

TRENDING IN 2018:

*Highlights from the 2018 UK Recruitment Trends Report:
The Industry's Outlook for 2018*





UK recruitment agencies weigh in: What's trending in 2018?

Bullhorn is pleased to share highlights from its *2018 UK Recruitment Trends Report: The Industry's Outlook for 2018*.

Based upon a global survey of more than 1,400 recruitment professionals at agencies of all sizes operating in all sectors, the report takes an in-depth look into UK recruitment agencies and analyses the industry's outlook for 2018—from financial forecasts and top priorities to persistent challenges and emerging technologies.

From first-hand opinions, insights, and concerns of 172 UK recruitment professionals, the report explores the candidate experience and preferred communication channels, and also offers a sneak peek at what's on the horizon for the industry, including competition from digital recruitment platforms, GDPR implementation, and the impact of increased automation.

Read along for a highlights of the findings and download a copy of the full report at www.bullhorn.com/uk/TrendsSurvey2018.

A (MOSTLY) POSITIVE OUTLOOK

HIRING OUTLOOK

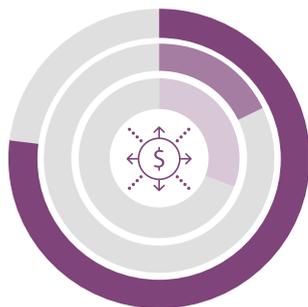


61% say hiring needs will increase

59% say temp placements will increase

41% say billable hours will increase

REVENUE OUTLOOK



77% expect a revenue increase

18% expect revenue to rise 25+%

31% expect margins to rise

INVESTMENT OUTLOOK



52% plan to spend more on tech

38% expect operating budgets to increase

24% expect to expand their number of offices

Recruitment professionals agree: 2018 should be another solid year.

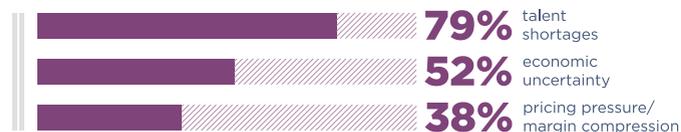
A majority of recruitment agencies expect increases in hiring needs (61 percent) and temporary placements (59 percent) in 2018. Despite these positive signs, the overall hiring outlook for 2018 is a good bit softer than last year. And a large proportion (38 percent) ranks pricing pressure/margin compression as one of their top three challenges.

Seventy-seven percent of respondents anticipate a revenue increase in 2018 revenue vs. 2017. About half (49 percent) say their margins will stay the same this year, compared to just one third (31 percent) who predict their margins will increase.

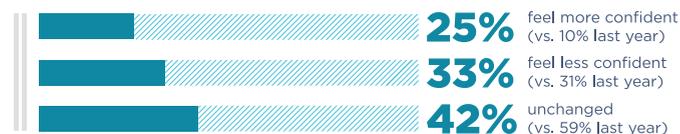
Half of agencies (52 percent) plan to boost technology investments, a slight increase over last year. Operating budgets will also largely hold steady; 46 percent expect them to stay the same as last year. There's less appetite for market expansion. Only 24 percent expect to increase their number of offices, and very few express interest in acquisitions.

CHALLENGES & CONCERNS

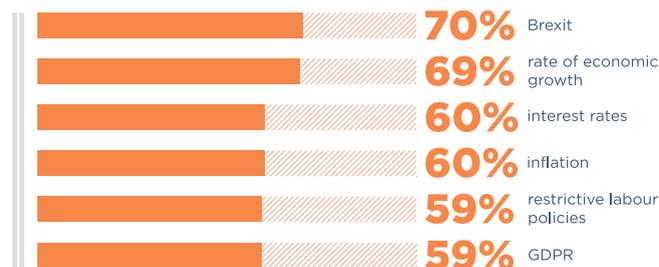
TOP CHALLENGES



AMIDST CONCERNS, CONFIDENCE ABOUT THE FUTURE REBOUNDS



TOP MACROECONOMIC & POLITICAL CONCERNS



While the outlook's generally positive, the year ahead won't be without challenges.

Seventy-nine percent of respondents say the talent shortage is one of their top three challenges, and 55 percent rank it as their single biggest challenge. Economic uncertainty (52 percent) and pricing pressure (38 percent) are also top concerns.

Sixty-nine percent are very or somewhat concerned about the rate of economic growth, and many worry about interest rates (60 percent), inflation (60 percent), restrictive labour policies (59 percent), and GDPR (59 percent). Still, Brexit tops the list once again, with 70 percent saying they're very or somewhat concerned about its impact this year.

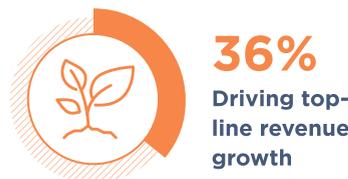
Despite these concerns, overall confidence levels for industry performance have rebounded. One quarter of respondents (25 percent) feel more confident about the future heading into 2018, compared to 10 percent this time last year. Still, 33 percent say they're less confident.

