



BOUNTYJOBS

Recruit Better, *Together*



2017 AGENCY RECRUITING BENCHMARK REPORT

Trends in Fees, Salaries, and
Performance from the World's
Largest Marketplace for
Employers and Agencies

We're dedicated to solving the challenges of third-party search for our customers and partners as well the market at large.

2016 ● Our 2016 report expanded upon our 2015 findings by including such key data as time to fill, agency performance, and best practice recommendations to increase the productivity of employer / agency collaborations

2017 ● Our 2017 report follows suit, but taking into consideration extra factors: our new quarterly series of vertical specific reports as well as the results from our *nationwide survey of more than 1,000 Human Resources, Talent Acquisition and Recruitment professionals.*

TO PRESENT THE **MOST USEFUL DATA POSSIBLE**, THIS ANNUAL REPORT...

... is an analysis of the trends in fees, salary and performance for third-party search across all industries.

... calls upon our quarterly series of vertical specific reports. These provide a similar analysis broken down by key industry verticals that are very active on our marketplace and make significant usage of third-party search.

... contains elements from our first ever third-party recruiting collaboration & performance survey. This helps provide additional perspectives from employers outside of our marketplace, as well as key insights from the agency side of the market.

WHY DO WE DO THIS?

We know finding the right candidate for a critical role is imperative to organizations, giving them a competitive advantage that ultimately results in their overall success.

While we know third-party recruiting plays a critical role in this process, we also know there are some obstacles to leveraging this channel effectively.

We are laser focused on uncovering every avenue to assure the process for both employer and agency is effective.

EXECUTIVE SUMMARY

BountyJobs is the world's leading technology for employer and recruiting agency collaboration, focused on helping talent acquisition stakeholders work better together.

Each year, we collect and share data from our expansive marketplace, where employers and agencies engage to fill critical, and difficult to source direct-hire positions via third-party search.

For our 2017 report, we've taken it a step further to include some industry-specific benchmark data as well as specific feedback culled from our first-ever third-party search collaboration survey.



GROWING TRENDS



CANDIDATES IN POWER POSITION

This year, the market is trending toward candidates having the upper hand.



INDUSTRY BENCHMARKS

There are stark differences in measuring success between various industries.



IMPORTANCE OF ROI

The benefits that come with utilizing third-party search tip the scales, making it worth investing in.

Respondents to our survey claimed the top three reasons to use third-party search are:

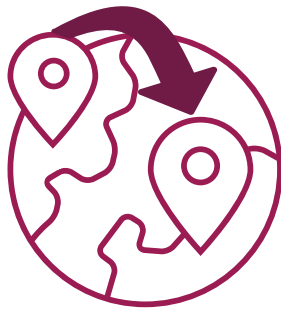
- ⊙ Tight Labor Pool
- ⊙ Competitive Industry
- ⊙ Tight Timeline to Fill

CANDIDATES IN POWER POSITION

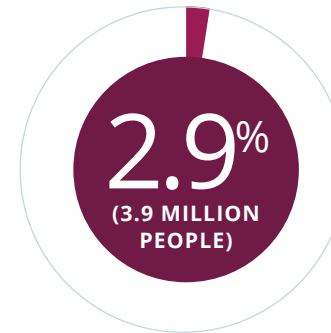
The nature of the traditional workforce is changing as Baby Boomers are retiring while Millennials and Gen X'ers comprise the majority of the labor population



Candidates are on the move as they shuttle across the country (or the world) for various job opportunities.



The composition of the day to day role is evolving with the concepts of telework and “workshifting”, and the gig economy is growing in popularity.



About 2.9 percent of U.S. workers (3.9 million people) consider the home a primary place of work, according to The State of Telework in the U.S.

**SALARIES
& FEES**



In addition, we are seeing rising salaries and fees dictated by fewer open roles increasing the competition for top talent.



**OPEN
ROLES**

INDICATORS

A few things we noticed that are indicators that candidates hold a power position:



*Survey respondents said they send 20% of their positions out to search.

CANDIDATES IN POWER POSITION

To stay competitive in a candidate-driven market, it's more important than ever for employers to:



COLLABORATE!

Create the two-way relationship required with agencies necessary to get their best candidates.



COMMUNICATE!

Prepare agencies with all pertinent info to best represent the employer to candidates.



COMPENSATE!

Have a deep understanding of expected elements of the compensation packages for your industry and roles.

