

# ERC Staffing Practices Survey

**May 2010**

**Conducted by ERC**

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## Overview

In April of 2010, ERC conducted a survey on organizations in Northeast Ohio to explore staffing practices among Northeast Ohio employers specifically related to current staffing trends, general staffing practices, and staffing metrics. The results show several key trends among Northeast Ohio employers in terms of their recruiting and staffing practices. This survey was co-sponsored by ERC's Preferred Partner, Staffing Solutions Enterprises.

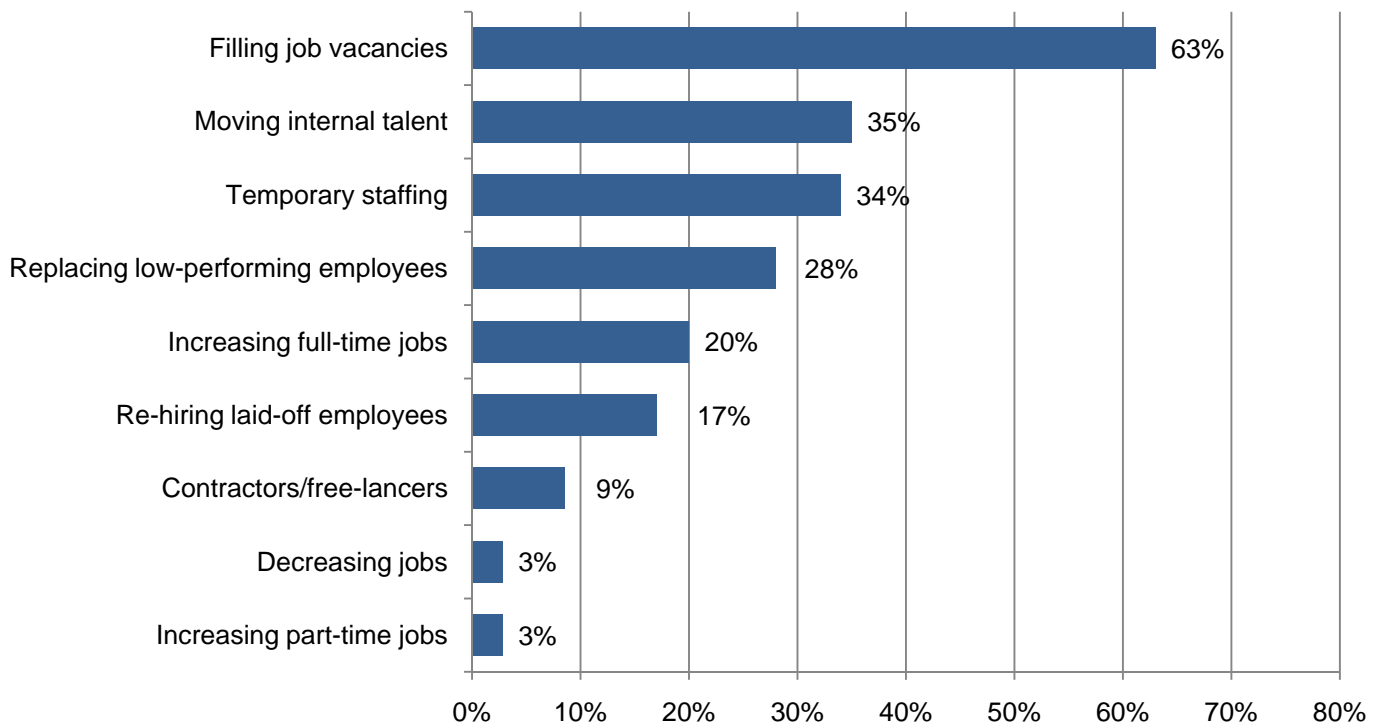
## Key findings in the survey

- Sixty-three percent employers report that their current staffing priority is filling job vacancies.
- Business demands seem to have the most influence on respondents' current staffing priorities.
- The most common sources used to source applicants are job boards and internal referrals.
- Employers find that internal referrals result in the highest quality new-hires.
- According to respondents, hiring managers are typically involved in the selection process and most receive training in interviewing and legal issues.
- Most employers report spending over \$1000 as the cost per hire.
- Organizations typically measure quality of hire by evaluating performance and assessing managerial satisfaction.

## Current Staffing Trends

Employers have varying current staffing priorities, however, the majority of respondents (63%) cite that they are primarily concerned with filling job vacancies. This suggests that organizations are focused on maintaining their staffing levels, consistent with findings of other ERC surveys conducted this year. Many organizations (35%) are also concerned with moving internal talent within the organization via promotions, transfers, and other forms of internal mobility. Additionally, many organizations (34%) are prioritizing temporary staffing and 28% are replacing low-performing employees. Twenty-percent of respondents are increasing full-time jobs. Twenty-percent of respondents are increasing full-time jobs. Twenty-percent of respondents are increasing full-time jobs.

**Figure 1 | Which of the following best describes your organization's current staffing priorities?**



Less significant staffing priorities cited by respondents include re-hiring laid off employees (17%), hiring contractors/free-lancers (9%), and increasing part-time jobs (3%). Few employers (3%) plan to decrease jobs.

