



2018 THIRD-PARTY RECRUITING BENCHMARK REPORT



THE DEFINITIVE COLLECTION OF
INDUSTRY TRENDS IN CRITICAL
HIRING FROM THE WORLD'S LEADING
RECRUITER ENGAGEMENT PLATFORM

FOREWORD

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



2015

Our 2015 report focused on big picture trends in fees and salaries over the past 5 years.



2016

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



2017

In addition to those previous data points and findings, our 2017 report took into consideration extra factors: our 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.



OUR 2018 REPORT...

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

Outlines core metrics and performance across all industries, but also expands upon key trends. As talent acquisition as a whole is rapidly progressing with the combination of a record low unemployment rate, the widespread adoption of technology, and a younger generation making up the majority of the U.S. workforce, multiple emerging trends worth watching are valuable blips on the talent acquisition radar. Rather than double-down on one or two, this report gives a quick snapshot of the five that show the most potential for causing the most impact.

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 recruiter is effective.





BOUNTYJOBS ANNUAL REPORT EXECUTIVE SUMMARY: 5 EMERGING TRENDS & GAME CHANGERS

BountyJobs is the world's leading technology for employer and recruiter collaboration, focused on helping talent acquisition stakeholders work better together. Each year, we collect and share data from our expansive marketplace, where employers and recruiters engage to fill critical, difficult-to-source, direct-

hire positions via third-party search. We've expanded our report for 2018 by breaking out key trends even further; giving a quick snapshot of the five potential game-changers that show the most promise for causing a big disruption in talent acquisition as we know it. For 2018, the emerging trends

and game changers we focus on are Jobs Growth, Salary Growth, Millennials and Gen Z, Skills Gap, and Technology. We take a look at how these trends are currently impacting talent acquisition, why you should care, and insights you can use to your advantage when crafting your hiring strategy.



2018 EMERGING TRENDS & GAME CHANGERS



JOBS GROWTH

Reportedly growth is consistent with a record high of 6.3 million job openings, but there is more to the story.



SALARY GROWTH

Wages were up 2.9% in Q1 2018, the most growth since June 2009, but not all are feeling the fruits from their labor.



MILLENNIALS AND GEN Z

This lively group grew up with technology and a lofty respect for culture, diversity, and a passion for a fulfilling career path.



SKILLS GAP

A hot topic for years, this gap is widening along with the decreasing unemployment rate...and the ability to find candidates with the desired skill set.



TECHNOLOGY

This era of doing more with less combined with science, research, and development as industries with burgeoning technologies and discoveries is having a big impact on the world of talent acquisition.



≈6.3M

ESTIMATED JOB OPENINGS IN
JANUARY 2018 WITH HEALTHCARE,
TECHNOLOGY, AND
CONSTRUCTION AS SOME OF
THE TOP GROWTH INDUSTRIES.

≈5M

THERE ARE STILL ABOUT 5 MILLION
AMERICANS WORKING PART-TIME
THAT DESIRE FULL-TIME ROLES.

EMERGING TRENDS & GAME CHANGERS

Changes within the talent acquisition landscape are unfolding quickly. With those changes come emerging trends and pivot points that impact what recruiting will look like not only in the coming years but in the coming weeks and months. Here, we highlight the top 5 that are well-poised to be the most potentially influential:



JOBS GROWTH

While some reports state that jobs growth is consistently on the rise with a record high of 6.3 million job openings, a deeper look finds that this may be true only in specific areas and not indicative of the health of the overall U.S. employment market as is usually indicated. Healthcare, Technology, and Construction are some of the top industries that will continue to enjoy a consistent increase in opportunities. In addition, roles requiring a masters degree will experience more growth than those requiring less education. While this number has declined from a high of 9.1 million in 2010, there are still about 5 million Americans working part-time that desire full-time roles.¹



SALARY GROWTH

In Q1 2018, wages were up 2.9% year over year; the most growth seen since June 2009.

However, these increases are not being seen across the board and hold a strong tie to seniority level.

The underlying 83%, those that have not graduated with a college degree and are considered 'production non-supervisory', had wage lifts at around 2.4%.





MILLENNIALS & GEN Z

These newcomers are taking the U.S. employment market by storm. Making up more than 50% of the U.S. workforce, this lively bunch is heavy on technology, prefers a variety of non-traditional communication methods, and considers cultural and ethical ideals as major motivators. On average, it costs about \$24K to replace each Millennial employee and the average tenure for this group is about 2-5 years.²

This technology focused group now comprises >50% of the U.S. labor market.

THE PROBLEM

The skills gap in the U.S. workforce has been a topic for years and is continuing to widen with the historically low unemployment rate.

45%

OF HR MANAGERS SAY THEY HAVE BEEN UNABLE TO FILL OPEN POSITIONS BECAUSE THEY CANNOT FIND QUALIFIED TALENT.

58%

OF HR MANAGERS ALSO REPORT THEY HAVE JOBS THAT STAY OPEN FOR 12 WEEKS OR LONGER.³



MIND THE SKILLS G A P

THE SOLUTION

66%

OF EMPLOYERS PLAN TO TRAIN AND HIRE WORKERS WHO MAY NOT HAVE ALL THE SKILLS THEY NEED, BUT SHOW POTENTIAL TO EXCEL.

30%

OF EMPLOYERS PLAN TO INCREASE STARTING SALARIES FOR NEW EMPLOYEES BY 5% OR MORE TO WARD OFF THE COMPETITION.

39%

STILL OTHERS WILL DUST OFF THEIR FUNNEL OF BOOMERANG EMPLOYEES AND HIRE FORMER EMPLOYEES IN 2018.

DATA TRACKING

In this fast-paced world of recruiting, quick decisions backed by both data and experience are paramount. Time to Fill, Cost Per Hire, Sourcing, and Diversity are only some of the key metrics that are top-of-mind with TA pros making the most impact and progress toward goals as well as keeping ahead of the competition.