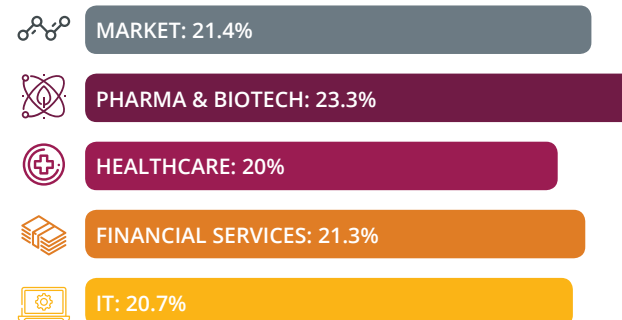


INDUSTRY BENCHMARKS

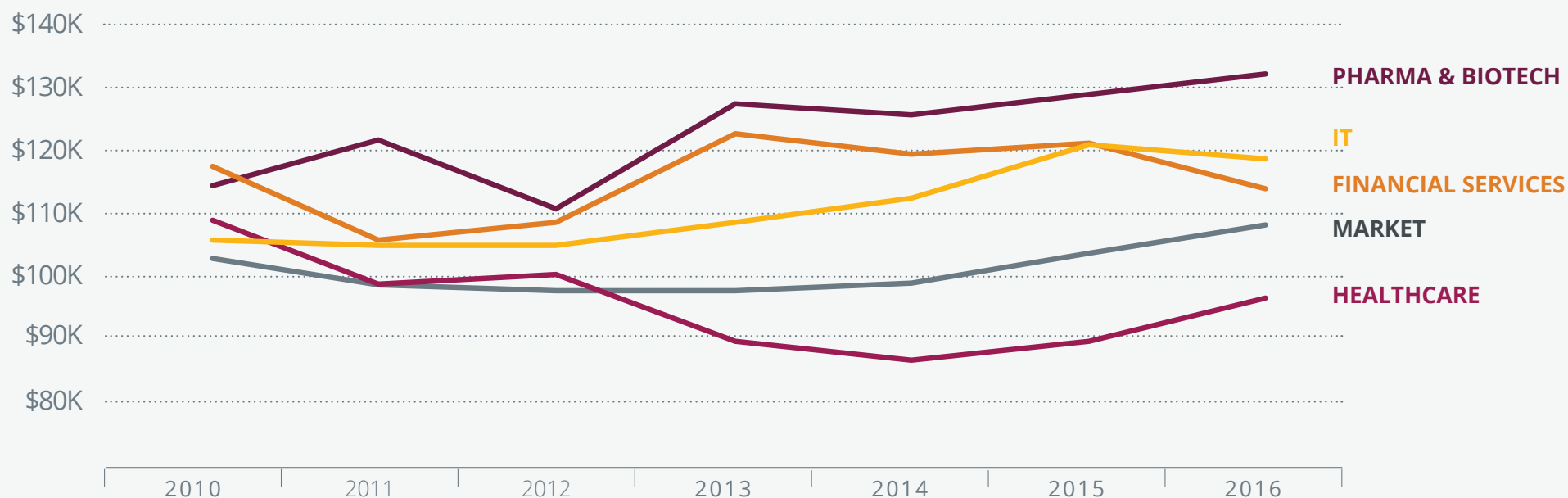
As mentioned in the Foreword, our 2016 report focused more on data and less on analysis. This increased the demand for a closer look at vertical-specific information. With these reports, TA professionals could compare their company's recruitment metrics against benchmark data from similar hiring companies.

When comparing the top four industries (Pharma & Biotech, Healthcare, Financial Services, and Information Technology) within the BountyJobs Marketplace, it's clear to see that each vertical has its own pattern (or lack thereof) when it comes to salaries and agency fees. These are key factors when it comes to third-party search.

FEES AVERAGED BY INDUSTRY



SALARY AVERAGES BY INDUSTRY



INDUSTRY BENCHMARKS

LEARNINGS FROM VERTICAL SPECIALIZATIONS

Here we'll review some foundational best practices that correlate to most industries across the board, as well as those that are industry specific. Again, focusing on the top four industries within the BountyJobs Marketplace as outlined previously in this report.



Focus on Fees

The utilization of premium fees (25%+) can help you stand out to the best agencies for critical, time-sensitive roles. (most placement fees fall into the market range: 20-24.99%)



Reach New Talent Pools

Diversify hiring agencies – utilize an agency specific to the industry, a new agency, and a generalist agency.



Create Strong Offers

Create strong offers to attract the best talent – candidates appreciate a stellar benefits package in addition to salary.



Research Compensation

As salaries can vary significantly from role to role, researching compensation better ensures a competitive proposal.

INDUSTRY BENCHMARKS

LEARNINGS FROM VERTICAL SPECIALIZATIONS

Pharma & Biotech

Retained Search – in 2016, this competitive industry sent 14% of job searches through BountyJobs through Retained Search.

Healthcare

Reduce time to fill by providing agencies a clear list of requirements and skills necessary for each role.



Financial Services

Employees may face job instability due to Brexit. Entice them by helping them relocate.

IT

Reduce time to fill by asking agencies to provide candidates with technical assessments before they interview.

IMPORTANCE OF ROI

As pricey as third-party search may be, the benefits far outweigh the cost. Respondents to our survey claimed the top three reasons to use third-party search are a tight labor pool, competitive industry, and a tight timeline to fill.



TIGHT LABOR POOL

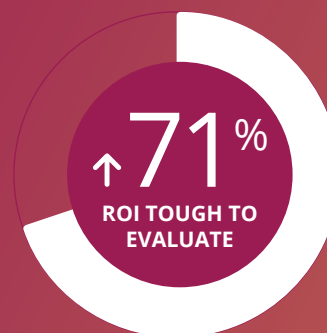
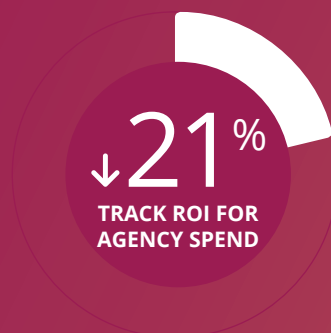


COMPETITIVE INDUSTRY



TIGHT TIMELINE TO FILL

However, we found that less than 21% of our survey respondents say they track ROI for agency spend and over 71% find it too challenging to evaluate.



IMPORTANCE OF ROI

Tracking and measuring search activities not only allows organizations to evaluate channel efficacy but also opportunities for improvement. When it comes to the challenging and expensive third-party recruiting channel, many TA teams do not have the data they need to help maximize efficiency (for results or spend). Data is crucial for both developing an effective strategy to move your process forward as well as optimizing results from your annual spend.

HOW MANY DO YOU TRACK?





THE DATASET AT A GLANCE

Building upon our foundation as the largest marketplace for employers and recruiting agencies, our marketplace continues to be dynamic. The results? Employers and agencies collaborating more effectively to secure the best talent for their hardest-to-fill positions.

