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INDUSTRY TRENDS REPORT

2024 Slide Deck

About the GRID 2024 Industry Trends Report

We surveyed 150+ recruitment agencies throughout the APAC region about the trends that matter for 2024. The report includes respondents from the following areas:

Verticals

Professional

Commercial

Healthcare

Staffing Types

Temp

Perm

Contract

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Four key insights

1

High-performing agencies are focusing on productivity and efficiency

2

Top performers are deliberately investing in talent experience

3

Top performers are experimenting with AI for rote tasks

4

Gaining new clients is in a tough economy a top priority

Productivity and efficiency

High-performing agencies place candidates in 19 days or less

Time to place

% of respondents

- 60%
- 40%
- 20%
- 0%

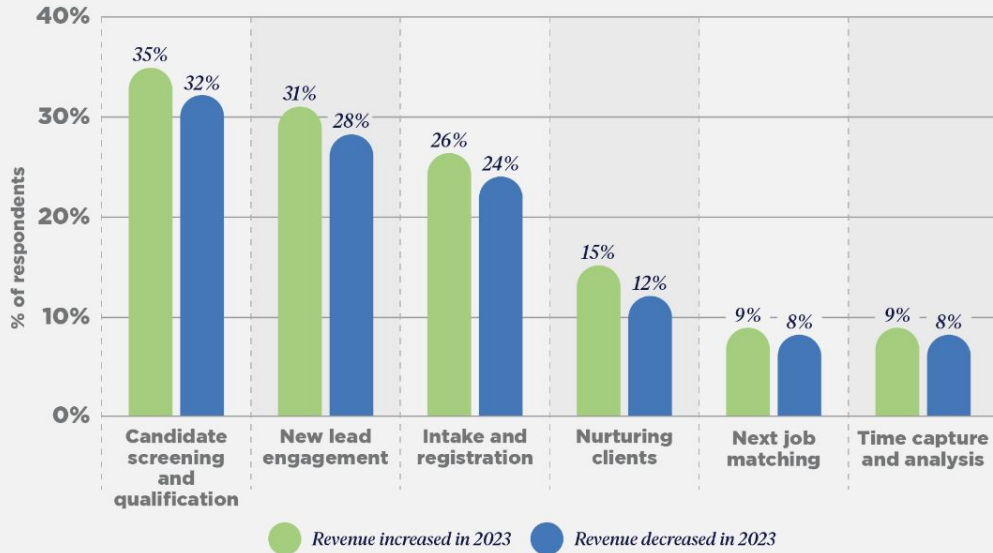| 1-9 days | 10-19 days | 20-29 days | 30 days or more |
| 21% / 13% | 44% / 26% | 31% / 17% | 5% / 43% |

● Revenue increased in 2023   ● Revenue decreased in 2023

- 77% of agencies reporting 10+% revenue growth placed candidates in less than 20 days

- Being above that benchmark correlated with revenue loss

- Automation can reduce time to place by 26%

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High-performing agencies have automated some key tasks

Automation tools currently in place

Chart: % of respondents

- Candidate screening and qualification: Revenue increased in 2023 = 35%, Revenue decreased in 2023 = 32%
- New lead engagement: Revenue increased in 2023 = 31%, Revenue decreased in 2023 = 28%
- Intake and registration: Revenue increased in 2023 = 26%, Revenue decreased in 2023 = 24%
- Nurturing clients: Revenue increased in 2023 = 15%, Revenue decreased in 2023 = 12%
- Next job matching: Revenue increased in 2023 = 9%, Revenue decreased in 2023 = 8%
- Time capture and analysis: Revenue increased in 2023 = 9%, Revenue decreased in 2023 = 8%