In examining the influences on the staffing priorities cited by respondents, several trends emerge. Business demands tend to be most influential factor on their staffing priorities with 72% of organizations indicating that business demands have a large influence. Additionally, respondents indicate that organizational finances/profitability (43%), turnover/need to fill vacancies (38%), and need for new or specialized skills (33%) have influenced their staffing priorities. These findings are consistent with the information presented in Figure 1 on the prioritization of filling vacancies among local employers.

**Figure 2 | Please rate the degree to which the following factors have influenced your staffing priorities.**

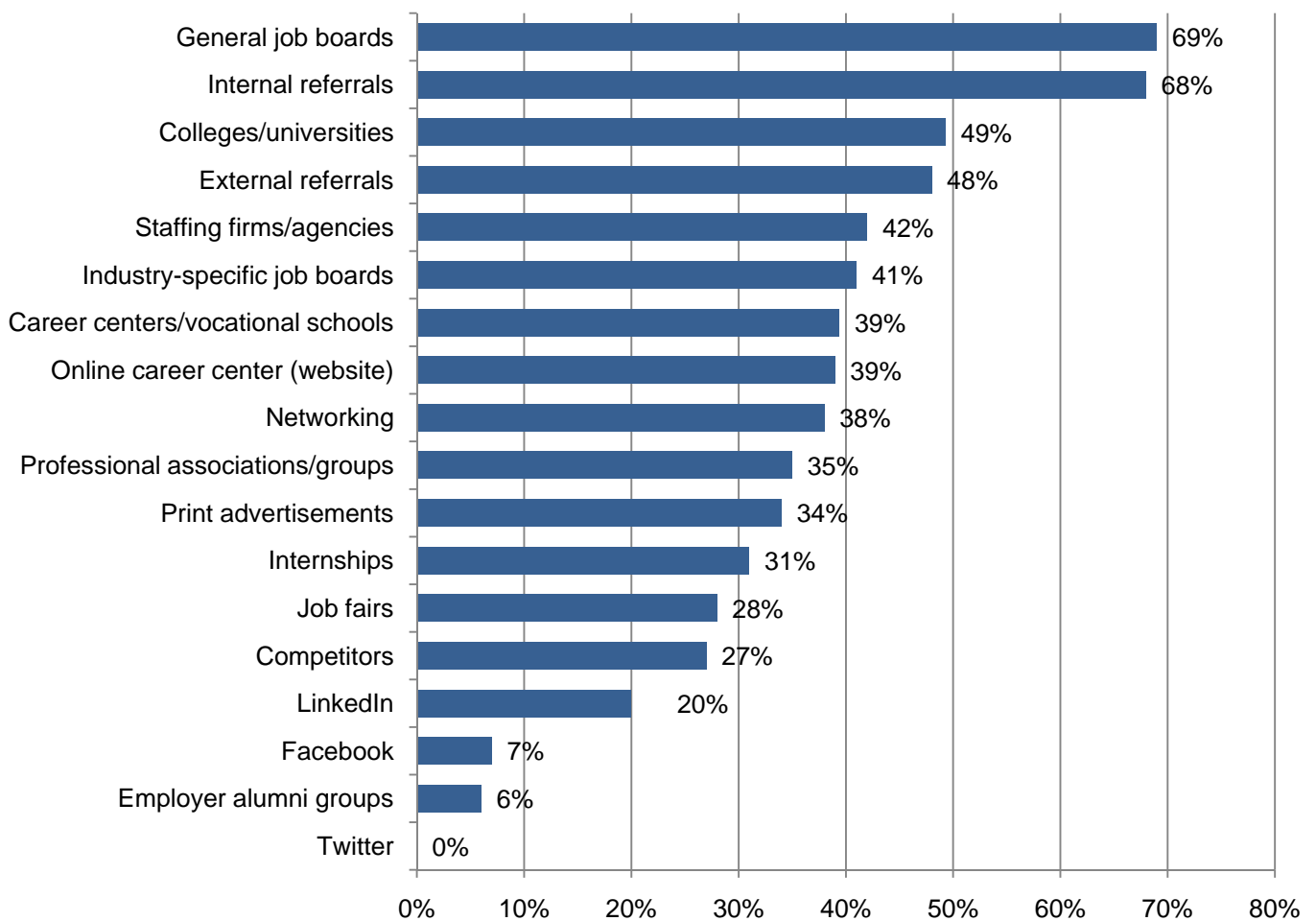
	Small Influence	Moderate Influence	Large Influence
Business demands	10%	18%	72%
Organizational finances/profitability	36%	21%	43%
Turnover/need to fill vacancies	32%	30%	38%
Need for new or specialized skills	44%	22%	33%
Recruiting budget	63%	19%	18%
Surplus of talent in the market	73%	21%	6%
Tax credits for hiring	87%	9%	4%

A few factors seem to have little or no influence on staffing priorities. Tax credits for hiring, for instance, have done little to influence staffing, with eighty-seven percent (87%) of organizations indicating slight or no influence, respectively. Additionally, the surplus of talent in the market and recruiting budget seem to have little influence on staffing priorities with more than 70% of respondents indicating that these factors have had minimal influence on their staffing priorities.