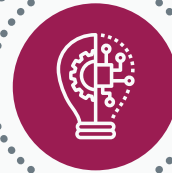
SOCIAL

Social media is a prime way to connect with passive candidates. Recruiting via social media is growing with 84% of organizations using it currently and 9% planning to use it. Recruiting passive job candidates (82%) continues to be the top reason that organizations use social media for recruitment.⁵



TECHNOLOGY

TECHNOLOGY



MOBILE

A lofty 89% of active job seekers view their mobile device as a key tool to look for jobs. Conversely, only 20% of companies have a career site optimized for mobile and 3% have a mobile app. More recruiters are using text messages as a key form of outreach to potential candidates as 90% of texts are read within the first 3 seconds. When compared with emails, text messages have a far better response rate, 26%, rather than the average click-through rate of 4% for emails.⁴



ARTIFICIAL INTELLIGENCE

In this era of doing more with less in recruiting, many think of artificial intelligence as a virtual assistant. Whether it's an automation tool to streamline your process or AI software that will analyze video interviews or create personality profiles by screening social media accounts, leaning on cutting edge technology can be extremely effective. A whopping 69% say that AI as a sourcing tool identifies higher quality candidates.⁶



THE DATASET: AT A GLANCE

Building upon our foundation as the world's leading recruiter engagement platform, our marketplace continues to be dynamic.

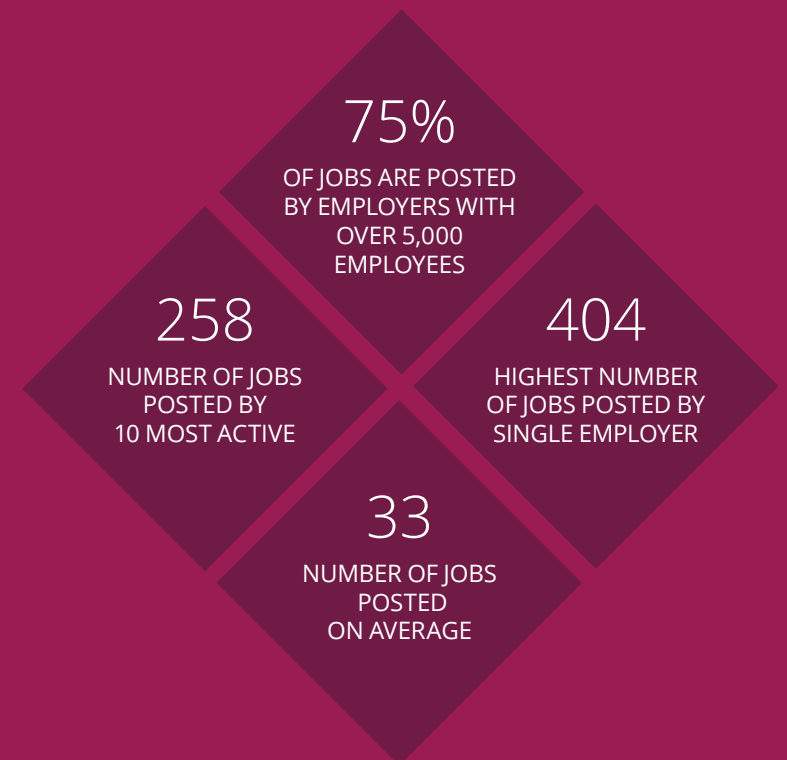
Our roster of 10,000 active third-party recruiters have submitted 750,000 highly-qualified candidates to jobs posted by our employers with \$1.25B in posting fees. The results? Employers and agencies collaborating more effectively to secure the best talent for their hardest-to-fill positions.

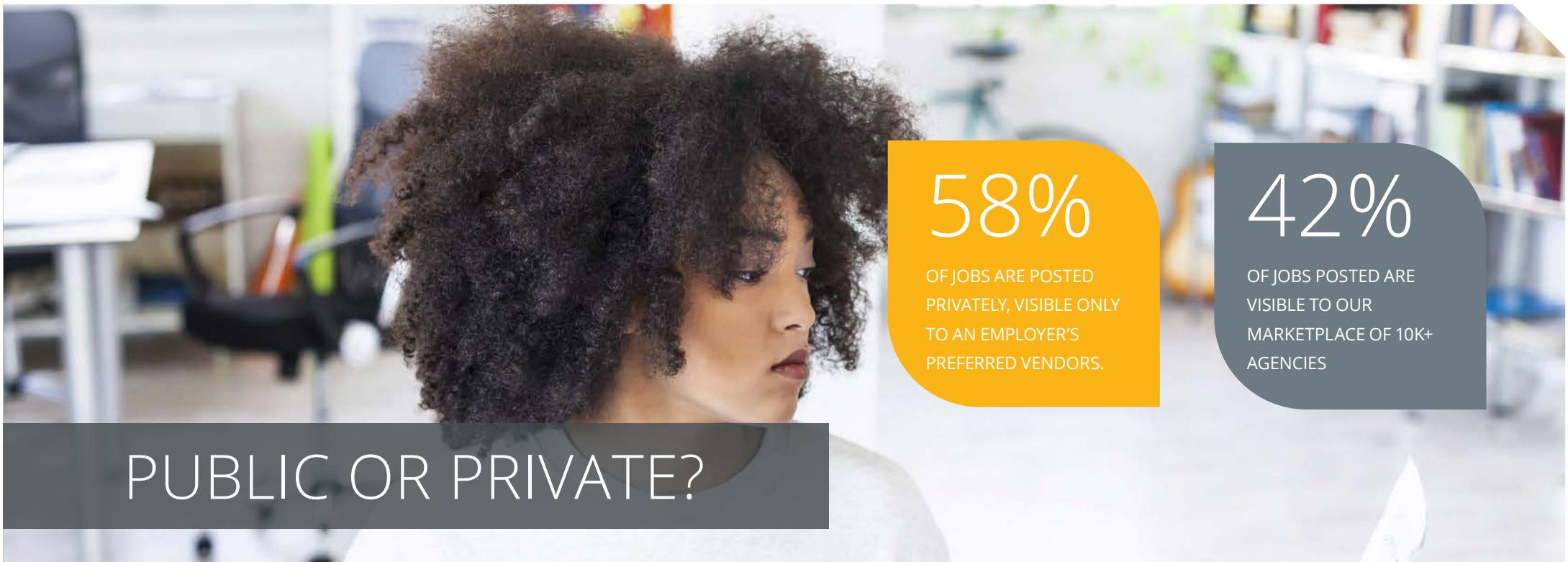
In 2017, the BountyJobs marketplace continued to bustle with activity. This section takes a high-level look at the pieces of data tracked within our marketplace. From aggregate activity by employers and agencies to the geographic disbursement of jobs across the country, this section helps give a picture of the robust and relevant data we looked at when curating this report.



