



STAFFING TECH CENTER EBOOK

# Staffing Company of the Future

PREPARED ESPECIALLY FOR MEMBERS OF THE AMERICAN STAFFING ASSOCIATION  
BY TALENT TECH LABS





# Introduction: Digital Transformation

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Marc Andreessen, the founder of Netscape and founder/partner at Venture Capital firm Andreessen Horowitz, famously wrote in 2011 that software was “eating the world.” In the article where he originally penned the phrase, he provided as examples several technology firms in different industries that had become in a few short years the largest in their respective industry, and predicted that over time large swaths of the economy would come to be dominated by technology firms—specifically, software companies.

While Andreessen’s sentiments may have been controversial when they were written, time has validated his thesis. In 2000, just two of the largest 10 firms in the world by market capitalization were technology firms, and only one—Microsoft—was a software company. In 2019, seven of the 10 largest companies in the world were software companies.

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Today, nearly every industry is undergoing its own version of digital transformation, driven by increased global access to the internet, advances in technology, and changing consumer behavior. The staffing industry is no exception.

The question is: What does that digital transformation actually look like for staffing? One way to answer this question is to look at where companies are investing today, which provides insight into where the industry is likely headed. An arguably more interesting thought experiment is to metaphorically fast forward and ask: What does the staffing firm of the future look like? In other words, if money were no object, what kind of “future-proof” staffing company would you build?

This ebook shares our thoughts across that continuum. In the first sections, we’ll explain how we got to where we are today; let’s call this the context. Then we will lean forward and describe where we expect the industry to be in the mid-term. This stage will be the somewhat linear extrapolation of adoption of current technologies that will bring you the next-gen staffing company. Finally, we’ll flesh out that thought experiment and posit what that future-state staffing company will look like.

The crystal ball is in hand, but how to interpret the vision can be both provocative and exciting. There are clear indicators in the space that help predict the contours of the staffing company of the future.

In laying out this progression, we hope to provide some strategic insight and guidance to staffing firm leaders, as well as the many vendors that support the industry, with the goal of helping prepare for the future and considering new ways of generating value.



CHAPTER 1:

# Strategic Factors Affecting the Staffing Industry Today

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Before we make predictions about the future, it's important to recap the current state of the industry. The staffing industry is characterized by being highly fragmented (with tens of thousands of companies) and hypercompetitive, and by having relatively low barriers to entry. It is largely transactional and reactive in nature to client demand and the macroeconomic environment in which it operates, which is one of the reasons why staffing is a leading indicator of the health of the broader economy. Staffing is also largely a service-oriented and relationship-driven business.

From an operational and technology perspective, how a staffing firm is architected internally is largely dependent on the size of the organization and the occupations that it supports. A staffing firm's tech stack—to the extent there is one at all—is most often dictated by its internal processes.

Today, many staffing firms are still running on homegrown front-office solutions (e.g., software the company built itself), a basic career site, and a handful of job boards for sourcing. In terms of distribution, staffing is typically organized around a branch model, with a network of local branches and staff to support operations in local markets. (Some firms operate nationally or regionally with a centralized recruiting function, particularly in industries such as travel nursing, but this seems to be the exception rather than the rule.) Firms also are often segmented internally by operating division; that is, a firm that operates an IT division and a light industrial division often has separate management, brand, and process around each division.

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## Strategies That Are Working Now

One way to get an idea of where the industry is headed is to look at what firms are currently investing in, as this is a leading indicator for the near- to mid-term. When it comes to technology, staffing firms seem to be currently focused around and investing in four key areas:

1. Operating integrated, cloud-based, front-office systems
2. Effectively capturing and mining the myriad data that runs through such systems,



with the goal of building better matching capabilities and predictive analytics/  
client advisory services

3. Building various forms of apps to digitize staffing processes and offer a “digital storefront” experience to candidates and clients
4. Investing in tools/point solutions with the aim of increasing firm efficiency or driving incremental process improvements

## The Front Office in the Cloud

The core system of record for most staffing companies is the applicant tracking system (ATS). Historically, similar to many large enterprise technology software implementations in other industries, staffing ATSs were sold primarily on premise. That said, the staffing industry is beginning to move itself to the cloud, with the ultimate goal of having a single cloud-based architecture that spans the globe and can handle both customer and candidate interactions. Notable examples in progress include Robert Half, Adecco (currently implementing in North America and Germany), and Kelly Services.