These findings appear to suggest that organizations' staffing priorities are not being influenced by factors such as tax credits and the largest pool of talent in the market, but rather on their business's unique demands, finances/profitability, and need to fill vacancies as a result of turnover.

In terms of the recruitment sources organizations plan to use to achieve their staffing priorities, the most common sources cited by respondents are general job boards (69%) and internal referrals (68%). Other frequently cited sources included colleges and universities (49%), external referrals (48%), staffing firms/agencies (42%), industry-specific job boards (41%), career centers/vocational schools (39%), online career centers (39%), and networking (38%). Twenty percent of respondents plan to use LinkedIn to accomplish their staffing priorities

**Figure 3 | Which of the following recruitment sources does your organization plan to use to achieve your staffing priorities?**

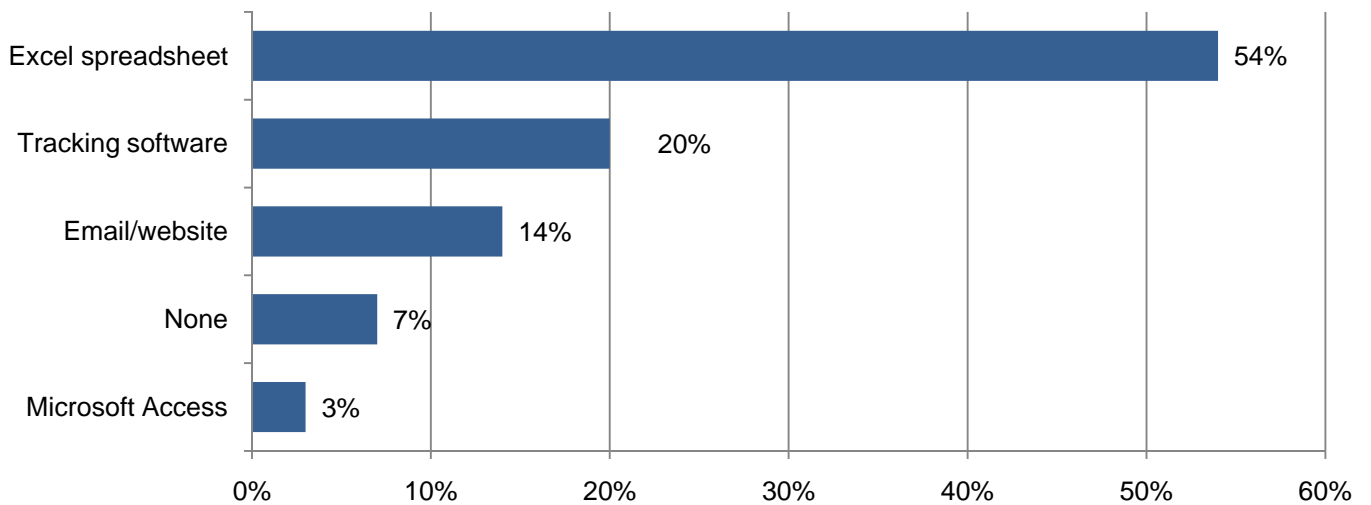


Among the least used recruitment sources are Facebook (7%), employer alumni groups (6%), and Twitter (0%). Other sources for recruitment cited by employers included walk-ins, physical job postings (e.g., job ads posted in a public place), and the Ohio Job and Family Services (OJFS). When examining these trends by industry, non-profit organizations were more likely to recruit from colleges, specific job boards, internships, and online career centers than other industries. Manufacturers were more likely to recruit from general job boards and staffing firms than other industry types, and non-manufacturing were most likely to use networking.