In 2016, the BountyJobs marketplace continued to bustle with activity. This section takes a high-level look at the pieces of data tracked within our marketplace. From aggregate activity by employers and agencies to the geographic disbursement of jobs across the country, this section helps give a picture of the robust and relevant data we looked at when curating this report.

WHO ARE THE **ORGANIZATIONS** THAT MAKE UP THE BOUNTYJOBS MARKETPLACE?



PUBLIC OR PRIVATE?

HOW DO OUR EMPLOYERS DETERMINE THE VISIBILITY OF THEIR JOB?



Public

54% of jobs posted are visible to our marketplace of 10K+ agencies



Private

46% of jobs are posted privately, visible only to an employer's preferred vendors (tried-and-true agencies used by that employer)

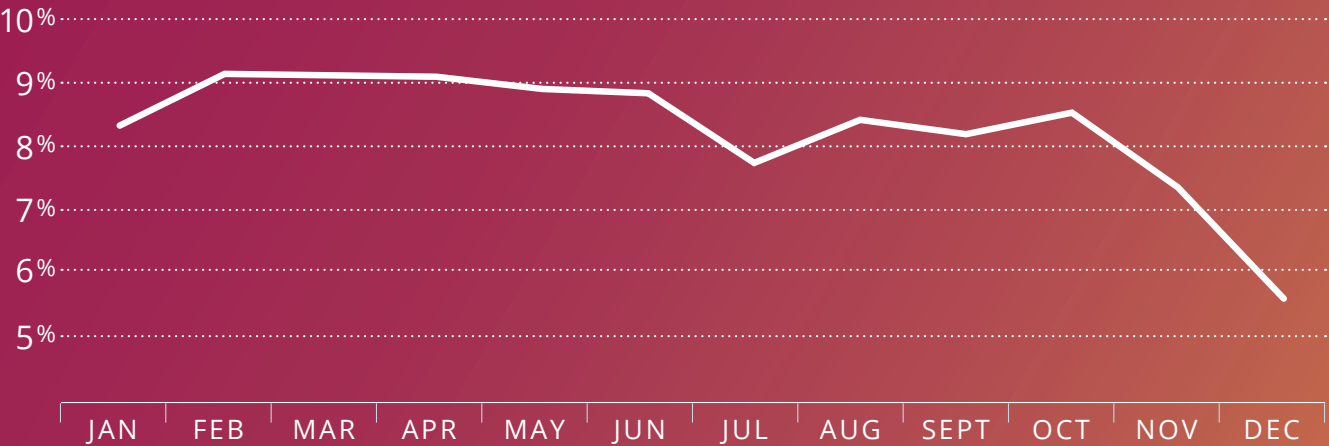


THE RIGHT JOB STRATEGY EVERY TIME

BountyJobs accommodates employers that want to measure and manage an existing group of preferred vendors, as well as those who wish to connect to new agencies.

BY THE CALENDAR

WHAT TIME OF THE YEAR DO EMPLOYERS GO TO EXTERNAL SEARCH?