The challenge with designing front-office applications is that the technical requirements and process needs vary from staffing firm to staffing firm; there is no off-the-shelf solution that can solve 100% of a staffing company’s needs. For many firms, the decision boils down to designing a system from scratch—typically using platforms such as Salesforce or Microsoft—or using a bespoke staffing ATS provider such as Bullhorn or Avionté and customizing the solution. Because the business needs and requirements can vary so much from region to region or division to division, implementing a globally integrated front-office solution is more challenging than it might initially seem, and doing so successfully could be considered a strategic advantage for the time being.

## Turning Data Into Analytics

Staffing firms generate substantial amounts of data, which, other than being tracked and measured for the purpose of managing key performance indicators, has historically not been used in a very strategic manner. Staffing firms have woken up to the fact that clients have demand for deeper insights into their workforce mix and need strategic workforce planning. They’re also recognizing the value in analyzing such data for internal decision making and to optimize matching algorithms. Some firms—most often managed services providers, which tend to have both the ear of the client and also enough data to build a solution around—have begun investing in tools to help bring predictive analytics solutions to market.

For example, Workforce Logiq, one of the largest vendor-neutral managed service providers by spend under management, recently acquired Engage Talent, a social data aggregator and analytics engine, with the stated goal of offering clients benchmarking capabilities and artificial intelligence-driven insights and sourcing tools. As another example, it could be argued that Randstad’s acquisition of Monster was driven more by a desire to leverage its



vast repository of candidate data in related solutions than it was by a desire to become or operate a job board.

## Investing in a New Interface: Digitizing the Staffing Process

Another area where staffing firms are making bets is around digitizing their staffing processes—typically through various forms of mobile phone apps or websites. Staffing companies have taken a page from temporary labor marketplaces such as Upwork, Fiverr, Hired.com, Wonolo, and BlueCrew and have begun to offer their own versions of such solutions—either built themselves, acquired, or licensed through a technology vendor.

The scale of the bets in this area has varied, but many are quite significant. TrueBlue, for example, is pinning the whole of its digital transformation efforts on its on-demand staffing application, Jobstack, and is filling upwards of one million shifts per quarter via that tool. AMN Healthcare, Adecco, and Randstad have each deployed on-demand staffing applications and separately acquired temporary labor marketplaces or e-staffing firms to bolster their digital delivery (Adecco/Vetterly, Randstad/twago), while Kelly Services has experimented with this model via its strategic partnerships and investments in Business Talent Group and Moonlighting. And it's not just the large players that are getting in on the action; health care staffing firm Health Carousel, for example, recently acquired Lucidity Direct, an on-demand platform for hiring doctors.

The staffing industry seeks to carve out its digital future with shiny apps that connect candidates and clients directly.

## Point Solutions That Drive Incremental Improvement

Finally, staffing firms have been investing in tools and technologies around the talent acquisition ecosystem that are seen as likely to drive incremental process improvements and efficiencies. Examples of this include chatbots, which are increasingly used to automate the first level of screening/contact with a candidate; video interviewing technology, which is most often used to free up recruiters' time; candidate communication tools that provide automated candidate outreach and multiple means of communicating; as well as investments in automating all manner of manual processes, either through application program interface (API) connectors or exploring via robotic process automation vendors that write custom scripts to connect systems.

The staffing industry seeks to carve out its digital future with shiny apps that connect candidates and clients directly, algorithms that tell clients how much temporary labor they'll need next quarter, and tools that allow the business to scale beyond merely adding headcount linearly with growth. The question is: Is this the future of staffing?



CHAPTER 2:

# What the Near-Term Future Holds

Arguably the biggest factor to consider before looking at what a future-state staffing company might look like is the broader pace of corporate change in the economic and societal environment in which staffing firms of the future will be operating. If we understand what that macro environment looks like and what changes to expect in client and candidate preferences and behavior, it becomes a bit easier to predict how the staffing industry will likely need to look to excel, and what tools it should equip itself with to prosper.

