

NAVIGATING A CANDIDATE- DRIVEN MARKET

A strong U.S. economy combined with a tough hiring environment has resulted in prolonged job vacancies—which can be very good news for staffing companies that have the right recruiting strategies in place.

By Glenn Cook

According to a national survey conducted for CareerBuilder, qualified job seekers have more leverage than at any point in recent history. This is forcing employers to increase starting salaries and offer additional perks to attract and retain talent.

“Half of employers say that it is taking them longer than ever to fill open jobs,” says Andrew Streiter, senior vice president of the CareerBuilder staffing and recruiting group. “As the search for talent continues to tighten because of the tough hiring environment, employers will turn to staffing firms to reach a more diverse group of candidates.”

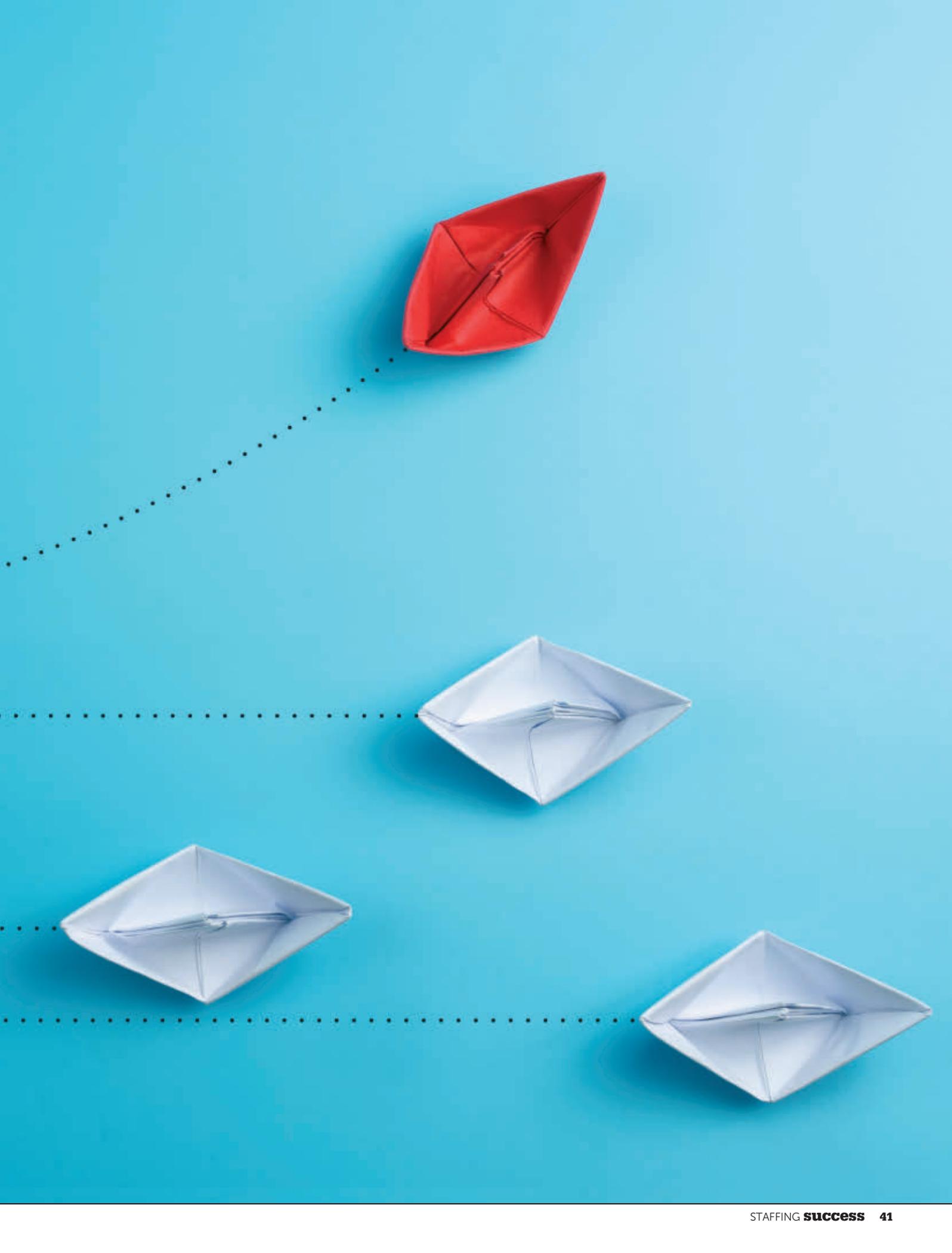
About 20,000 staffing and recruiting companies operate approximately 39,000 offices in the U.S. The majority serve the industry’s contract and temporary staffing sector, according to American Staffing

Association data. During an average week, more than three million temporary and contract workers are employed by U.S. staffing companies, and more than 15 million are placed each year. ASA estimates that 76% of these employees work full time.