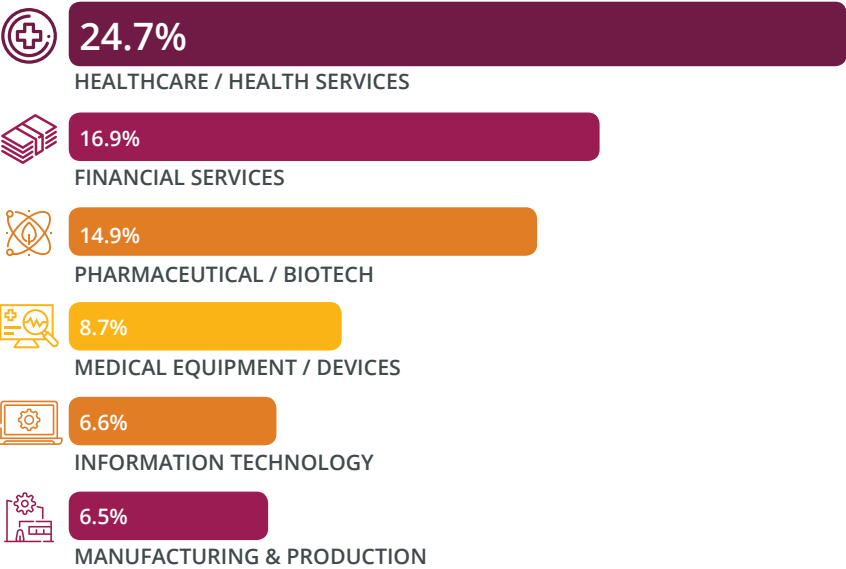


BY EMPLOYER INDUSTRY

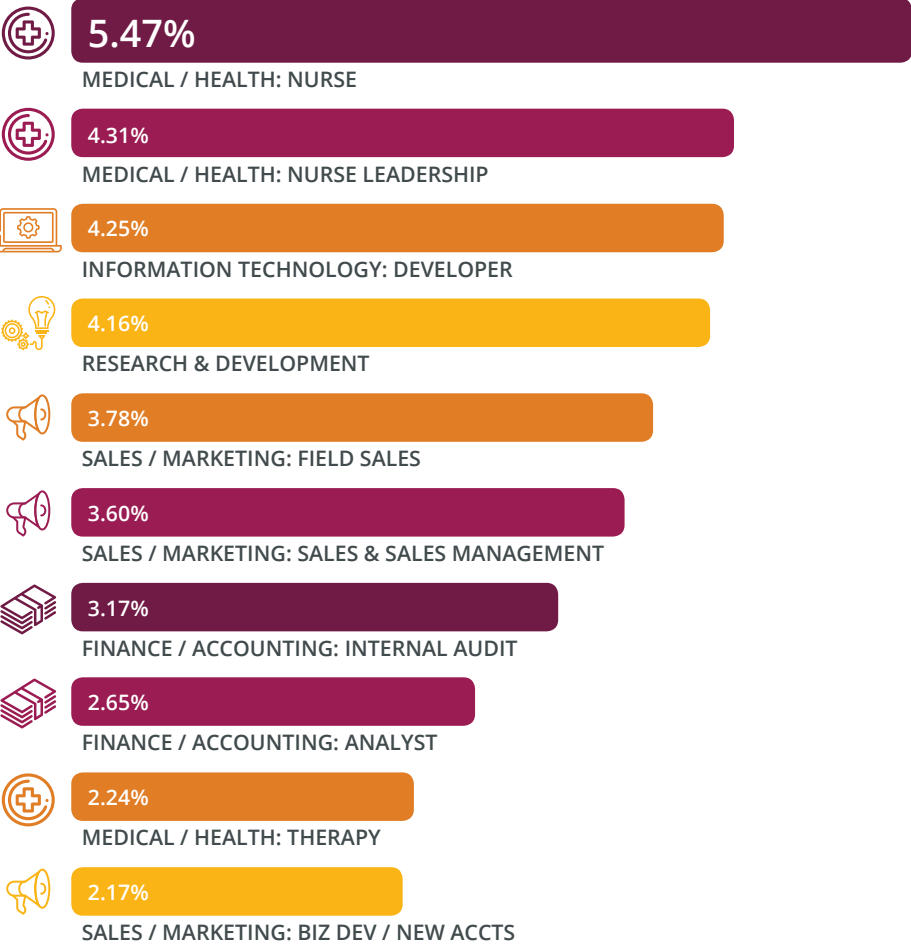
HOW DO OUR TOP INDUSTRIES AND ROLES CONTRIBUTE TO OUR MARKETPLACE?

These top performing verticals are holding steady from last year’s report. Included below is a listing of our top industry categories, as well, we’ve broken it down even further this year with the top recruited roles by job post volume.

By Employer Industry



By Job Category



BY GEOGRAPHIC DISTRIBUTION

WE ARE SEEING A CONTINUAL MOVEMENT OF THE JOB FORCE BASED ON AVAILABLE OPPORTUNITIES.

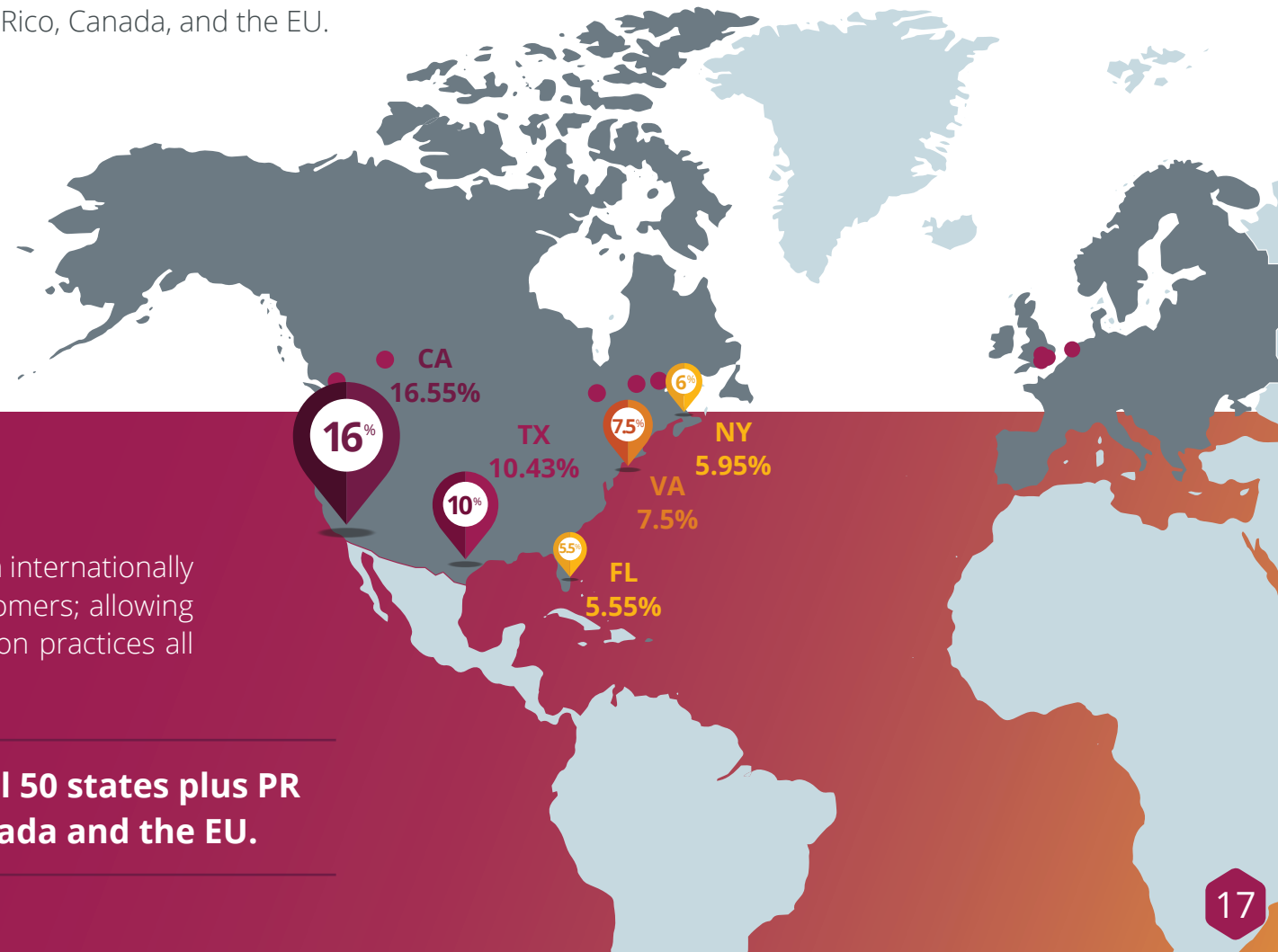
While in 2015 around 50% of the jobs posted were concentrated in 3 states (TX, CA, and IL), in 2016 the top 50% were spread across 5 states – CA, TX, VA, NY, and FL. Interestingly, there were placements in every state plus Puerto Rico, Canada, and the EU.