● Revenue increased in 2023   ● Revenue decreased in 2023
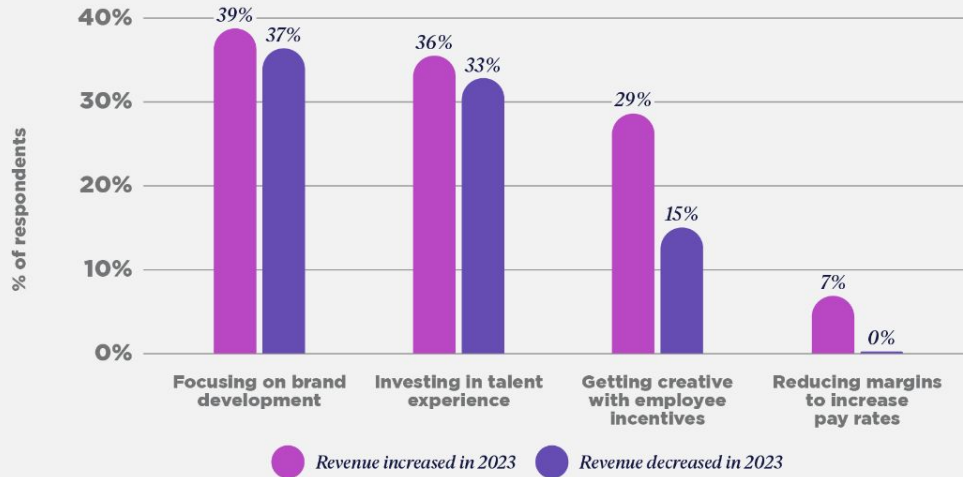
Respondents picked top 3

- Agencies with revenue growth were 34% more likely to have committed to a digital transformation strategy

- Top performers are 50% more likely to leverage automation throughout their businesses

- Across the Bullhorn customer base, automation results in 39% more submissions and 22% job fill rate

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Talent experience

High-performing agencies are addressing the talent shortage head-on

What strategies are recruitment agencies using to address the talent shortage?

% of respondents

| Strategy | 39% / 37% | 36% / 33% | 29% / 15% | 7% / 0% |

- **Focusing on brand development:** 39% (Revenue increased in 2023), 37% (Revenue decreased in 2023)
- **Investing in talent experience:** 36% (Revenue increased in 2023), 33% (Revenue decreased in 2023)
- **Getting creative with employee incentives:** 29% (Revenue increased in 2023), 15% (Revenue decreased in 2023)
- **Reducing margins to increase pay rates:** 7% (Revenue increased in 2023), 0% (Revenue decreased in 2023)

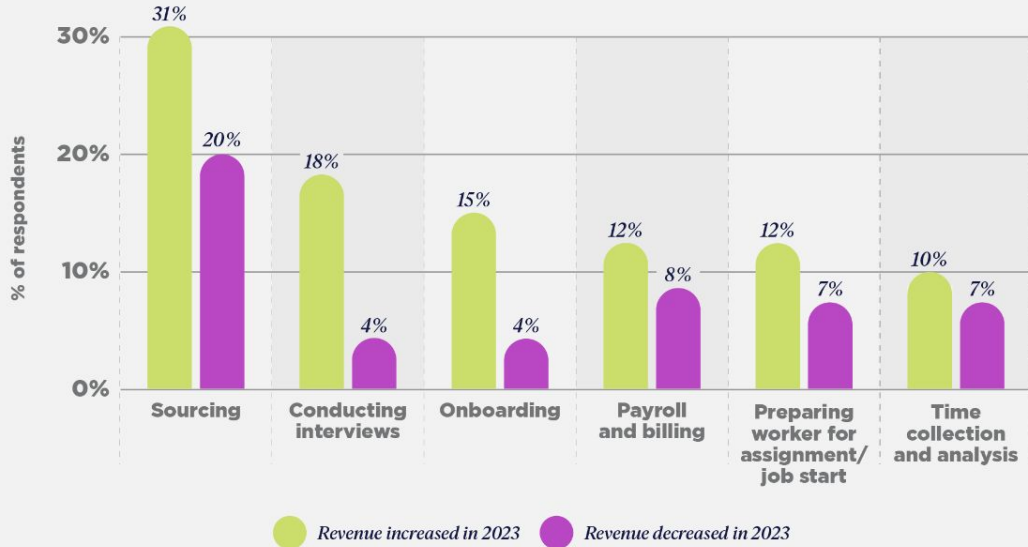● *Revenue increased in 2023*　　● *Revenue decreased in 2023*