BOUNTYJOBS EMPLOYER ACTIVITY

Who are the organizations that make up the BountyJobs marketplace and what was their activity in 2017?





PUBLIC OR PRIVATE?

58%

OF JOBS ARE POSTED
PRIVATELY, VISIBLE ONLY
TO AN EMPLOYER'S
PREFERRED VENDORS.

42%

OF JOBS POSTED ARE
VISIBLE TO OUR
MARKETPLACE OF 10K+
AGENCIES

HOW DO OUR EMPLOYERS DETERMINE THE VISIBILITY OF THEIR JOB?

We saw a pivot in usage of private vs. public postings this past year. Jobs posted in our marketplace privately, with only recruiters selected by the employer able to view the posting, increased from 46% in 2016 to 58% in 2017. In 2016, jobs visible to our entire marketplace had the majority with 54%. In 2017? This dropped to 42%. Could be that in this competitive climate, employers are harnessing a careful selection of recruiters to work on their hard-to-fill jobs.



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 third-party recruiters.

BY THE CALENDAR

What time of the year do employers go to external search?

Most months held steady year over year, however, January saw the largest increase of 3%.

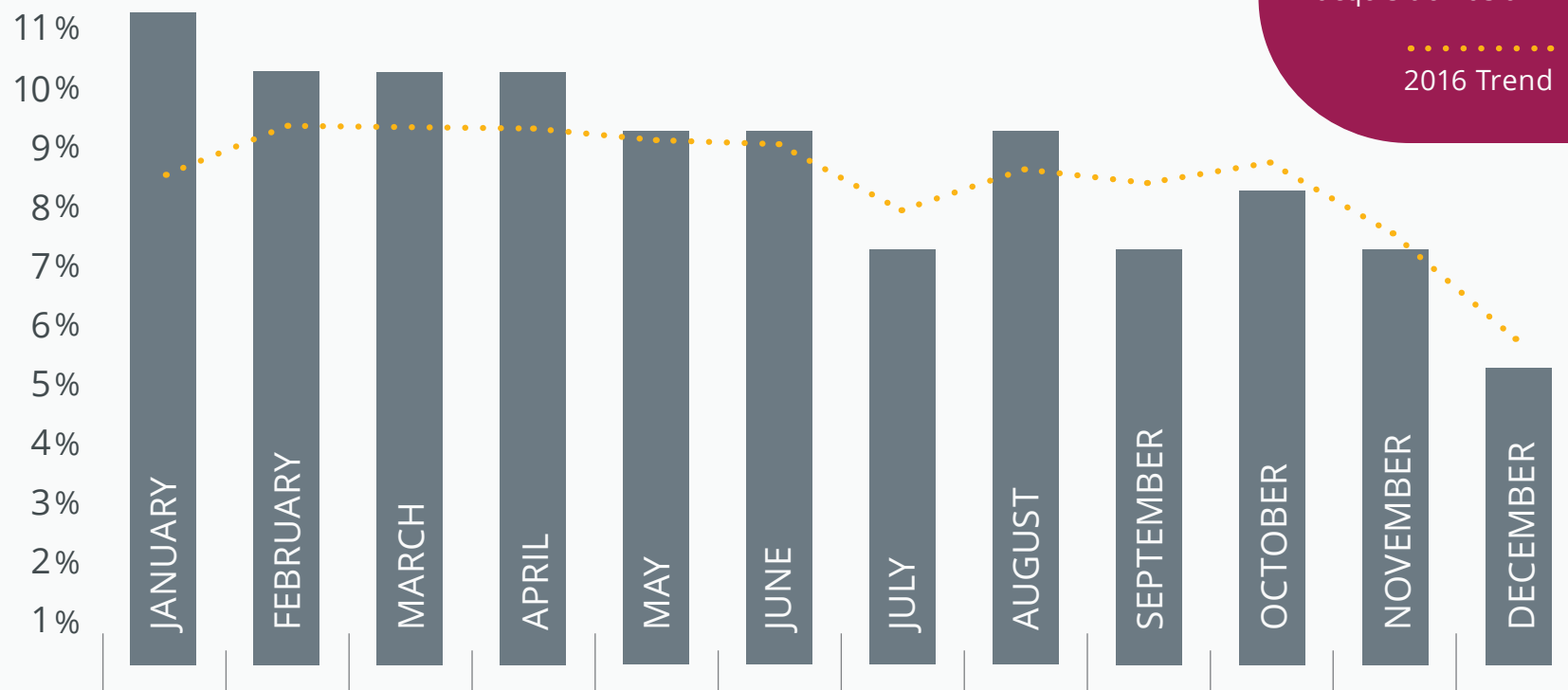
In 2017, employers quickly got back into the swing of things after the holiday slowdown.

Perhaps the historically low unemployment rate and uber-competitive hiring landscape played a part in lighting their fire.

HIRING IS SEASONAL!

Not surprisingly, monthly hiring volume mirrors typical seasonal trends seen across talent acquisition as a whole.

