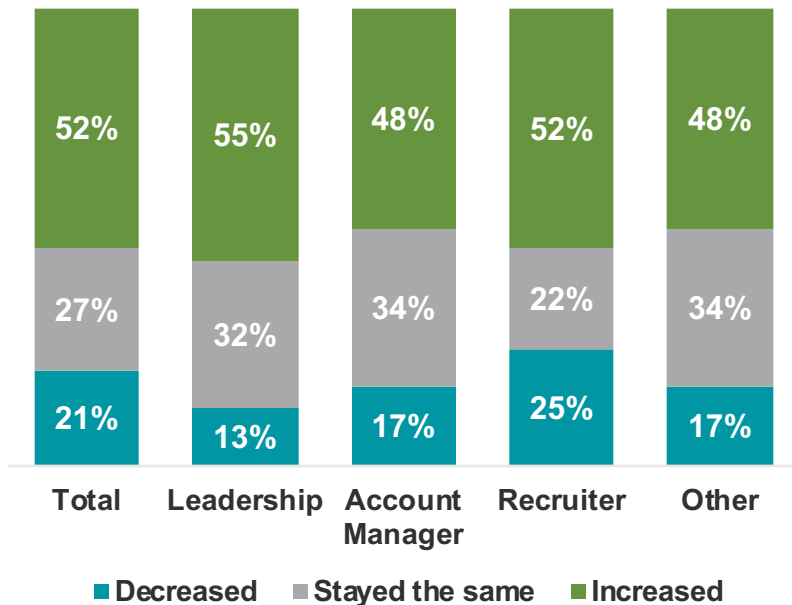
Promoters %
Passives %
Detractors %

Company culture and leadership top influence in both attraction and retention

| | Reasons Employees were Attracted to their Firm | Reasons Employees Stay at their Firm | Difference - Attraction vs. Retention |
|---|---|---|--|
| Career growth potential | 49% 3rd | 40% | 9% |
| Company leadership | 51% 2nd | 46% 2nd | 5% |
| Training & Skills growth potential | 34% | 32% | 2% |
| The firm's reputation | 43% 4th | 41% | 2% |
| The firm's culture | 60% 1st | 59% 1st | 1% |
| The firm's mission/vision | 42% 5th | 42% | 0% |
| The firm's focus on creating a diverse, equitable, and inclusive workplace | 21% | 23% | 2% |
| Benefits | 24% | 28% | 4% |
| Compensation | 40% | 45% 4th | 5% |
| Direct manager | 36% | 43% 5th | 7% |
| Job security | 38% | 46% 3rd | 8% |
| Rewards/recognition of a job well done | 27% | 37% | 10% |
| Schedule flexibility | 24% | 41% | 17% |
| Opportunity to work remotely | 15% | 32% | 17% |

Over half of employees are more satisfied with their firm over the past 12 months, but 1 in 4 recruiters are less satisfied

Change in Satisfaction with Staffing Firm
over Past 12 Months



28%

Of Millennial/Gen Z employees have become less satisfied with their firm over the past 12 months, vs. 15% of Gen X and 19% of Baby Boomers.

44%

Of employee at the largest firms (>1,000 employees) have become *much more* satisfied with their firm over the past 12 months, a much higher percentage than employees at smaller firms.

9 in 10 staffing employees are optimistic about the next year

| | % "Yes" | NPS if "Yes" | NPS if "No" | NPS Difference |
|--|---------|--------------|-------------|----------------|
| I am optimistic about what the next year has in store for me working at my staffing firm. | 90% | 72% | -19% | +91% |
| There are opportunities for advancement for me within my firm. | 74% | 68% | 29% | +39% |
| My compensation package (salary, bonuses and benefits) is fair compared to people who do similar work at other companies | 73% | 73% | 22% | +52% |

"There are opportunities for advancement for me within my firm."
% "Yes" by Staffing Firm Size



Staffing Professionals: Looking Ahead

Discussion



Closing Thoughts

Time to Thrive



Questions?

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