## General Staffing Practices

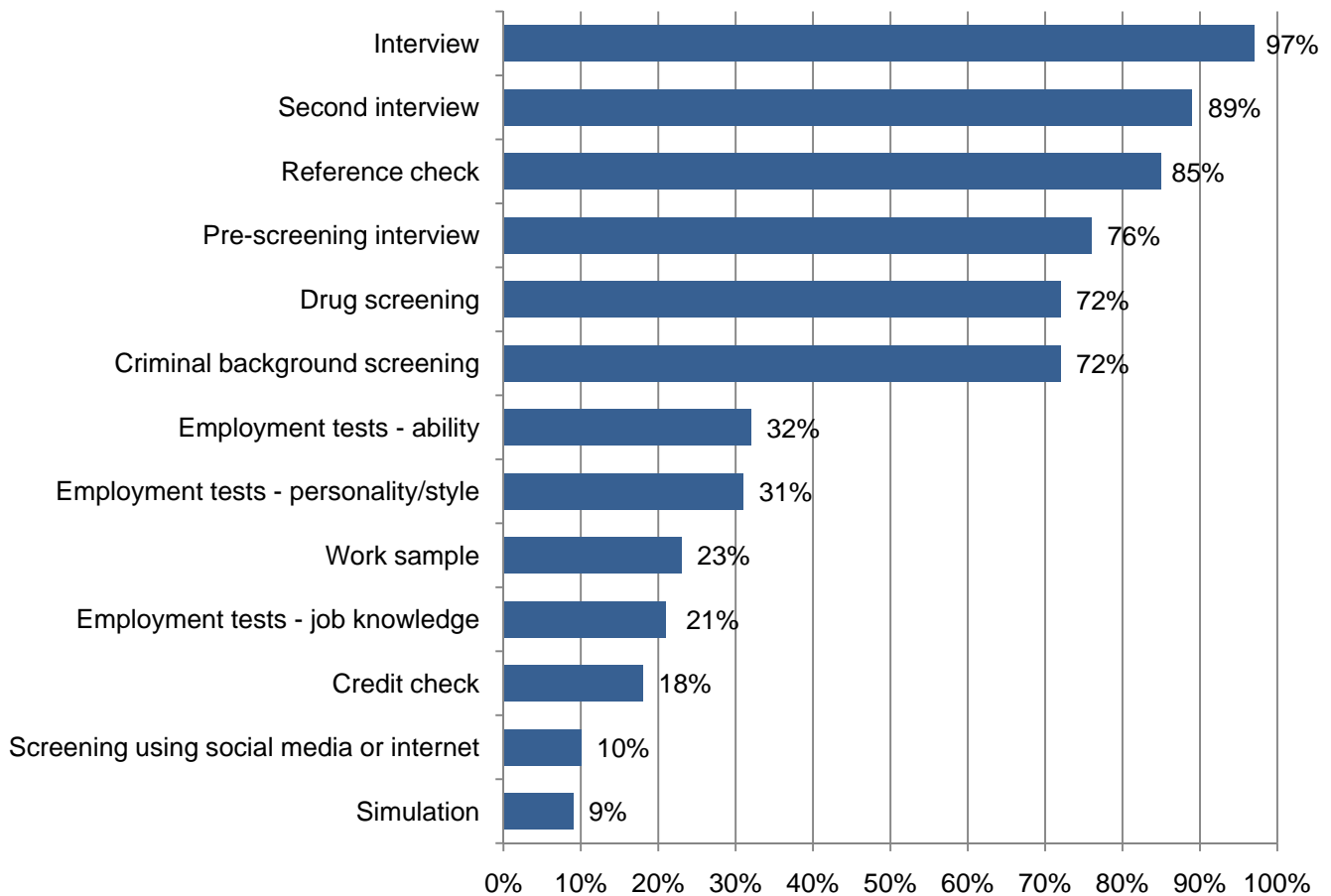
When asked what method they used to track applicant flow, resumes, and staffing-related information, the majority of employers (54%) cited using a spreadsheet tracking system, such as Microsoft Excel. Many respondents (20%) use special applicant tracking software. Some employers (14%) rely primarily on email and internal website tracking systems, while a small percentage of respondents (7%) reported using no system of tracking recruitment and staffing related information.

**Figure 4 | What method or system of tracking does your organization use to track applicant flow, resumes, and other staffing related information (i.e. spreadsheet, name of applicant tracking system, etc.)?**



The most common selection methods reported from organizations were interviews (97%), second interviews (89%), and reference checks (85%). Additionally, the majority of employers utilize pre-screening interviews (76%), drug screening (72%), and criminal background screening (72%). Nearly one-third of respondents use employment testing, specifically ability and personality/style assessments. Work samples are used by 23% of organizations surveyed.

**Figure 5 | Does your organization use any of the following to select the majority of its employees?**



There were a few noteworthy industry differences. Manufacturing organizations were more likely to conduct drug screening than non-manufacturing organizations. Manufacturing employers, however, were less likely to conduct a prescreening interview or a background check than non-manufacturing or non-profit organizations. Non-profit organizations are the less likely to use personality/style tests (9%) than manufacturers (31%) and non-manufacturers (33%).

Another factor used by organizations in selecting employees is consideration of candidates' salary history. The majority (86%) of respondents ask applicants for their salary history during the application process.

Several sources of recruitment have been shown to be more effective than others when used by organizations. The survey revealed that employers have found that internal referrals tend to yield the best quality employees (with 66% of organizations finding internal referrals were moderately to very effective in sourcing quality hires). The second most effective method of sourcing quality hires is general job boards (with 54% finding these boards to be moderately to very effective). This is consistent with the findings presented in Figure 3—organizations tend to most consistently use job boards and internal referrals for sourcing new hires, which have been found to be the most effective in sourcing quality hires. Thirty-six percent of respondents also indicate that networking, general job boards, and online career centers are highly effective sources in obtaining quality hires.

**Figure 6 | Please rate the effectiveness of the following sources in sourcing quality hires for your organization. (including organizations citing “not used”)**

	Not Used	Least Effective	Moderately Effective	Most Effective
Career centers/vocational schools	40%	43%	7%	9%
Colleges/universities	31%	36%	21%	11%
Competitors	43%	32%	13%	13%
Employer alumni groups	87%	10%	2%	2%
External referrals	29%	45%	18%	8%
Facebook	90%	7%	2%	2%
General job boards	14%	32%	23%	30%
Industry-specific job boards	40%	25%	22%	13%
Internal referrals	7%	31%	24%	38%
Internships	51%	26%	8%	15%
Job fairs	48%	38%	9%	5%
LinkedIn	75%	12%	3%	10%
Networking	47%	19%	15%	19%
Online career center	25%	30%	17%	27%
Print advertisements	28%	32%	17%	23%
Prof. associations/groups	38%	31%	23%	8%
Staffing firms/agencies	32%	21%	24%	23%
Twitter	98%	2%	0%	0%