## A Look at Current Trends

Here are some trends—many already taking shape today—that we think will impact the industry in the mid- to long-term.

### Rate of Change Will Be Driven by Clients' Digital Transformation

**Work itself will change to become more fluid and dynamic.** Work will become more fluid, and skills requirements will continue to change at a rapid pace—driven in large part by tech advancement itself. It's not out of the realm of possibility that in the future the very construct of a “job” in the sense we understand it today will be able to be broken up into the individual tasks and skills that comprise it, and thus more efficiently parsed out to a variety of workers who can deliver the work more efficiently and at an optimized price.

We think it's likely that work will become more team-oriented and distributed/remote, except where this is not possible—for example, among doctors or factory workers. Related to this, the skills and job titles held by large swaths of today's workforce will become irrelevant, replaced by aptitude-based hiring criteria versus skills, automation/robots/artificial intelligence (AI)/obsolescence. This shift will create demand for new ways to assess for hiring criteria, new education, reskilling, and training programs.

**Candidate data will most likely be universally available and accessible.** While there's been a bit of pushback recently about the use of personal data by legislative bodies around the world, as in the cases of the European General Data Protection Regulation and California's Assembly Bill 5, we believe candidate data will be more universally available in the future. Already, several companies have mapped out hundreds of millions of passive candidate profiles, replete with contact information and employment histories—equivalent to a poor man's LinkedIn. With more day-to-day activities, social interactions, and business interactions happening through digital devices, this level of transparency will only accelerate.

At first glance, total transparency may appear to be a positive development for the industry—but it's a double-edged sword. For instance, it means your database of candidates is



essentially meaningless because any competitor can find the same candidates online or buy access to the information. It also means that job advertising will be able to be substantially personalized to maximize effect, though this may be offset by the fact that candidates may become more “calloused” to advertising and marketing as they are increasingly bombarded with information and advertisements.

But we should also consider an alternative future scenario, where the current pushback around personal data protection gains wider adoption and consumers become more active about protecting their personal data. (Note that Facebook chief executive officer Mark Zuckerberg has publicly stated that he believes “the future is private.”) If this less-transparent scenario comes to pass, a new model may emerge around consumers being able to monetize their data—note that legislators in California are already considering alternatives not dissimilar to this. Thus, the data brokers of the future may be candidates themselves; in this environment, direct candidate access could be a huge strategic differentiator.

**Candidates will have easy access to nearly all data.**

Data transparency is a two-way street, and firms should prepare for a future where candidates have easy access to all information regarding their potential employers, agencies, and alternatives. The beginnings of this reality are already happening through social intelligence platforms such as Glassdoor and Fishbowl, and it’s possible we may see the consumerization of predictive analytics and benchmarking tools regeared to help candidates and employees make better employment and career decisions—something like a consumer version of Brightfield for candidates.

In this environment, managing one’s brand and culture will become even bigger differentiators than they already are. For companies that have a strong culture, its effects will be amplified and act as a tailwind for the business. For those that don’t, the effects will be more devastating than they are today.

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**Candidates and clients will all be digital natives and will expect a consumer-like product experience for all (or most) business interactions and transactions.** It’s only a matter of time before the people that run companies, manage departments, lead human resources and procurement, and make hiring decisions are individuals who have never known life without the internet, and who have grown up acquiring products, services, and information natively online. These individuals will expect to be able to acquire services and products through software and will increasingly expect their enterprise user experience to mimic their consumer user experience.

Consumer technology tends to be better in terms of usability, product market fit, and quality than enterprise software due to the simple fact that consumer software is “voted” on constantly by consumer end users—if a user of a product likes the product, they continue to



use it and the company making the product grows; if not, they don't use it and the company dies. Enterprise software, in contrast, is often sold to and purchased by a very small subpopulation of users—or, in some cases, nonusers—whose priorities may not be aligned with determining whether the software is any good or not.

The past two decades have seen an explosion in exceptionally user-friendly consumer software, and over the past five to 10 years enterprise software has begun to look more like consumer software. The implication is that offerings in the future not only will have to be tech-enabled/digital, but also will have to create a seamless and delightful experience for end users. It seems to make sense that staffing companies today should experiment with various kinds of consumer software—particularly products and services that they “love”—and see what elements might be extrapolated and then incorporated into their own recruiting processes.