INTERNATIONAL LAUNCH

Also in 2016 we launched our platform internationally to support our global enterprise customers; allowing them to manage their talent acquisition practices all over the world in one place.



2016 saw job postings in all 50 states plus PR and internationally in Canada and the EU.



COMPENSATION

OTHER TOP METRICS TO CONSIDER

In 2015, 59% of roles posted were open to negotiate possible relocation. We saw a slight uptick in 2016, where 61% of jobs posted included relocation consideration. We're seeing a strong contingent of employers that are open for relocation as an added benefit for the right candidate.

OTHER FACTORS TO CONSIDER

For 30% of jobs posted through BountyJobs in 2016, the final salary offered was higher than posted as candidates negotiated salaries higher than the role threshold.

For the first half of 2017, 4% of jobs were remote and were critical, hard to fill roles that were typically in-office jobs. This is up from 2% in all of 2016. There has been a lot of emphasis on work shifting in recent months - this is the rise that we've seen so far. We'll consider these perks and others as we look forward to the latter half of 2017.





DATASET: SALARIES & FEES

Setting the right salary and fee for roles sent to third-party search are critical levers in helping attract the right agencies and candidates. Employers are responsible for staying on top of salary and fee trends in order to stay competitive in the talent market. Organizations are at risk of either losing qualified candidates and top agencies or accidentally overpaying when not well informed.

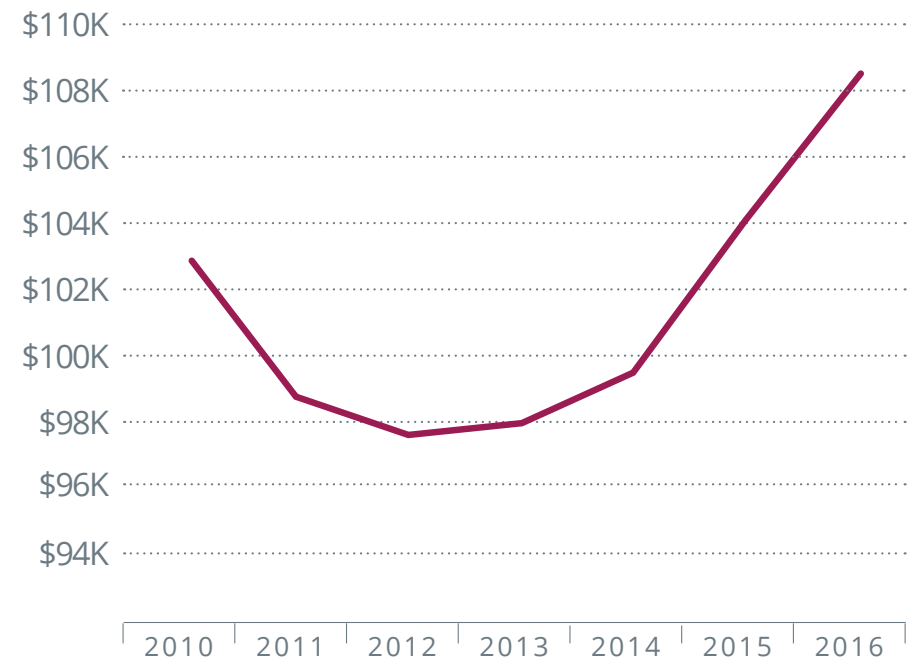
This section looks at salary and fee averages for 2016 as well as year over year for the past several years to help provide an overview of the trends and benchmarks from our marketplace.

SALARY AVERAGES YEAR-OVER-YEAR

At a macro level, salary and fee trends are the two most critical pieces of data required to understand the shifts over time in our marketplace. Building on the data we presented in our 2016 report, we begin this section by looking at salary and fee averages from our marketplace from 2010-present.

**Salary data has been adjusted for inflation*

We'll keep an eye on this movement between now and the next 6 months, and will highlight results on our next report, coming in early 2018.



Two factors driving the increase are actual wage growth because of increased demand for skilled workers combined with historically low inflation.

KORN FERRY HAY GROUP
2016 SALARY FORECAST

Additionally, the U.S. continues to get closer to full employment and layoffs are near historical lows.