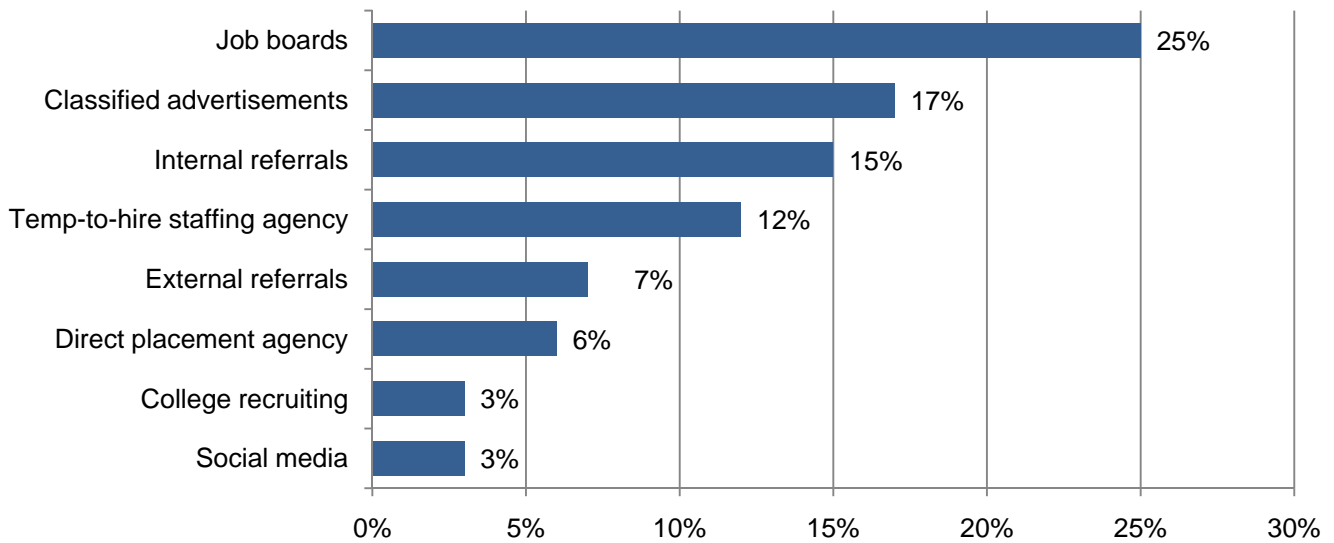
**Figure 7 | Please rate the effectiveness of the following sources in sourcing quality hires for your organization. (not including organizations citing “not used”)**

	Least Effective	Moderately Effective	Most Effective
Internal referrals	33%	25%	41%
LinkedIn	47%	13%	40%
Networking	36%	27%	36%
Online career center	40%	23%	36%
General job boards	37%	27%	36%
Staffing firms/agencies	31%	36%	33%
Print advertisements	45%	23%	32%
Internships	53%	16%	31%
Competitors	56%	22%	22%
Industry-specific job boards	42%	37%	21%
Colleges/universities	52%	31%	17%
Facebook	67%	17%	17%
Career centers/vocational schools	73%	13%	15%
Employer alumni groups	75%	13%	13%
Professional associations/groups	50%	38%	13%
External referrals	63%	26%	11%
Job fairs	73%	18%	9%
Twitter	100%	0%	0%

Employers appear to be split on whether LinkedIn is an effective source. Forty percent of respondents rated LinkedIn as a highly effective source, while 47% rated it as a less effective source. As for other social media, 100% of respondents using Twitter and 67% of employers using Facebook report low effectiveness.

The survey revealed that the majority of hires for organizations come from job boards (average = 25%). Additionally, the data indicate that classified advertisements (average = 17%) and internal referrals (average = 15%) are frequent sources for hiring as well. Consistent with other results presented in this report, few new-hires result from the use of social media (average = 3%). Additionally, direct placement agencies (average = 6%) and college recruiting (average = 3%) do not often result in hiring.

