

Staffing Trends for 2021 and Beyond

Staffing agencies throughout the United States could not have predicted the challenges faced by the coronavirus pandemic of 2020. The pandemic created fundamental shifts, not only in how businesses operated, but how employees were protected from infection. Staffing professionals scrambled to find solutions, allowing them to fulfill their roles while keeping employees safe. Understanding the challenges and recognizing emerging trends in staffing is a powerful risk management tool, supplementing the protections of staffing industry insurance. Here are staffing trends that provide insights into the coming year and that inform decision-making processes for staffing agencies across industries.

COVID Challenges and Remote Staffing

Staffing agencies were forced to downsize operations as the economy faltered in the wake of the COVID-19 pandemic. Despite these economic hardships, staffing analysts in the GRID 2020 COVID-19 Staffing Industry Impact Survey noted that about 30% of survey respondents indicated no real shift in business performance from 2019 to 2020.

Early pandemic lockdowns and stay-at-home orders caused many staffing agencies to transition their placements into remote work, and this served to buoy the industry. In fact, remote work options were highlighted as a priority for agencies going into 2021. Agencies are reporting a greater demand for remote workers, and this trend is expected to continue well into the future as more corporations gain a greater understanding of the efficiencies and cost savings remote employment represents.

Customer-oriented challenges faced by staffing agencies included:

- Dwindling demand
- Inability of clients to make payments
- Slowdowns in new client acquisition
- Ever-changing job requirements, including a renewed focus on higher-skilled employees

Staffing agencies worked hard to adjust their business models, often attempting to do more with less in terms of resources and personnel. Many agencies also had to bolster their staffing industry insurance policies to reflect emerging risk profiles. As the economy strengthens, these modifications to the business model have proved beneficial, allowing agencies to regain some of the business lost to the pandemic.

Putting Clients First

Perhaps the most important trend in the staffing field is a newfound attention to client needs. As demand, talent pools, and new client acquisition shrank, smart staffing firms took the opportunity to strengthen relationships with existing clients. Relationships were bolstered by improved communications, assessing the needs and concerns of clients, and remaining in contact with clients that had implemented hiring freezes. When the freezes end, staffing operations can continue seamlessly without the need for rebuilding communication channels. Client-oriented services are always a part of a successful business model, and by focusing on this critical aspect, many firms were able to weather the economic downturns.

Candidates: The Lifeblood of Staffing

Mass layoffs and business closures during the early part of the pandemic led to a massive pool of unemployed workers. Despite this surplus, finding top talent proved difficult for many companies, including staffing placement agencies. To counter this challenge, staffing agencies embarked on two initiatives that will trend well into the next year.

First, improving the candidate experience was identified as a goal for agencies. Streamlining the application and hiring processes is central to improving the agency-candidate relationship. Communication improvements were also made, helping candidates remain in contact with agencies throughout the acquisition process. Remote recruiting and onboarding practices were implemented, helping to keep candidates safe from infection exposure.

An unexpected benefit of remote hiring and onboarding is that it allowed staffing agencies to reduce overhead costs, including being able to downsize office space as remote operations took the place of in-person interaction. Finally, remote hiring practices reduced the potential liability exposures of agencies, helping them to avoid claims on staffing industry insurance policies.

Second, staffing agencies targeted improvements in hiring diversity and inclusion as important goals for the coming year. While diversity programs have gained traction over the past decade, 2020 saw a widespread public outcry for more inclusive hiring practices and operations, including placing more people of color into leadership roles. The agencies that made improvements in diversity initiatives noted two benefits: an increase in public trust, and a greater market share from companies seeking talented individuals who have been under-represented in the American workforce.

Summary

The COVID pandemic certainly created new challenges for the staffing industry. As solutions to overcoming these challenges are trending, the industry is regaining its footing in a turbulent economic landscape. Maintaining client- and candidate-oriented programs is one part of the puzzle, as is ensuring staffing industry insurance is comprehensive enough to withstand emerging risk exposures.

Sources

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