“Even when the candidate pool is small, it's more about brand and how you're engaging candidates. Those two things are most critical, not how many candidates there are.”

Jeff Weidner, VP of Product Innovation, Monster

WHAT MATTERS MOST?

Top Priorities:



Beyond The Big Three:

Expanding into new markets



Improving management of client relationships



Engaging candidates/improving the candidate experience



Employment brand development and marketing



Automating and accelerating recruiting and placement processes



Priorities Remain Consistent: The Big Three Prevail

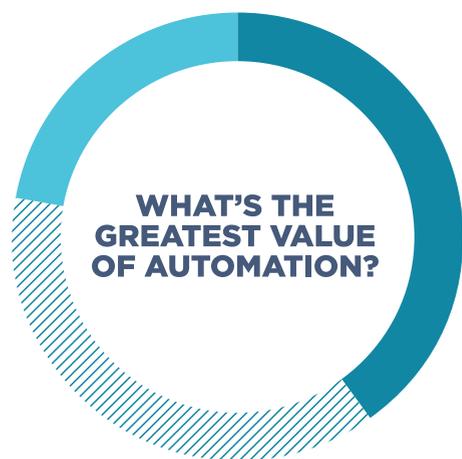
When it comes to top priorities, the big three—profitability, candidate acquisition, and revenue—dominate the rankings. Candidate sourcing overtook improving management of client/candidate relationships for the second spot, while profitability and revenue remained in the top and third spots, respectively.

Exploring priorities beyond the big three paints a clearer picture of operational strategies for 2018.

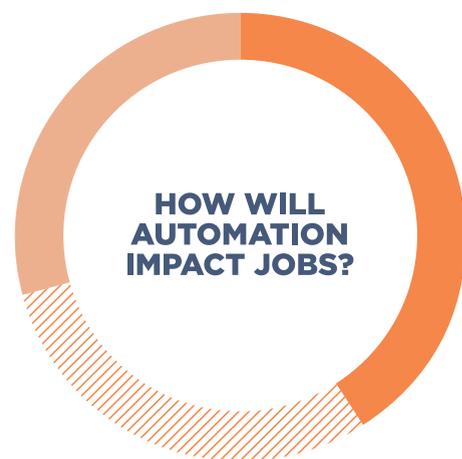
“Balancing client and candidate needs never seems to be perfectly symmetrical due to market conditions. Candidates don’t want to entrust their personal information with agencies they don’t have a high-level of confidence in. And clients are worried about compliance. So the expectation on agencies in the year ahead is to not only have the best candidates but to ensure compliance with privacy laws. The procedures we have in place must be rock solid to balance the needs of both candidates and clients.”

Laurie Boyall, Group Chief Executive, McGregor Boyall

THE PURSUIT OF AUTOMATION



VS.



- **40%** say it's increased efficiencies
- ▨ **38%** say it's increased engagement
- **22%** aren't sure

- **41%** think it will eliminate jobs
- ▨ **30%** think it will create more jobs
- **29%** are undecided

UK recruitment agencies have a huge opportunity to automate.

Automating and accelerating recruitment and placement processes remains an area of interest for the industry; 29 percent rank that in their top three challenges for 2018. And yet, only 16 percent rank automation as a top three priority. That discrepancy signals there's plenty of room for improved adoption and utilisation.

In fact, many agencies admit to a complete lack of automation to manage common client and candidate-facing tasks. More than 40 percent don't automate during the prospecting or client engagement stages. And more than 30 percent don't automate candidate selection, screening, or nurturing at all.

“The recruitment industry is at the earliest phases of adopting automation technology, but the learning curve is quick. Sourcing is a logical place to start, as many tools are available off-the-shelf to handle these tasks. We expect to see a dramatic increase in the quality and quantity of marketplace tools for every stage in the next few years.”

Matt Fischer, President and Chief Technology Officer, Bullhorn

DIGITAL RECRUITMENT PLATFORM IMPACT

Industry Viewpoint



● **23%**
They could help
my business

▨ **10%**
They could hurt
my business

● **67%**
Not sure

Digital Recruitment Platforms: Friends or Foe?

Disruptive business models may pose a threat to the recruitment industry... or maybe not.

We asked about the impact of freelance/gig platforms on agencies. Namely, could they help agencies as potential partners by offering a low-cost source of talent that can be leveraged? Or are they more likely to hurt your business by picking off potential assignments through direct competition?

The jury's still out, but the signs lean towards a more helpful than harmful impact.

ALL ABOUT CANDIDATES

WHO OWNS THE CANDIDATE EXPERIENCE?

- 51%** say individual recruiters
 - 42%** say it's a shared responsibility across the business
 - 3%** say operations
 - 3%** say marketing
- 

BEST CANDIDATE SOURCES (#1 RANKINGS)

- 22%** referrals from successful placements
 - 22%** existing candidates from your recruitment CRM
 - 19%** job boards
- 

TOP COMMUNICATIONS CHANNELS

- 59%** say LinkedIn usage is increasing
 - 58%** expect email usage to stay the same
 - 43%** don't use Facebook for recruitment at all
 - 18%** say phone use is decreasing
- 

The power of a positive candidate experience can't be overstated.