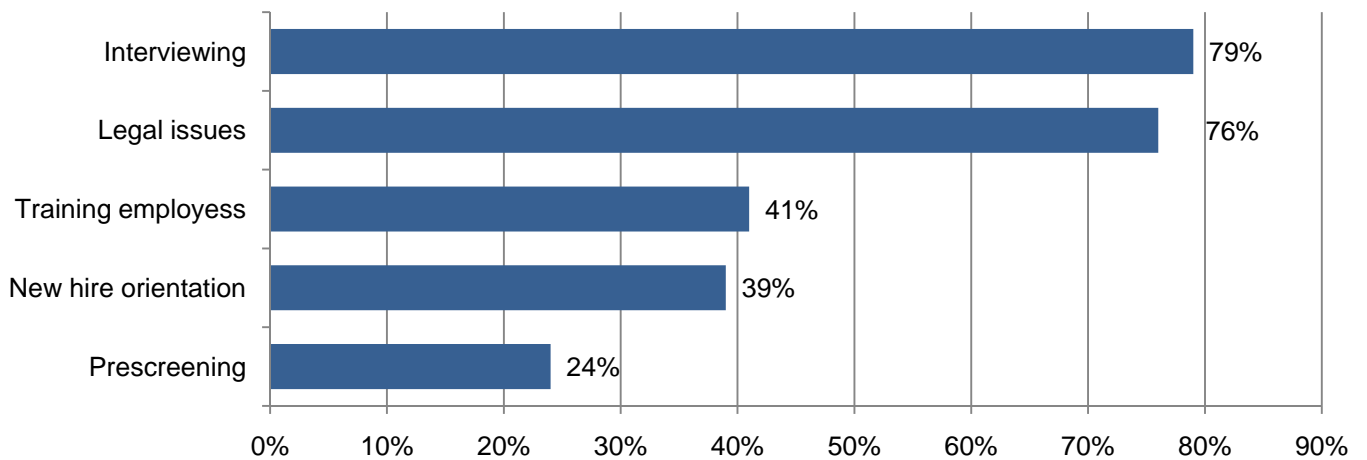
**Figure 8 | What percentage of your hires come from the following?**



When examining sources of hiring by industry, classified advertisements (average percent of hires = 24%), internal referrals (average percent of hires = 18%), and external referrals (average percent of hires = 16%) tend to be the yield the most hires among manufacturers. Among non-manufacturers, job boards (average percent of hires = 38%) and internal referrals (average percent of hires = 14%) tend to yield the most hired. In the non-profit industry, job boards (average percent of hires = 41%), classified advertisements (average percent of hires = 16%), internal referrals (average percent of hires = 12%), and external referrals (average percent of hires = 12%) tend to result in the most hires.

Ninety-four percent of organizations involve hiring managers in the hiring and selection of employees. Of these organizations, 79% provide formal training to hiring managers on interviewing applicants and 76% provide training on legal issues in the hiring process. Forty-one percent of employers report that their hiring managers receive training related to training employees and 39% report providing training on new-hire orientation. Fewer (24%) provide training to their hiring managers on pre-screening.

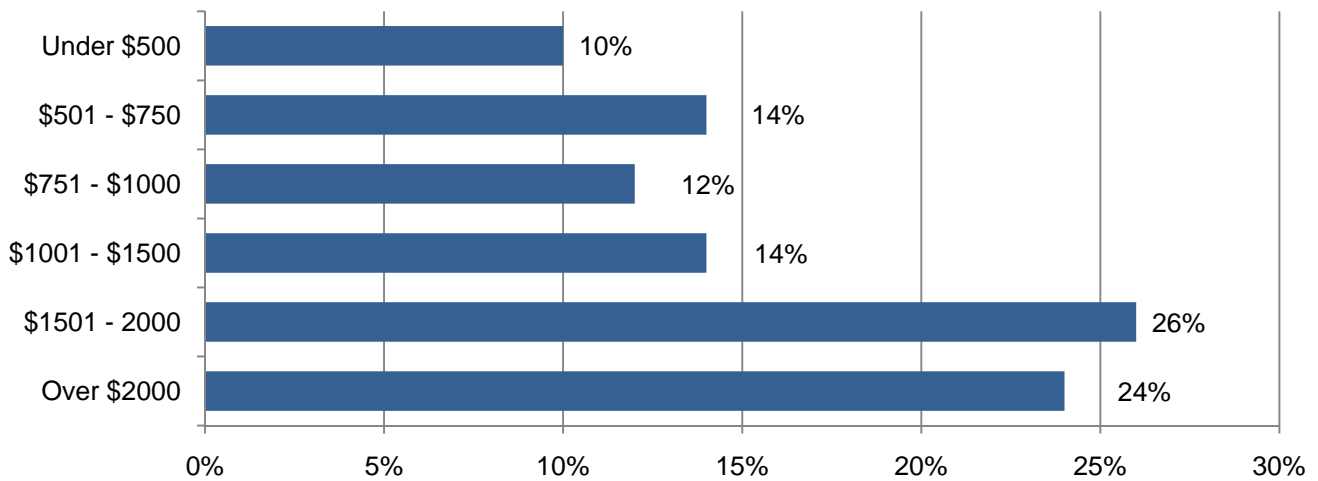
**Figure 9 | Do hiring managers receive any training on the following topics?**



## Staffing Metrics

The majority of respondents (64%) spend over \$1,000 per hire. Half of respondents report spending over \$1500 on each hire, with 26% reporting spending between \$1501 and \$2000 and 24% spending over \$2000 per hire with respondents indicating that their cost per hire ranged from \$2000 up to \$30,000.