- 39% of agencies cite the ongoing talent shortage as a top challenge

- Agencies with revenue growth are 93% more likely to be thinking creatively about candidate incentives

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Respondents picked top 3

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AI adoption

High-performing agencies are early adopters of AI

Current AI tools

% of respondents

Category	Revenue increased in 2023	Revenue decreased in 2023
Sourcing	31%	20%
Conducting interviews	18%	4%
Onboarding	15%	4%
Payroll and billing	12%	8%
Preparing worker for assignment/job start	12%	7%
Time collection and analysis	10%	7%

● Revenue increased in 2023   ● Revenue decreased in 2023

- Agencies with revenue growth were 4.5 times more likely to be using AI for interviews

- Focus is largely on using AI to at least start rote tasks and reduce human effort

- Expect early adopters to continue to see a revenue advantage going into 2024

Respondents picked all that apply

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Winning new business

High-performing agencies won new business in spite of the economy

What are agencies that won new business in 2023 doing differently?

- Agencies with revenue growth were more than twice as likely to say they had excellent success winning new business last year

They are

27%

more likely to heavily leverage automation than those with poor success at winning new business

They are

44%

more likely than average to have automated candidate screening

There are almost

40%

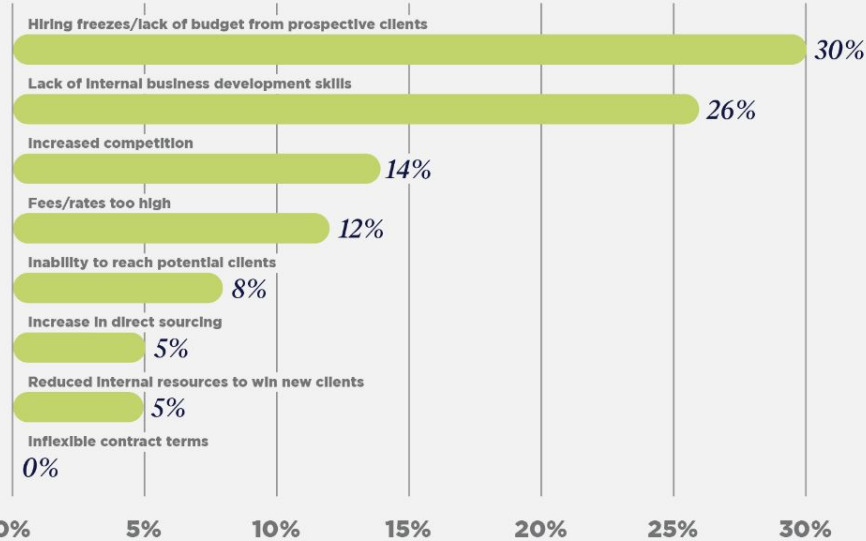more likely to list gaining new clients as a top business goal for 2024

