

the intelligence

On the up - so what next?

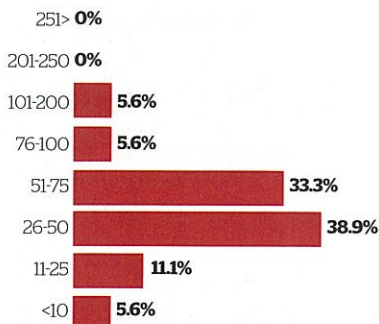
Job creation is growing, but how can recruiters build on this, asks **Nina Mguni**

The December 2013 'Report on Jobs' pointed to reasons to be optimistic this year. It found growth in month-on-month permanent and temporary placements, showing the pace of growth in job vacancies accelerated to the strongest rate in 15 years, and permanent starting salaries grew at their fastest rate in six years. All in all, this suggests that job creation is likely to be far more active in 2014 than we have seen in recent years.

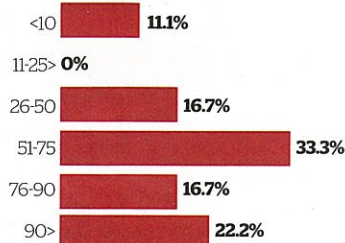
Yet amidst this activity, the recently published REC report, 'The Client Paradox', challenges recruiters to up their game to maintain their reputation as the most valued source of quality hires in the eyes of HR professionals.

The report explores the

How many applications do you receive for a typical position?



What percentage are typically not qualified for the position?



Source: Candidate Experience Awards 2012

changing relationship between client and agency recruiter. According to the LinkedIn 'Global Recruiting Trends Survey 2013', the top priority for in-house recruitment is to recruit and source highly skilled talent. But within this context the hiring landscape has adapted and the challenge is for the recruitment industry to adapt in response.

'The Client Paradox' highlights the need for improved candidate communication before, during and after the recruitment process to optimise applicant volumes. A poor candidate experience has the dual effect of deterring candidates away from the employer brand and the brand in general. 'The Client Paradox' reports that 20% of applicants are also customers of the employer brand and 17% of people would share a poor experience through social media.

The recruitment industry has key strengths to build on; it invests time into developing relationships in order to access low volumes of specialist skills, has keen market insight and intelligence, and access to talent pools.

But enhanced candidate experience will also include soliciting candidate feedback at all stages of the recruitment process. There are opportunities to make use of the technological advancements to better source and profile candidates, and harness the increasingly available sources of credible information about candidate performance in professional communities and online work platforms.

Fig 1: Median recruiter turnover growth



Fig 2: Median average placement salary

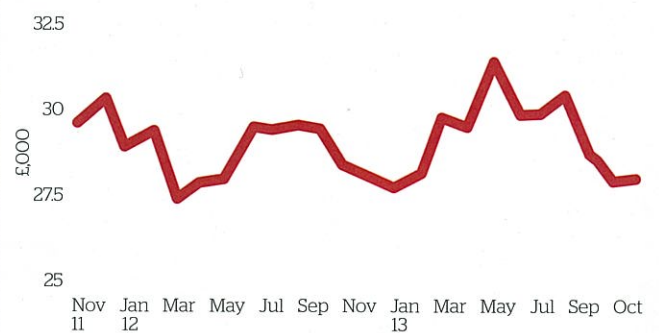
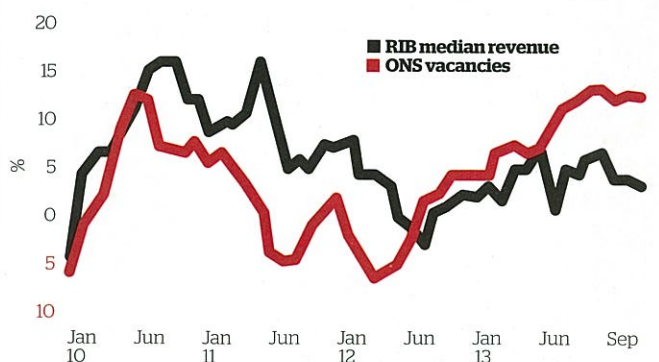


Fig 3: Median revenue growth & UK job vacancy growth



Vacancies available

In the previous editions of *Recruitment Matters* I have frequently commented that declining growth in labour vacancies was a worrying sign for recruiters.

Figure 1 shows that although the median growth in recruiters' revenues in October of 3.4% represented real growth of 1.2% (ie. greater than inflation), it was the slowest growth for 12 months (we exclude the abnormally low figure in March, which was affected by the timing of Easter). The decline in turnover growth has partly been driven by a decline in the median average placement salary over the last six months of 11% to £27,971, as seen in Figure 2. What is interesting is that the decline to recruiters' revenue growth has occurred despite strong growth in reported vacancies (Figure 3). We hope that recruiters will be able to share in vacancy buoyancy as 2014 unfolds.

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