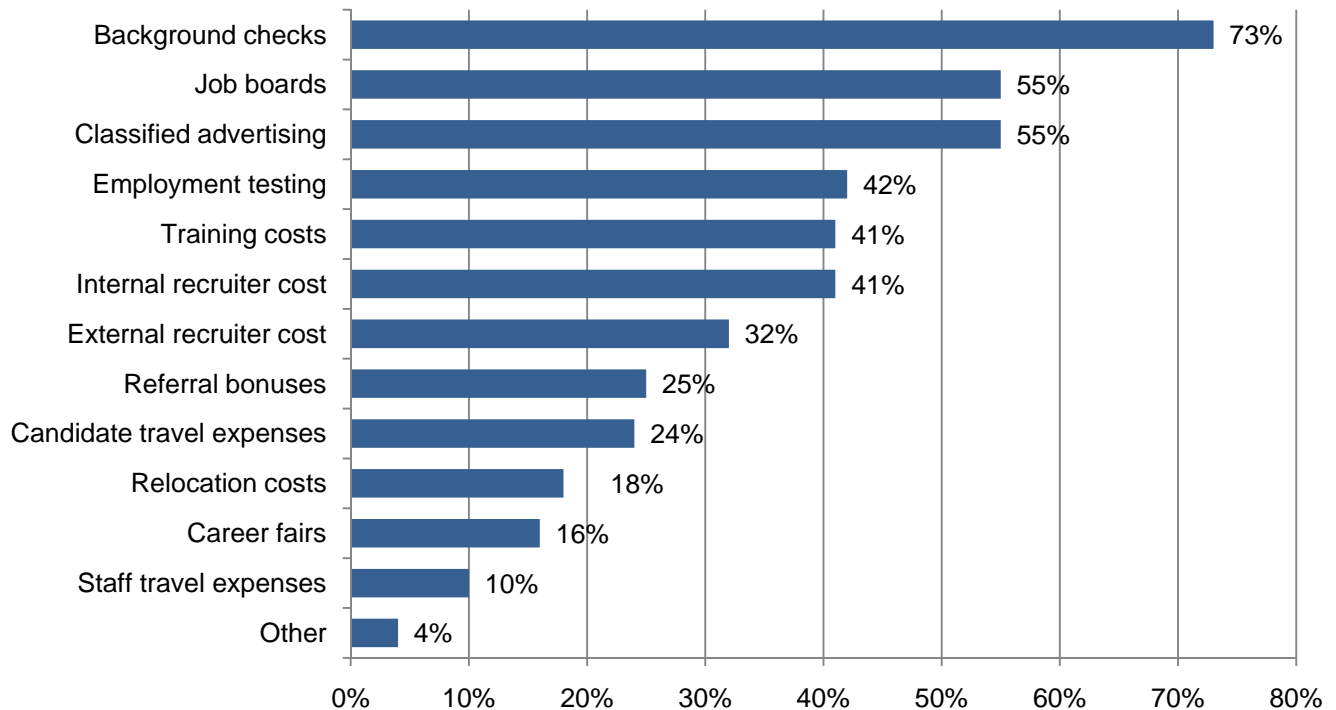
**Figure 10 | What is the average cost per hire?**



Organizations that spend an average of under \$750 per hire are more likely to recruit employees using social media (e.g., LinkedIn; Facebook) and networking than organizations that spend over \$1500. As noted in the next section, organizations that spent over \$1000 are more likely to cover the travel costs of recruits, which are reported to be significant costs.

Many costs are considered when assessing the overall cost of a new hire. The most common costs associated with a new hire are background checks (73%), job boards (55%), classified ads (55%), and employment testing (42%). Less often included in calculating the cost of a new hire are candidate travel expenses (24%), relocation costs (18%), and career fairs (16%).

**Figure 11 | What expenses do you include in calculating your cost per hire?**



Organizations that spent, on average, more than \$1000 per new hire were much more likely include the costs of new hire relocation, candidate travel, and external recruiting in their expense calculations than organizations that spent under \$1000. Employers that spent less than \$1000, on the other hand, were more likely to include background checks, internal recruiting, and employment testing in their calculation of cost per hire.

The majority of organizations (53%) are able to fill all vacant positions within 21 to 40 days. Executive positions are the most time consuming to fill, with 32% of respondent organizations taking over sixty days to fill these types of positions. Administrative/clerical and production/maintenance/distribution positions tended to be filled the quickest, with most being filled in within 30 days.

**Figure 12 | What is the average time to fill the following types of positions at your organization?**

	Number of Days						
	Less than 20	21-30	31-40	41-50	51-60	Over 60	N/A
All positions	10%	25%	28%	13%	2%	12%	10%
Administrative/clerical	17%	48%	16%	5%	3%	3%	7%
Technical/engineering	2%	15%	24%	11%	11%	9%	28%
Professional	5%	14%	31%	14%	22%	12%	3%
Sales/customer service	11%	16%	27%	13%	9%	11%	14%
Production/maintenance/distribution	24%	26%	15%	2%	2%	2%	30%
Health/human service	2%	8%	6%	6%	2%	2%	75%
Executive	2%	0%	7%	9%	9%	32%	42%

The data indicates that larger organizations tend to take longer to fill all types of positions than smaller organizations. In terms of industry differences, manufacturing organizations tend to take the longest to fill all position types.