There are split perspectives about who's primarily responsible for the candidate experience: 51 percent say individual recruiters own the candidate experience and 42 percent say it's a shared responsibility across the business. Regardless of who takes the lead, engaging candidates matters when it comes to an agency's ongoing success.

Referrals from existing candidates tied existing candidates in the CRM as the single best talent source this year. **More than 20 percent say referrals are the absolute best source of high quality talent.** So, clearly, delivering a

great candidate experience can pay off not just for filling a position today, but also for sourcing other candidates in the future via positive referrals.

LinkedIn messaging is the fastest growing communication channel in 2018: 59 percent of agencies expect their usage to increase. SMS messaging (texting) isn't far behind at 45 percent. Communicating with candidates on their turf is a must for a great experience.

FINDINGS AT-A-GLANCE

Here's a sample of the key findings and predictions for how recruitment agencies feel about the year ahead.

For more on the trends UK recruitment professionals say are impacting agencies in 2018, download a copy of the full report, **2018 UK Recruitment Trends Report: The Industry's Outlook for 2018**, at www.bullhorn.com/uk/TrendsSurvey2018.

2018 BUSINESS OUTLOOK

HIRING OUTLOOK

- 61%** Expect hiring needs to increase
- 59%** Expect temp placements to increase
- 41%** Expect billable hours to increase

REVENUE OUTLOOK

- 37%** Expect revenue to increase by up to 10%
- 22%** Expect revenue to increase by 11-25%
- 18%** Expect revenue to increase by 25%+

INVESTMENT OUTLOOK

- 52%** Predict an increase in tech investments
- 38%** Predict an increase in operating budget
- 24%** Predict an increase in branch locations

2018 PRIORITIES & CHALLENGES

TOP PRIORITIES

- 49%** Increasing profitability
- 41%** Candidate acquisition/sourcing
- 36%** Driving revenue growth

TOP CHALLENGES

- 79%** Talent shortages
- 52%** Economic uncertainty
- 38%** Pricing pressure/margin compression

CONFIDENCE ABOUT THE FUTURE

- 25%** More confident about the future
- 33%** Less confident about the future
- 42%** Unchanged or unsure

MACROECONOMIC CONCERNS

- 70%** Brexit
- 69%** Economic growth
- 60%** Interest Rates, Inflation (tie)

GDPR IMPACT

- 24%** Positive
- 20%** Negative
- 20%** No impact
- 36%** Not sure

ON THE HORIZON

DIGITAL RECRUITMENT PLATFORMS

- 23%** Could help business
- 10%** Could hurt business
- 67%** Not sure

VALUE OF AUTOMATION

- 40%** Increased efficiencies
- 38%** Increased engagement
- 22%** Not sure

AUTOMATION IMPACT ON RECRUITMENT

- 30%** Create more jobs
- 41%** Reduce jobs
- 29%** Not sure

THE CANDIDATE EXPERIENCE

CANDIDATE EXPERIENCE OWNERSHIP

- 51%** Individual recruiters
- 42%** Shared responsibility
- 3%** Operations
- 3%** Marketing



BEST CANDIDATE SOURCES (#1 RANKINGS)

- 22%** Referrals from successful placements
- 22%** Existing candidates from your recruitment CRM
- 19%** Job boards (Monster, CareerBuilder, Dice)

COMMUNICATION CHANNELS

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- 18%** Say phone use is decreasing

METRICS & ANALYTICS

TOP RECRUITMENT METRICS

- 63%** Fill rate
- 49%** Hit rate
- 47%** Interview-to-hire, customer satisfaction (tie)



SUBMITTAL-TO-HIRE RATIO

- 54%** of permanent placement agencies submit 3-4 candidates per hire
- 42%** of temporary and executive search agencies submit 3-4 candidates per hire
- 14%** of all agency types submit 7 or more candidates per hire

TIME-TO-FILL

- 23%** of temporary agencies take 11-20 days to fill a job
- 27%** of permanent placement agencies take 11-20 days
- 19%** of temporary agencies take 21 days or more
- 32%** of permanent placement agencies take 21 days or more
- 43%** of executive search agencies take 21 days or more

REDEPLOYMENT RATES

- 13%** of agencies redeploy fewer than 10% of candidates
- 13%** of agencies redeploy more than 50% of candidates
- 36%** of respondents don't know their redeployment rate





Bullhorn is the global leader in CRM and operations software for the recruitment industry. More than 7,000 recruitment companies rely on Bullhorn's cloud-based platform to drive sales, build relationships, and power their recruitment processes from end to end. Headquartered in Boston, with offices around the world, Bullhorn is founder-led and employs more than 650 people globally.

To learn more, visit www.bullhorn.com/uk or follow [@BullhornUK](https://twitter.com/BullhornUK) on Twitter.