High-performing agencies won new business in spite of the economy

Biggest challenges to winning new business

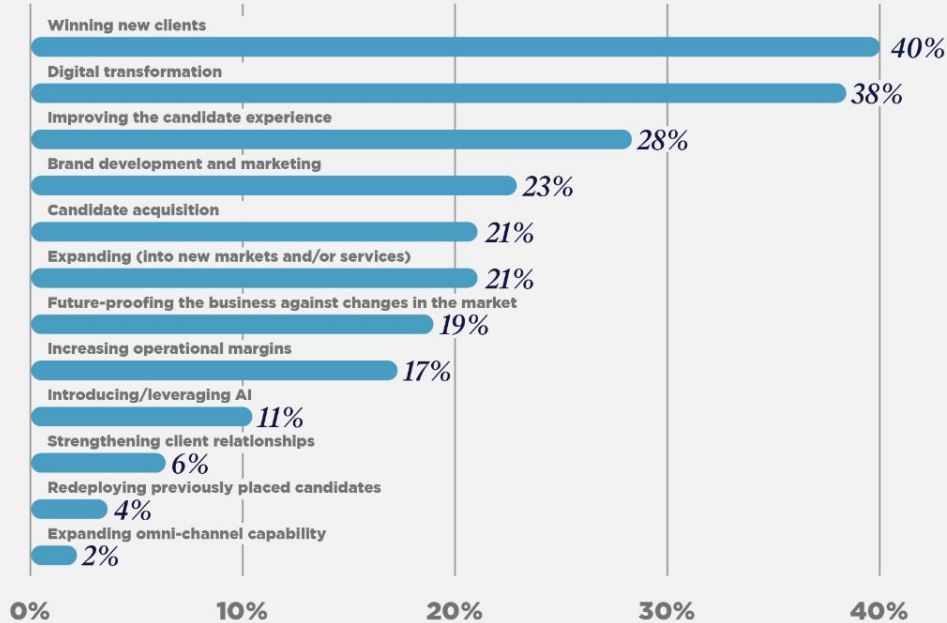| Challenge	Percentage
Hiring freezes/lack of budget from prospective clients	30%
Lack of internal business development skills	26%
Increased competition	14%
Fees/rates too high	12%
Inability to reach potential clients	8%
Increase in direct sourcing	5%
Reduced internal resources to win new clients	5%
Inflexible contract terms	0%

0%   5%   10%   15%   20%   25%   30%

Concern over fewer job requisitions highlights need for recruiter productivity and operational efficiency
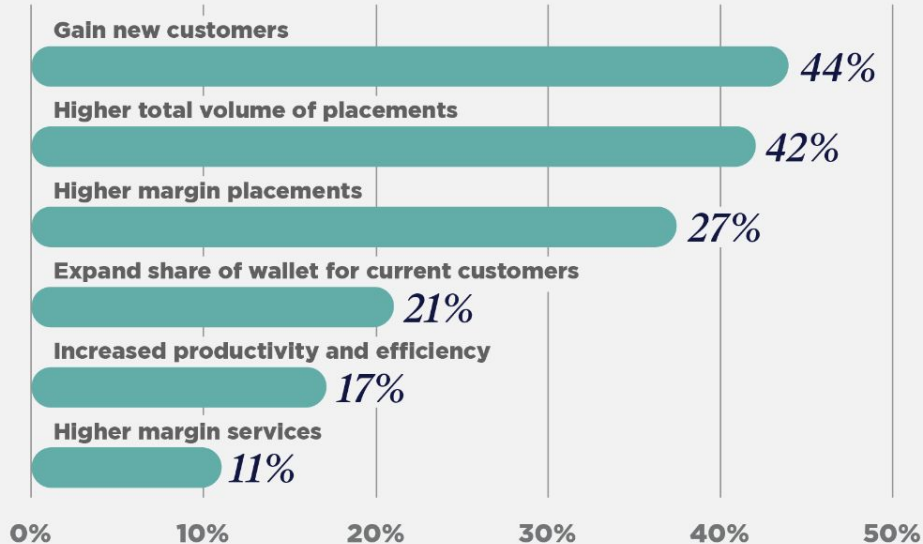
Respondents picked all that apply

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Top priorities

Focus on clients tops the list

Top strategic priorities for 2024

Priority	Percentage
Winning new clients	40%
Digital transformation	38%
Improving the candidate experience	28%
Brand development and marketing	23%
Candidate acquisition	21%
Expanding (into new markets and/or services)	21%
Future-proofing the business against changes in the market	19%
Increasing operational margins	17%
Introducing/leveraging AI	11%
Strengthening client relationships	6%
Redeploying previously placed candidates	4%
Expanding omni-channel capability	2%

- Winning new clients was top priority across the board

- Digital transformation was a close second

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Respondents picked top 3

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Revenue generation is focus of business goals