.....
2016 Trend

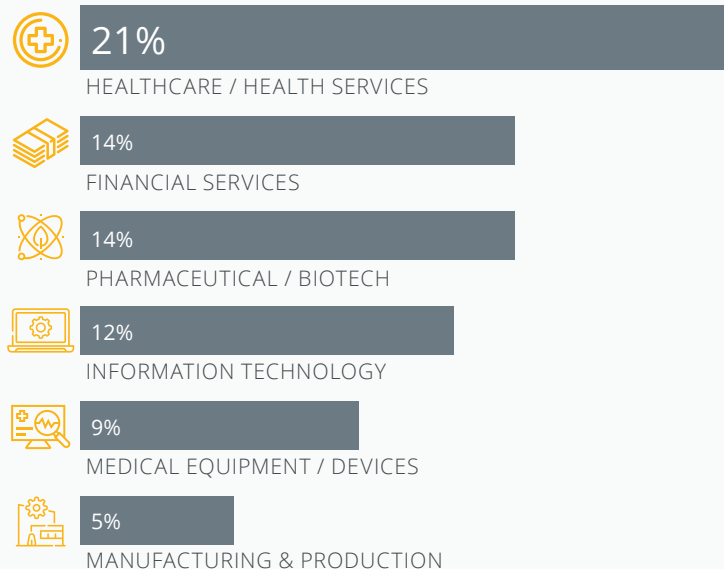


HIRING TRENDS 2017

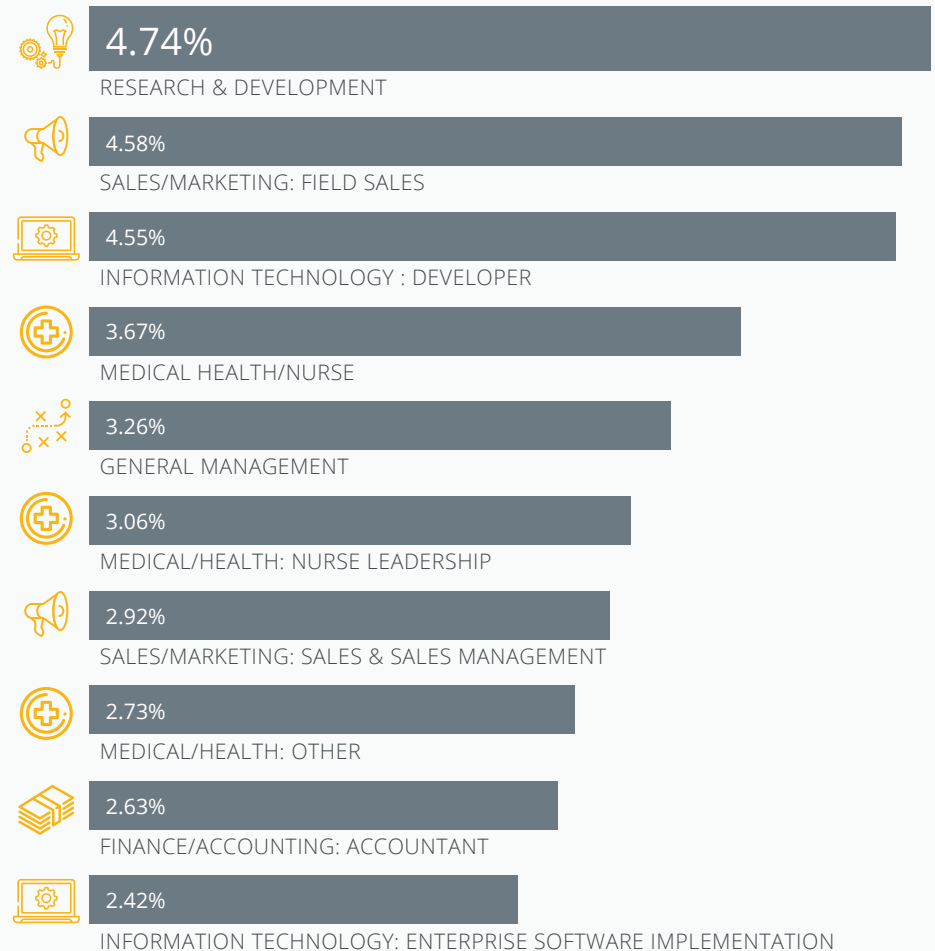
WHAT DO OUR TOP INDUSTRIES CONTRIBUTE TO OUR MARKETPLACE?

These top performing verticals are holding steady from last year's report. Included below is a listing of industry categories earning over 5% in posting volume. We break it down even further with the top recruited roles by job post volume. There are some newcomers to the Job Category section of top-performers for 2017. General Management, Accountant, and IT Enterprise Software Implementation all earned spots on the list this year. R&D at the top slot may come as no surprise to some as many new industries are experiencing growth: artificial intelligence, renewable energy, and the solar industry to name a few.