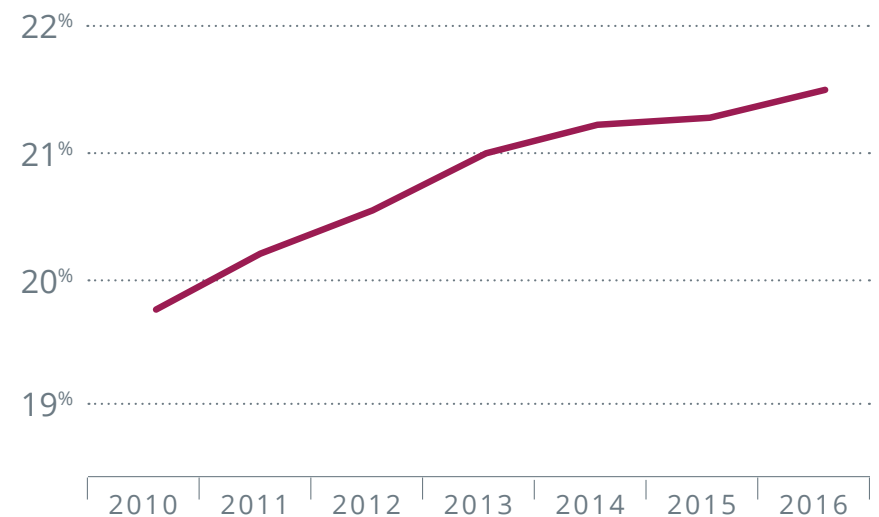
LOS ANGELES TIMES/
FEDERAL RESERVE

FEE AVERAGES YEAR-OVER-YEAR

HOW HAVE AVERAGE AGENCY FEES CHANGED OVER TIME?

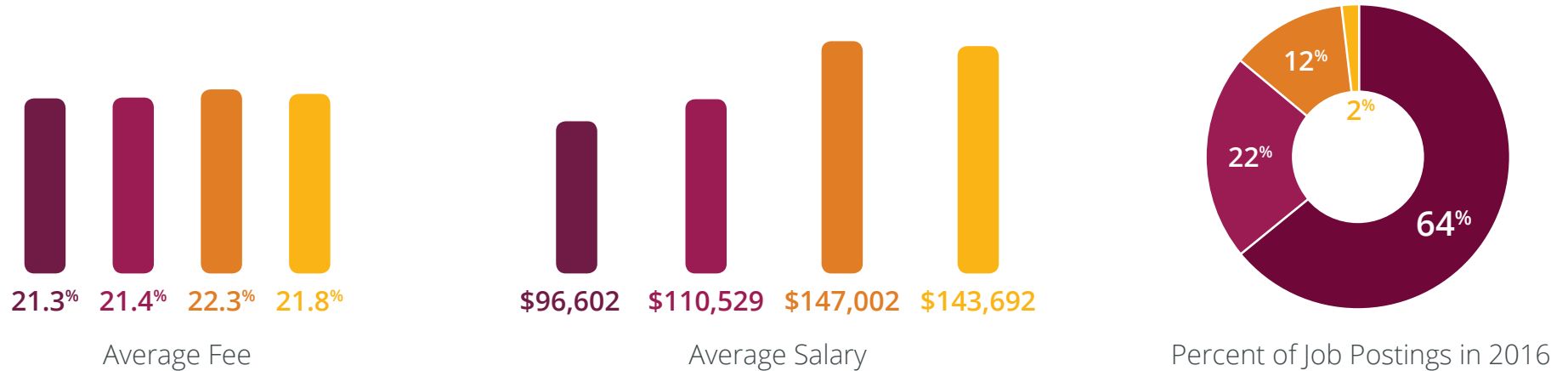
Consistent with our projections from past reports, a review of average agency fees shows two things simultaneously – that average fees in our marketplace are at an all-time high, and that those fees are apparently leveling off as seen in recent years.

This continues to be a dynamic between industries where premium fees are required and those that are not. Theoretically, the more industries that participate in the marketplace and are increasingly competitive in labor requirements, the more fees would go up as it becomes harder to displace workers. However, as long as there are roles that are not as competitive and do not require premium fees, agency fees should continue at a steady growth rather than a sharp incline.



PREMIUM FEES

WHAT WAS THE DISTRIBUTION OF PREMIUM FEES BY TITLE?



NON-MANAGERIAL
MANAGER
DIRECTOR
VP OR C SUITE

PREMIUM FEES FOR NON-MANAGERIAL POSITIONS?

A whopping 64% of premium fees went to non-managerial roles! What does that encompass?
Here's a sample of what these non-managerial roles look like:



Family Medicine
Physician



Legal
Counsel



UX Designer



Accountant



Hospice
Administrator



Internal
Auditor



Senior Sales
Consultant

2016 SALARY DETAILS

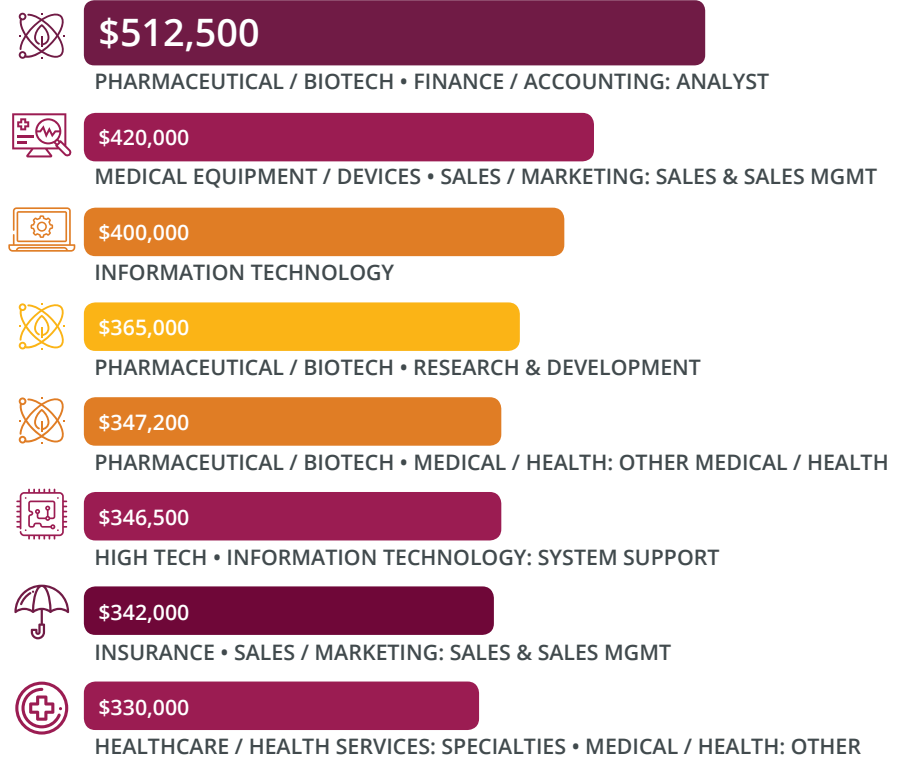
HIGHEST AVERAGE SALARIES BY INDUSTRY

Which industries had the highest average salaries in 2016?



TOP INDIVIDUAL SALARIES BY INDUSTRY

What were the highest posted salaries by industry in 2016?



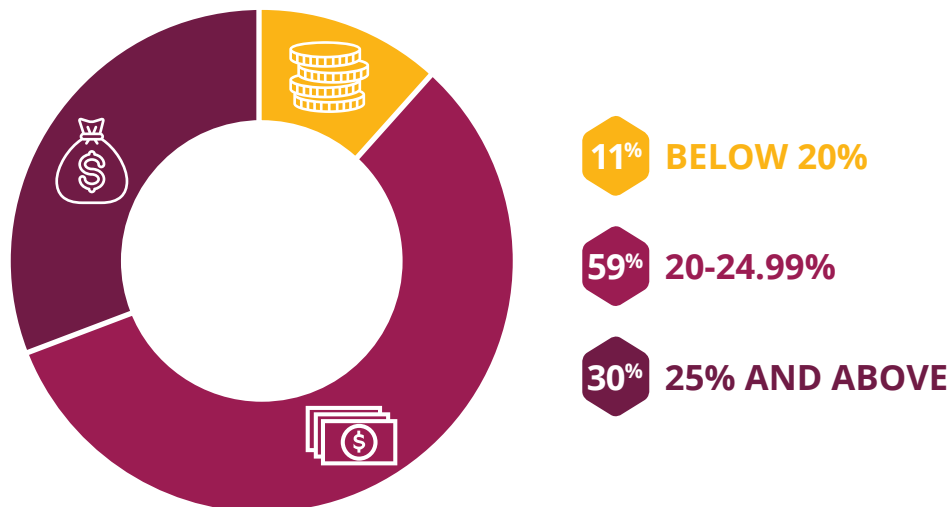
PREMIUM FEES

Accepted wisdom in recruiting circles is that 20 percent is the “accepted average” fee for recruiting services, but premium fees of 25 percent or higher are considered the ***bellwether for the hottest industries, jobs, and candidates***.

For this reason, while it’s necessary to understand the movement and allocation of average fees in our marketplace, we think it’s even more critical to inspect the portion of our market paying premium fees – and to understand the specific factors that increase competition in the labor market and drive the cost of hire upward.

JOB POSTINGS BY FEE CLASSIFICATION

What was the distribution of jobs posted in 2016 related to fees?





DATASET: PERFORMANCE

You've set the right salary and fees, when can you reasonably expect to see resumes, interview candidates, and hire your new employee? Comparing your company's data against industry benchmarks can be useful to help you measure your agency performance and identify areas for improvement.

This section looks at the key performance indicators that fuel third-party search and are crucial to top performing talent acquisition organizations.

PERFORMANCE

So far, we've reviewed what types of jobs are in our marketplace, and the breakdown of salaries and fees. It's also important to review what happens once a job is posted, and the factors that increase the probability of a job filling quickly, with a quality candidate.

BOUNTYJOBS RECRUITMENT TIMELINE



AGENCY PERFORMANCE STATISTICS

What does this process look like from the recruiter's point of view? And, does engaging a vendor privately or publically make a significant difference in a job search?

Average number of agencies invited to work on a job:



Average number of resumes submitted:

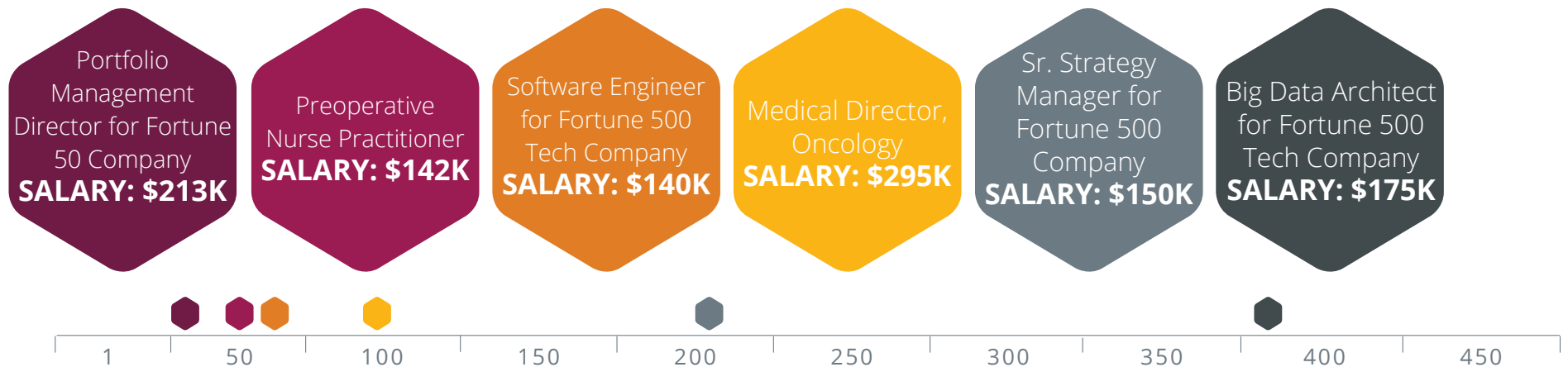


TIME TO FILL

Arguably one of the most critical performance metrics, time to fill is also among the most complex. It's affected by a variety of factors from the length of interview processes specific to each organization, to the sheer number of candidates submitted for the role. And while time to fill is an important piece of the performance tracking for third-party recruiting, a longer time to fill doesn't necessarily represent an unsuccessful job search process.

Here, we've selected a sampling of roles filled on BountyJobs in 2016, and provided the salary and time to fill for each:

10+ years in the business have shown us that time to fill benchmarks are most useful when tailored to a specific industry or role. We provide custom benchmarks to our customers, helping them stay competitive and ahead of the curve.



AGENCY PERSPECTIVE

HOW CAN EMPLOYERS GET THE MOST OUT OF THEIR AGENCY RELATIONSHIPS?

As mentioned earlier in this report, we published our first annual Out to Search: A Third-Party Recruiting Collaboration & Performance Survey in 2017. Agency respondents listed the following as collaboration pain points when working with employers: time lag in giving candidate feedback, employer non-response, compensation is under market, time lag in answering my questions, and poor job descriptions.

Employers, agencies are working on your behalf to sell both your organization and your role. Arm them with as much as possible to help them sell your role well. **Nearly 80% of agency survey respondents have been working as recruiters for more than ten years** – the experience and the drive to find your next candidate for your critical roles is out there.

BEFORE BOUNTYJOBS

“Before we partnered with BountyJobs, it was quite frankly the ‘wild, wild west’. Whatever recruiter wanted to work with whatever agency they had heard of before, they called that agency, we signed them up for a direct contract and they worked with that agency.”

GREG BARRY,
RECRUITING MANAGER FOR EPSILON

AFTER BOUNTYJOBS

“We partnered with BountyJobs because we felt they brought something to us that was invaluable in terms of organizing and grouping our agency partners into a streamlined platform to be able to manage everybody, talk with everybody immediately, and help us from a cost perspective.”

“I really like the BountyJobs system; it's like an outsourced business development channel for search firms. We are introduced to employers with high-quality jobs and we can engage them immediately.”

“Unlike other tools, BountyJobs lets me engage directly with the employer filling the role. This way I can do my job (consult, ask questions) like I would a customer walking in the front door. This engagement allows me to build my strategy for bringing in the best candidates for each role.”

DAVID POMEROY, NYLON SEARCH

AGENCY PERSPECTIVE

AGENCIES CAN GIVE YOU A LEG UP

Within the top industries we looked at previously as well as others in the competitive landscape, consider agencies as long term representatives of your organization. As such, here are a few recommendations to ensure a productive relationship:



Best Foot Forward

Treat Agencies as your Partner – you both have the same end goal.

Engage with Agencies and set expectations – be direct and agree on critical details such as *timelines, goals, and rules of engagement*.



Tighten Up Your Process

Track the progress of candidates throughout the recruitment process.

Give feedback along the way. Ensure there's a solid feedback loop – respond to questions in a timely manner. Feedback on candidates will help agencies hone in on the right person for the role.



Explicit Job Descriptions

When agencies have a clear understanding of the desired candidate and the role requirements, the entire process including time-to-fill tightens.



Competitive Compensation

Agencies have career-long relationships with candidates. Leverage them for the right offer (salary, benefits, other perks), or engage a service such as BountyJobs to provide industry standard metrics helping ensure your offer is the most competitive and attractive.

NEXT YEAR'S OUTLOOK

As we shift our next report to early 2018, we will continue to follow the below trends we see forming:



THIRD-PARTY SEARCH LANDSCAPE

Spikes as well as ebbs and flows in all key industries going to search.



RELOCATION & WORKSHIFTING

Increases in relocation and working remote opportunities, as well as all major indicators pointing to the shifting of the traditional job format.



COMPETITION FOR TOP TALENT

Increasing competition for top talent as the U.S. unemployment rate hovers around what many analysts consider 'fully employed'.



NEW ADMINISTRATION

There's a new administration in the White House, and with it, come new policies.

FOR EXAMPLE

A recently announced grant program would provide up to \$200 million to expand apprenticeships in growth industries like IT, healthcare, and manufacturing. Since the new administration took office, many jobs have been added in the construction and manufacturing sectors. We'll keep an eye on any others that may have a direct effect on the job market.

ABOUT BOUNTYJOBS

BOUNTYJOBS IS THE LEADING TECHNOLOGY FOR COLLABORATION BETWEEN EMPLOYERS AND AGENCIES

Our web-based platform consolidates 3rd-party search activities into one convenient location; giving talent acquisition leaders the tools to track, manage, and evaluate their search spend. The result: better hires, faster. BountyJobs is headquartered in Austin, TX and is backed by Greylock Partners, Accel Partners, and RPM Ventures.

LEARN MORE ABOUT BOUNTYJOBS AT [BOUNTYJOBS.COM](https://bountyjobs.com)



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