Top business goals 2024

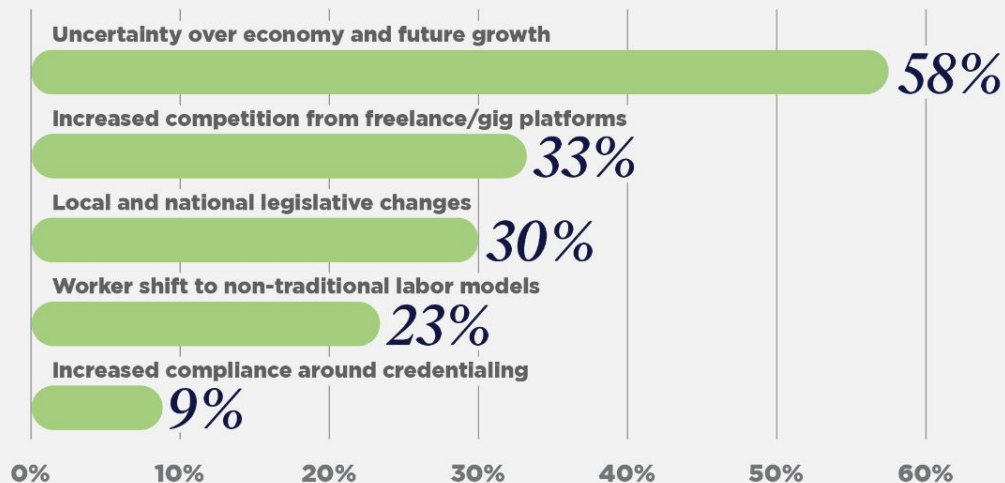| Goal	Percentage
Gain new customers	44%
Higher total volume of placements	42%
Higher margin placements	27%
Expand share of wallet for current customers	21%
Increased productivity and efficiency	17%
Higher margin services	11%

- 44% of agencies set gaining new customers as a critical business goal for 2024

- More than a quarter are looking to higher margin services like consulting and project management to preserve margin

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Top
challenges

Agencies agree economy is top market challenge

Top market challenges for 2024

Uncertainty over economy and future growth
58%

Increased competition from freelance/gig platforms
33%

Local and national legislative changes
30%

Worker shift to non-traditional labor models
23%

Increased compliance around credentialing
9%

0%   10%   20%   30%   40%   50%   60%

- Concern over gig platforms was also a top concern, reflecting big shifts in the staffing market

Respondents picked top 2

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Tight talent pools remain top business challenge

Top business challenges for 2024

Tight talent pools (skills shortages and gaps) — **39%**

Reductions in job requisitions from clients — **39%**

Reskilling candidates due to the changing nature of jobs — **31%**

Pricing pressure/margin compression — **27%**

Embracing or adopting digital transformation — **22%**

0% 10% 20% 30% 40%
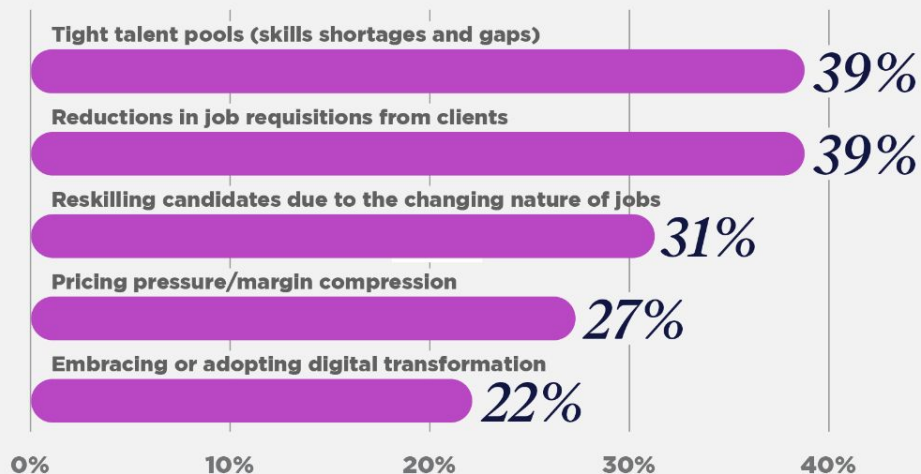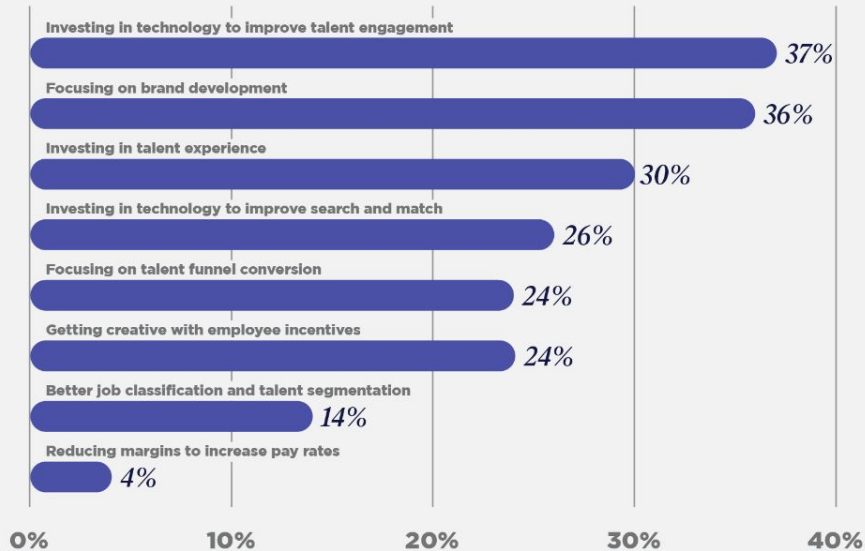
- For the fourth year in a row, more than 35% of agencies list the talent shortage as a top challenge