BY EMPLOYER INDUSTRY

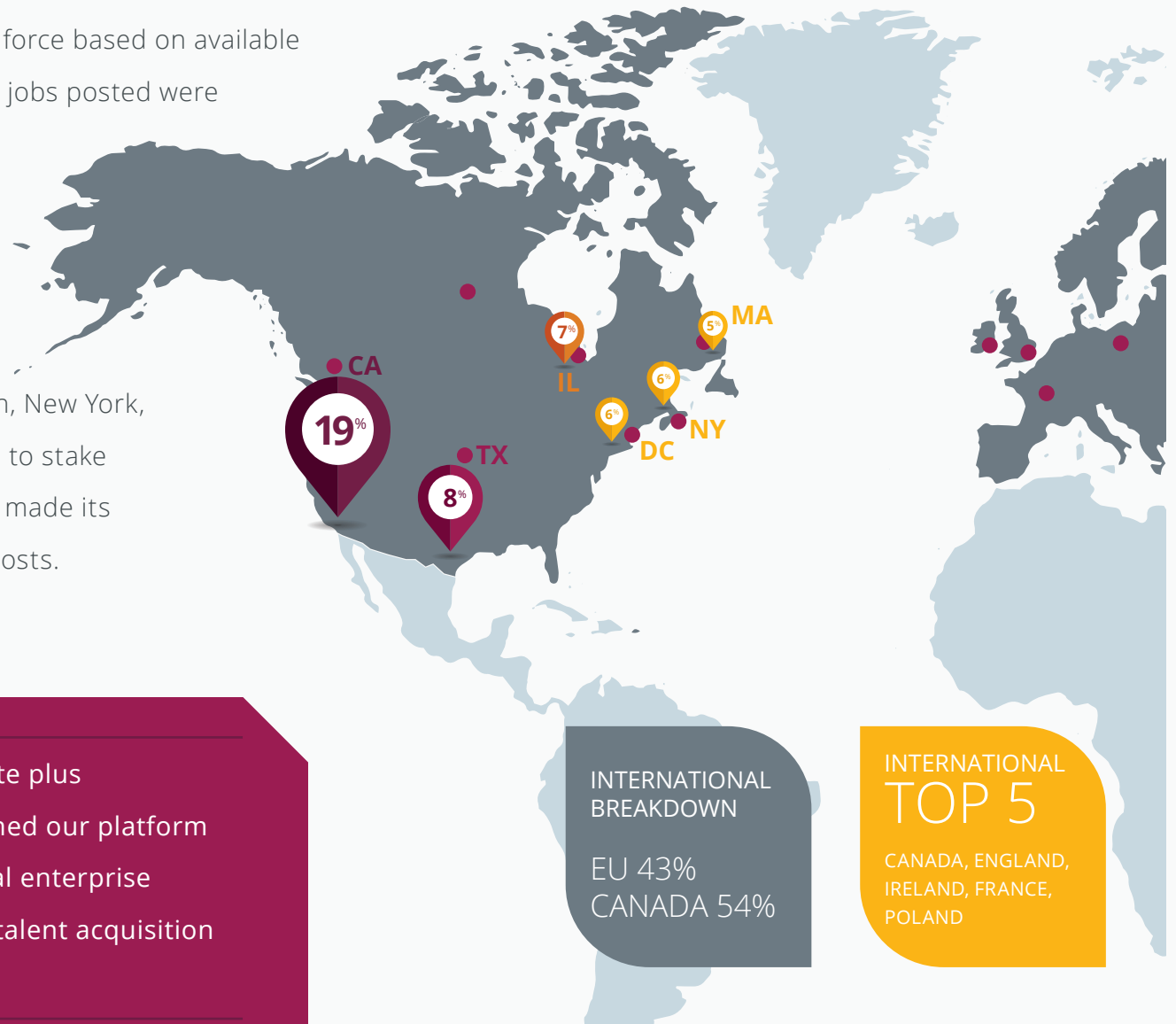


BY JOB CATEGORY



WHERE ARE JOBS GEOGRAPHICALLY LOCATED?

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), and in 2016 the top 50% were spread across 5 states (CA, TX, VA, NY, FL) we saw still another expansion in 2017. This past year, 50% of the jobs posted were spread among six states – California, Texas, Illinois, Washington, New York, and Massachusetts. While CA and TX continued to stake their claim in the top 2 spots, newcomer Illinois made its debut with the third largest percentage of job posts. WA and MA edged out VA and FL.



In 2017 there were placements in every state plus Puerto Rico, Canada, and the EU. We launched our platform internationally in 2016 to support our global enterprise customers; allowing them to manage their talent acquisition practices all over the world in one place.

THE DATASET: COMPENSATION

TOP METRICS TO CONSIDER

2015

59% of roles posted were open to negotiate possible relocation.

2016

Slight uptick with 61% of jobs posted included relocation consideration.

2017

Percentage held steady for jobs posted that included relocation.

2017

30% of jobs posted through BountyJobs resulted in the final salary offered being higher than posted as candidates negotiated salaries higher than the role threshold.

TOP FACTORS TO CONSIDER

2017

4% of jobs were remote and were critical hard-to-fill roles that are typically in-office jobs.. This is up from 2% in all of 2016.

109K

AVERAGE SALARY
(ADJUSTED FOR
INFLATION)

505K

LARGEST SALARY

While we're seeing over half of employers open to relocation within negotiations for the right candidate, this perk has not increased even in this candidate's market.

Further, the percentage of employers that are definitively including relocation within their offers has declined from 31% in 2016 to 24% in 2017. While employers are open to relocation, an increased amount are becoming more conservative in offering it outright.

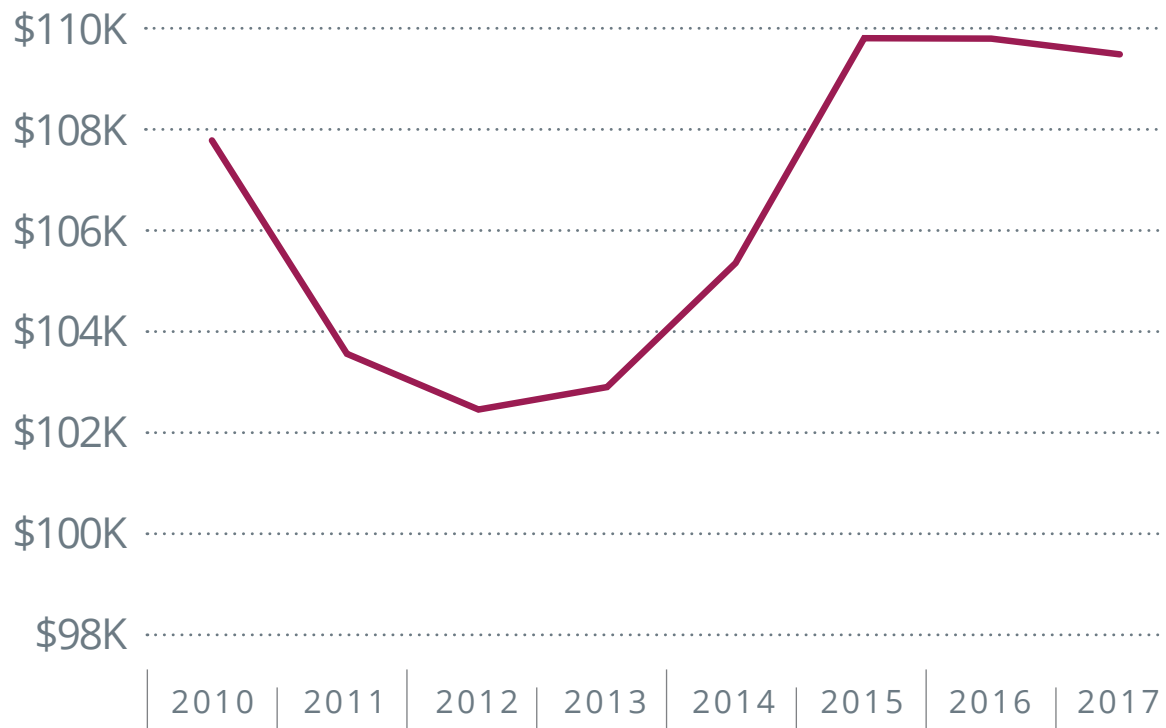
There has been a lot of emphasis on work shifting in recent months - this is the rise that we've seen so far. Our data tells us that sales roles within Healthcare make up the majority of the positions offered as remote. The shortage of medical professionals still continues to play a significant role.