The majority (73%) of respondent organizations do not employ any individuals dedicated to just a staffing or recruiting role. Of the remaining 27% of organizations who do employ full-time staffing employees or recruiters, the average number of individuals dedicated to just recruiting and staffing duties on a full-time basis reported by respondents was 1.2

**Figure 13 | How many individuals does your organization employ that are dedicated to just recruiting and staffing duties on a full-time basis?**

Full-time individuals dedicated to just staffing/recruitment	
0 employees	73%
1 employee	3%
2 employees	21%
More than 2 employees	3%

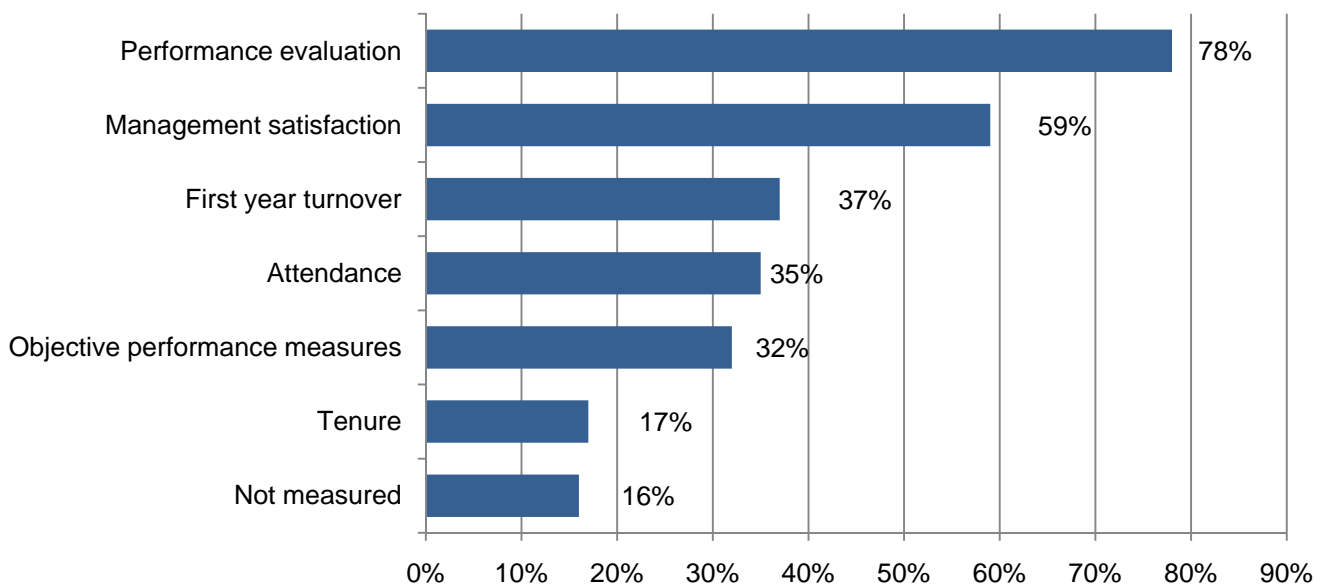
Ninety-two percent of organizations, however, do have at least one employee that handles recruiting or staffing duties as part of their jobs. Of these organizations, an average of 2.4 employees complete these duties, with 48% reporting have 2 or more employees partially responsible for recruiting and staffing duties

**Figure 14 | How many individuals handle recruiting or staffing duties as a part of their job?**

Individuals handling recruitment/staffing as a part of their job	
0 employees	8%
1 employee	44%
2 employees	26%
More than 2 employees	22%

Finally, when measuring quality of hire, the majority of respondents tend use data gathered from performance evaluations (78%) and assess managers' satisfaction with the hire (59%). Over one-third of organizations also use first year turnover and attendance to measure quality of hire. Sixteen percent of respondents do not have a formal way of measuring the quality of hires. Other methods of measuring the quality of new hires cited by employers include employee engagement, individual cultural assessments, and competency assessments. Manufacturing organizations are more likely to use attendance and first year turnover as measures of quality of hire than non-manufacturing and non-profit organizations. Non-profit organizations were less likely to use performance evaluations and objective performance measures to measure quality of hire.

**Figure 15 | How does your organization measure quality of hire?**



## Respondent Demographics

Seventy-one (71) organizations in Northeast Ohio participated in the survey; a breakdown of the industries and sizes they represent is provided below.

**Figure 16 | Respondent demographics by industry and organizational size**

	Percent
<b>Industry</b>	
Manufacturing	51%
Non-Manufacturing	34%
Non-Profit	16%
<b>Organizational size</b>	
1-50	23%
51-200	52%
201-500	16%
501+	9%

## About ERC

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit [www.ercnet.org](http://www.ercnet.org).



## About Staffing Solutions Enterprises

Staffing Solutions Enterprises, a certified woman-owned company, is a leader in the placement industry. Serving all of Northeast Ohio since 1974, Staffing Solutions has built their reputation on excellence in unsurpassed industry knowledge, innovative technology and superior customer service. Services have grown to include staffing of Administrative and Professional personnel, Outsourced Vendor Management Solutions, Recruitment Process Outsourcing, Applicant Tracking Technology and HR Software Solutions. Staffing Solutions is a founding member of the North East Ohio Talent Alliance, [www.neotalentalliance.com](http://www.neotalentalliance.com). For more information about Staffing Solutions Enterprises, please call 440.461.1652 or visit [www.StaffingSolutionsEnt.com](http://www.StaffingSolutionsEnt.com).



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