- But the percentage is lower than last year, perhaps signaling a shift

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Respondents picked top 3

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Agencies actively investing in talent engagement as talent shortage continues

How agencies are addressing the talent shortage

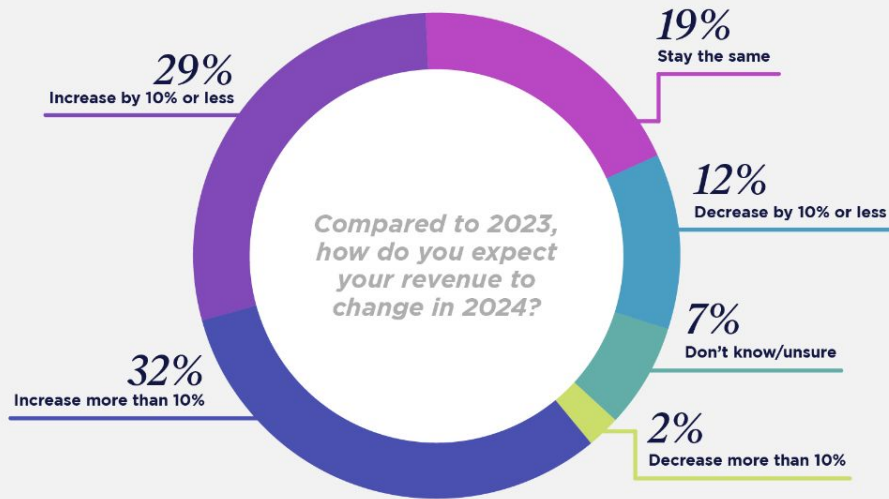| Category	Percentage
Investing in technology to improve talent engagement	37%
Focusing on brand development	36%
Investing in talent experience	30%
Investing in technology to improve search and match	26%
Focusing on talent funnel conversion	24%
Getting creative with employee incentives	24%
Better job classification and talent segmentation	14%
Reducing margins to increase pay rates	4%

0%   10%   20%   30%   40%

- Agencies are betting on better talent engagement technology to deal with tight talent pools

Respondents picked all that apply

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Revenue outlook

2024 revenue outlook: Optimism, expecting economic recovery

Revenue outlook for next year

Compared to 2023, how do you expect your revenue to change in 2024?

- **19%** Stay the same
- **12%** Decrease by 10% or less
- **7%** Don't know/unsure
- **2%** Decrease more than 10%
- **32%** Increase more than 10%
- **29%** Increase by 10% or less

Positive outlook was consistent across markets and industries

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