SALARY AVERAGES: YEAR-OVER-YEAR

Salary and fee trends continue to be two of the most studied data points to give insight to the health of the overall employment market as well as the third-party recruiting landscape.

Here we included year-over-year averages for both salaries and fees within our marketplace from 2010-present. Contrary to media reports, we're seeing a distinct

leveling off in salaries. We took a look behind the headlines and discovered what's really going on in the employment market in our piece, '[Cognitive Dissonance, Reports vs. Reality](#)'.⁷



MARKETPLACE SALARY AVERAGES YOY (ADJUSTED FOR INFLATION)

49%

OF RESPONDENTS FROM A RECENT SURVEY FROM THE PEW RESEARCH CENTER STATE THAT IN THE U.S. COST OF LIVING IS OUTPACING THEIR WAGE GROWTH.⁸

HEARD
IN THE
FIELD

≈ 1%

AN AVERAGE 3% PAY INCREASE FOR U.S. WORKERS TURNS OUT TO BE AROUND 1% WHEN ADJUSTED FOR THE EXPECTED 2% INFLATION RATE.⁹



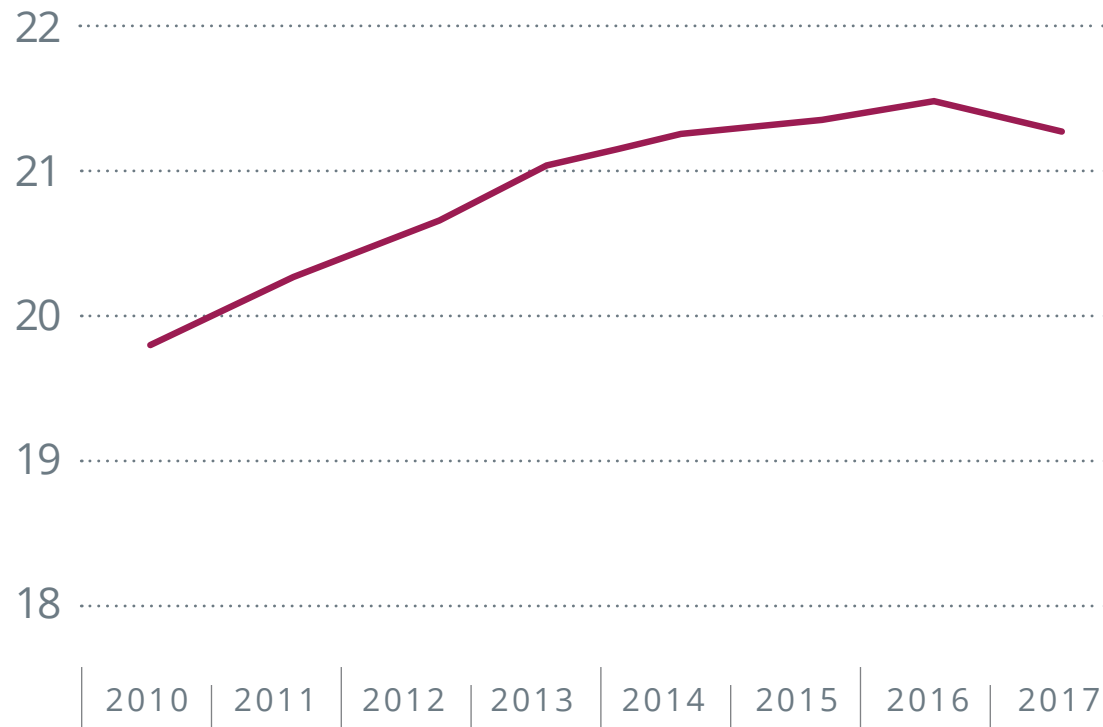
FEE AVERAGES YEAR-OVER-YEAR

After a few years of consistent growth, we are seeing a leveling off of average third-party recruiter fees. This downturn corresponds to our data in this report finding that the majority

of job postings are within typical market fees. While the hiring market remains competitive amidst a historically low unemployment rate, employers are holding steady when

it comes to fee rates. Lessons from past financial crises come into play as organizations err on the side of caution regarding spend.