Given the current environment, temporary and contract employees continue to be an appealing option for companies, even as almost two-thirds of employers surveyed by the Harris Poll for the *CareerBuilder Mid-Year Job Forecast* say they are looking for more full-time, permanent workers.

“Since the end of the recession, we have continued to see an increase in jobs that provide topline results and drive innovation,” Streiter says. “These areas are instrumental in driving business forward, and are expected to grow over the next six months.” >>>

Staffing companies can learn more about CareerBuilder and its staffing and recruiting group at hiring.careerbuilder.com





HARD-TO-FILL POSITIONS HAVE A TECHNOLOGY FOCUS...POSITIONS THAT ARE TIED TO **DIGITAL MARKETING, CYBERSECURITY, AUTOMATION, ARTIFICIAL INTELLIGENCE, AND MACHINE LEARNING.**

POSITIONS IN HIGH DEMAND

What types of positions are in highest demand? Not surprisingly, businesses that are reaping the benefits of a postrecession economy are looking to expand, increasing the need for positions that focus on customer service, sales, and business development. Information technology and product development positions also were ranked in the top five, according to the survey.

“It is safe to say that business growth and expansion is always top-of-mind for companies,” Streiter says. “Business leaders constantly keep an eye on the economy, and it does have an impact on their hiring decisions. The economy has been strong this year, and I expect the trend to continue into 2019.”

The survey, which was conducted online by the Harris Poll from late June to mid-July, showed that the number of employers looking to add full-time, permanent employees increased from 60% in 2017 to 63% in 2018.

TECHNOLOGY AND THE SKILLS GAP

While the number of employers who planned to hire temporary or contract staff was expected to decline slightly in the third quarter of 2018, the survey noted it “continues to be a key way employers fill gaps and recruit permanent staff.” Streiter says that is because “employers need the same skills” regardless of how the position is filled.

In many cases, hard-to-fill positions have a technology focus, and Streiter notes that companies are looking to add positions that are tied to digital marketing, cybersecurity, automation, artificial intelligence, and machine learning. Unfortunately, these are the positions where the greatest skills gaps lie, which leads to another opening for temporary and contract staff.

Streiter says 66% of employers said they will

train and hire workers who “may not have all the skills they need but have potential.” Among those surveyed, 44% of employers plan to train low-skill workers who don’t have experience in their field and hire them for higher-skill jobs.

“Employers will not be able to do this overnight,” Streiter says, “which opens the door to work with staffing firms and bring in employees, even on a temporary basis, to keep up with staffing needs.”

A key takeaway from the survey, Streiter says, is that seven in 10 employers think every job is essentially a temporary job because of quickly evolving technologies and their effects on jobs and workflow processes.

“We are living in transformational times, and technology hiring will continue to accelerate as more companies turn to automation and artificial intelligence,” he says.

EFFECTS OF A TIGHT JOB MARKET

In a tight job market, employees have greater leverage, forcing companies to look at greater financial incentives and other perks to recruit and retain staff. According to the survey, which sought opinions from both employers and employees, 22% of workers said they are looking to switch jobs in the second half of the year.

To combat this, 45% of the employers surveyed said they plan to increase starting salaries by 5% or more in the second half of 2018. Of those, 58% said current employees will receive pay bumps by year’s end, and 24% of all employers are expected to give raises of 5% or more.

Expected to benefit most from these pay bumps are entry-level employees, many of whom work for minimum wage. By contrast, the average wage for temporary or contract employees is more than \$17 per hour, although the number greatly varies depending on the skill set required.

Michelle Armer, director of human resources at CareerBuilder, says employers will keep an eye on the minimum wage, but noted that entry-level salaries are increasing primarily due to the tight talent pools. “While this won’t fix the poverty problem in our country,” she says, “it will help to put more money into workers’ paychecks.”

Meanwhile, companies are responding to employee demands for greater flexibility and job-related benefits. That means you’ll see more perks offered to new and existing staff, including casual dress codes, employee discounts, and the ability to work remotely. Other benefits mentioned include signing bonuses, free lunches, gym memberships, and on-site daycare.

Armer says some of these changes can be attributed to the influence of Millennials who are currently dominating the workforce, but she believes it is part of an overall change in workplace culture.

“For nearly a decade now, Millennials have been known as the generation that is spearheading change in the workforce,” she says. “While it’s true that they’re advocates for change, I think the changes we’re seeing in things such as dress code, perks, and flexibility are more a sign of the times.

Employees across all generations are encouraging workplaces to change and provide a culture that promotes empowerment and collaboration.” ■

Glenn Cook is a professional writer who has covered a wide range of business and education topics. He also is a prolific photojournalist, having created award-winning article and photography packages for national publications. Learn more about his work at glenncook.virb.com.

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