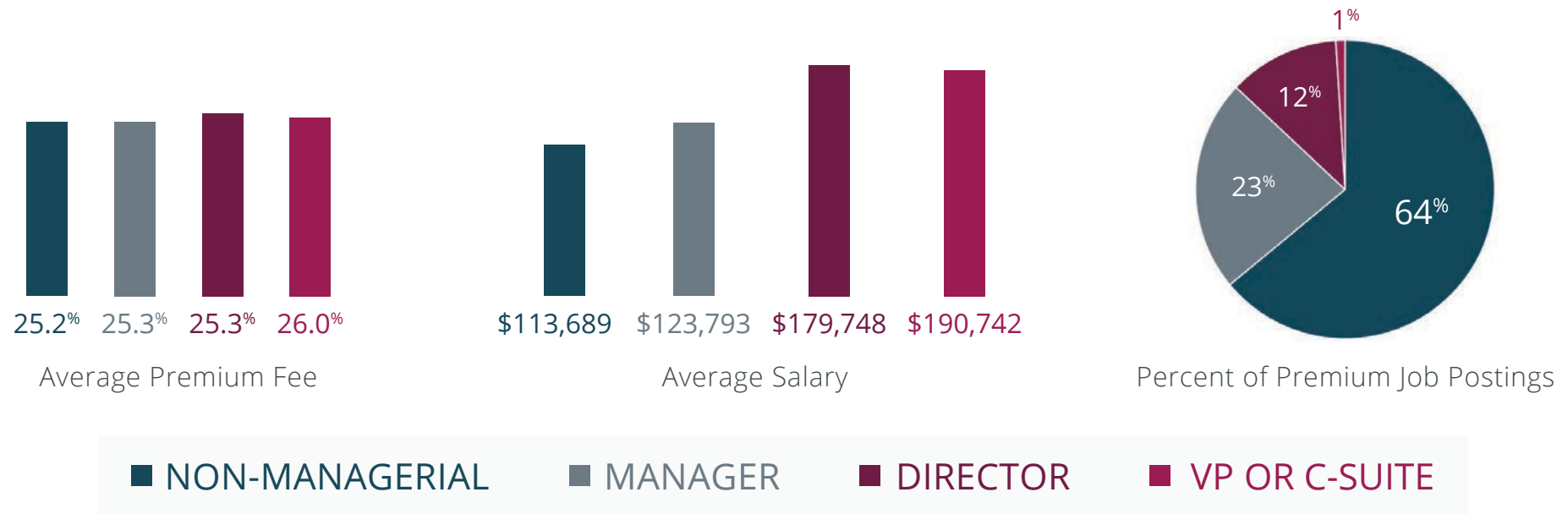
How Have
Average
Third-Party
Recruiter Fees
Changed Over
Time?



MARKETPLACE FEE AVERAGES YOY



SALARY & FEES: DISTRIBUTION OF JOBS WITH PREMIUM FEES BY TITLE



PREMIUM FEES FOR NON-MANAGERIAL POSITIONS

64% of roles with premium fees (again!) went to non-managerial positions like:



Javascript Engineer



Internal Auditor



Sr. Data Scientist



Principle Medical Writer



Legal Counsel



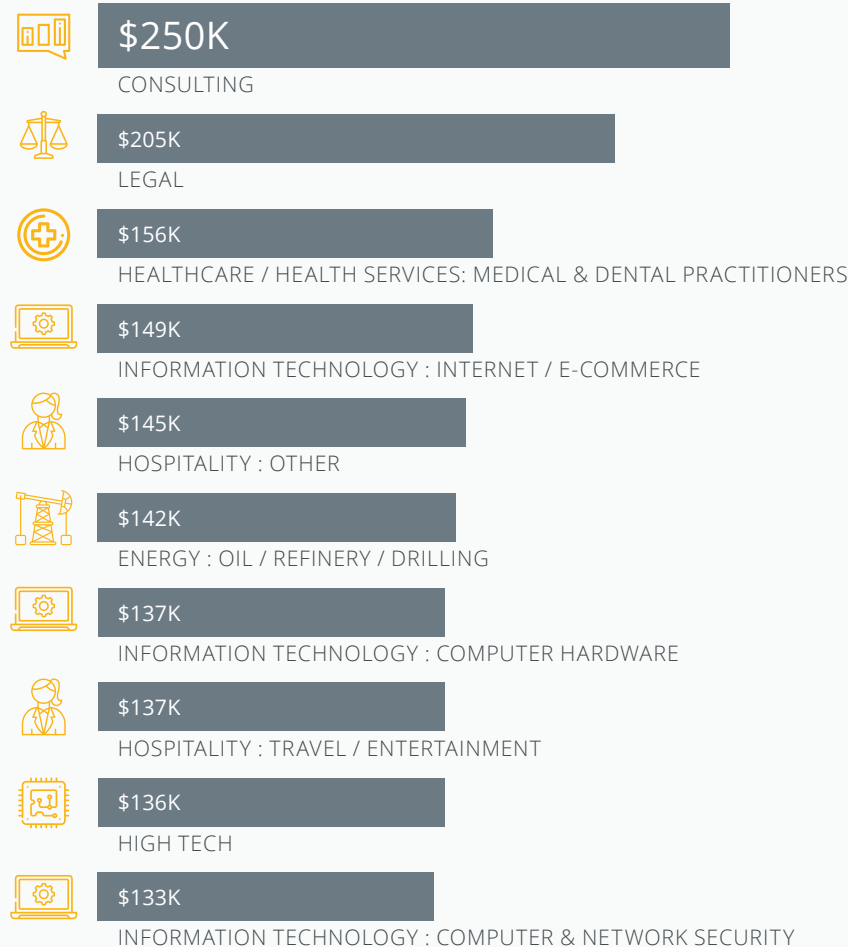
Cardiologist



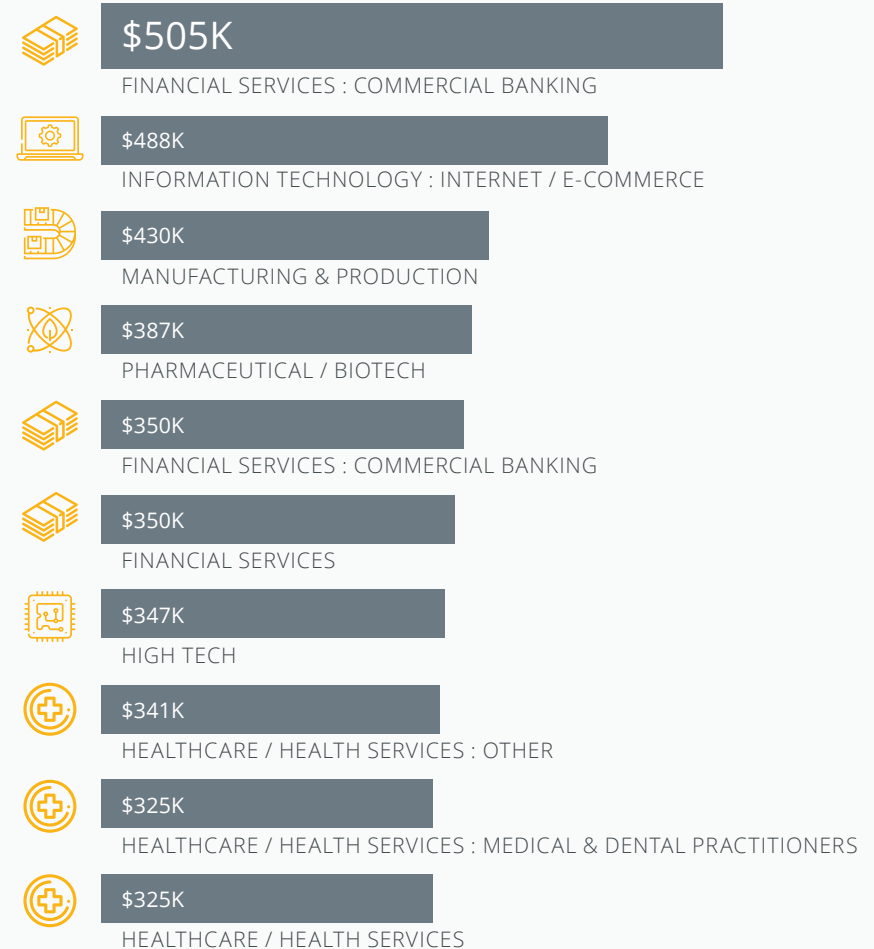
Commercial Banker

SALARIES & FEES: 2017 SALARY DETAILS

Highest Average Salaries by Industry



Top Individual Salaries by Industry



PREMIUM FEES

What was the distribution of jobs posted in 2017 related to fees?

Within talent acquisition a fee of 20% is considered 'average' while fees of 25% or higher are seen as 'premium' and reserved for those critical and hard-to-fill roles. Discount fees, those falling in

at under 20%, can be utilized...but buyer beware – you may get what you pay for. When looking at fee performance in 2017, we're seeing Premium fees hold steady while Market fees saw a

5% increase. In addition, Discount fees experienced a 5% decline. Employers may have gotten the message that offering a respectable fee may help them land their perfect candidate.



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. 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?



PERFORMANCE

Time to fill is a part of the equation but it is not the dominating factor.

A variety of factors affect time to fill including title, salary, seniority level, and scarcity of talent in a particular role. The entire ecosystem of the role and all the requirements attached make a huge impact. Here's a look at some high volume industries within our marketplace and the average time to fill for some key categories.

This diagram shows what we've been seeing for years – time to fill is a part of the equation, but as it varies widely between industry, role, and many other dynamics, it is not the dominating factor.

TYPICAL TIME TO FILL FOR POPULAR JOB CATEGORIES WITHIN TOP 5 VERTICALS



FINANCIAL SERVICES

Analyst: 49 days
General Management: 61 days
System Development: 138 days



HEALTHCARE

Nurse: 30 days
Nurse Leadership: 78 days
IT Project Management: 135 days



INFORMATION TECHNOLOGY

Developer: 54 days
Network Administrator: 96 days
Business Intelligence: 135 days



MEDICAL EQPT & DEVICES

Lab: 20 days
Production: 83 days
Administration: 119 days



PHARMA & BIOTECH

Analytics: 30 days
Field Sales: 92 days
Patent/IP Law: 127 days



THIRD-PARTY SEARCH = VALUABLE TOOL

As competition continues to soar in talent acquisition, employers are leveraging additional tools to gain access to candidates for their critical and hard-to-fill roles. Going out to search has become a viable option for many including those that have never used third-party recruiters before.



THIRD-PARTY SEARCH LANDSCAPE

Our expansive marketplace data has shown that in 2017 employers using BountyJobs for third-party search are increasingly leaning on trusted agencies and recruiters, allowing only select resources visibility into their open roles. This level of discernment can be seen as a further nod toward employers zeroing in on their key open roles, ensuring they are supported by the highest level of professionalism and care.

SOME FACTORS THAT POINT THE NEEDLE TOWARD THIRD-PARTY RECRUITING:

- Historically Low Unemployment Rate of 4.1%, with the Expectation to Drop Further
- Passive Candidates = Desired Targets
- Deep Understanding and Expertise in Industry-of-Hire Necessary to Compete

TO BETTER ENSURE THE BEST ROI FOR YOUR THIRD-PARTY SEARCH INVESTMENT:

- Do your homework – research the recruiter's background, areas of expertise, experiences, and references.
- Be upfront and transparent about exactly what the role entails and skills required.
- Clear and consistent communication throughout the process better ensures a successful outcome and a valuable hire.

OUTLOOK FOR 2018

As we prep for our next report in early 2019, we will continue to follow the below trends we see forming:

DRAWING FROM THE
YEAR SO FAR



FLAT AND DECREASING SALARIES

After reports of consistent growth in salaries, we're seeing employers hold tight.



FURTHER DECREASE IN UNEMPLOYMENT RATE

Goldman Sachs predicts it will decrease further to 3.5% by end of 2019.



RECRUITING PASSIVE CANDIDATES

The most desirable candidates are already employed. Creativity and ingenuity is the name of the game to snag them for your role.



COMPETITION FOR TOP TALENT

Increasing competition for top talent as the U.S. unemployment rate continues to decline.



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10,000+ HIGHLY
SPECIALIZED RECRUITERS



\$1.25B IN
PLACEMENT FEES



750,000 CANDIDATES
SUBMITTED



WORLD'S LEADING RECRUITER
ENGAGEMENT PLATFORM

1114 Lost Creek Blvd, Ste. 420
Austin, Texas 78746

GET IN TOUCH

Our web-based platform consolidates third-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.

Have questions or a topic you'd like us to cover?

Email our Sr. Content Marketing Manager,
Erin Geiger, at blog@bountyjobs.com

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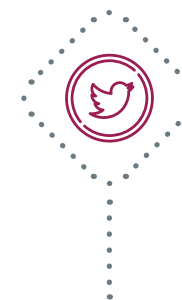
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