### Universal Internet Access, AR/VR, Computing Power, and AI Will Mature

In the future, access to the internet will be nearly universal, and bandwidth speeds will be so fast that the difference in cloud application performance versus on-premise applications will be virtually imperceptible.

Incredibly fast and ubiquitous internet speeds open up new mediums for human and business interaction that are only beginning to be explored today, such as augmented reality/virtual reality (AR/VR), which will affect how work can be delivered—all online versus in office (which may even apply to doctors). As an entire generation of individuals who grew up on interactive media, video games, and virtual worlds not only begins to enter the workforce but begins making strategic decisions at companies, it's not impossible that more professional and business interactions will happen virtually than in reality. For example, the “office” of the future may be a virtual “world” in which workers don AR devices and log in.

### Informed Predictions: Incremental Improvement Versus Transformational/Disruptive Business Model

With an understanding of where the staffing industry stands today, what investments leading firms are making, and what the future economic and societal environment looks like, we can start making some predictions about what the staffing firm of the future might look like. There are really two completely different scenarios to consider. The first scenario is essentially the staffing firm of today, but incrementally adapted to the future. This firm has more or less the same underlying business model but has evolved and adapted its tech stack and processes to operate efficiently and effectively in the environment of the future.

The second scenario contains an alternative business model that could disrupt the industry, transform it, or completely obviate the underlying economic model. This kind of staffing company obviously doesn't exist today, in its entirety, but disruptive concepts are emerging that can foretell what the future model could look like. It may be useful to think about what this kind of future state might resemble.



## Staffing 2.0: Better, Faster

Assuming the underlying business model is not disrupted or transformed, we think the staffing company of the future will be constructed of the following components:

1. Integrated front office
2. Recruitment marketing and sales platform
  - a. CRM (candidate and customer), leveraged predictive analytics
  - b. Job advertising network
  - c. Dedicated sourcing and job marketing teams, community managers empowered by AI/system intelligence
  - d. Engagement bots
3. Delivery model: local branch/on-premises software replaced or enhanced with an app or other digital interface
4. Training to placement component (upskilling)

### Integrated Front Office

We think the staffing firm of the future will operate on an integrated front office. There may be multiple “instances” that are customized to meet different business needs (perhaps even different vendors), but a common data structure will have been defined so there is a “single source of truth” across the organization regarding candidates that also ties in candidate information that may live in disparate systems.

Included in this tool will be all technologies related to candidate selection, such as assessment tools, insights from external profiles/communities, background check results, video interviews, communication histories, etc. In short, the applicant tracking systems of today will morph into a robust candidate repository and will become one of the central systems around which other solutions are integrated and new data-driven offerings are built off.

### Recruitment Marketing Platform and Sales Platform

It's likely that a holistic recruitment marketing platform will emerge that aggregates many of the technologies in the “source and engage” stage of the talent acquisition ecosystem. These platforms will leverage performance-based job advertising, run targeted marketing campaigns, and enable multichannel communication with candidates—both on assignment and off.

The way in which staffing delivers its services will likely undergo a shift from primarily offline to primarily online. What this means is that staffing firms will likely need far fewer branches than they do today, though there will likely remain a need for some local presence.



As for personnel, in the future recruiters are likely to look more like talent managers, and account executives are likely to look more like solutions architects.

## Training to Placement

While not necessarily technology-related, due to the current skills shortage, the fact that skills requirements are changing at an ever-increasing pace, and the fact that it's likely that large portions of the workforce will find their existing skillsets made redundant by automation and AI, we predict that more and more staffing firms will add training and reskilling to their offerings, and that "growing talent internally" will become a crucial part of the staffing sourcing engine in the future. Early examples of this model include Talent Path (Genuent), CareerCircles (Allegis Group), and Adecco's acquisition of coding bootcamp General Assembly. In the future, part of the value that a staffing firm brings won't just be helping candidates find a job but helping them actually acquire the skills they need to get hired for that job.

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## Can the Staffing Industry Be Disrupted?

Most interest and investment in technology from the staffing industry are focused on process improvement and efficiency gain—that is, how can we do what we do a little better, faster, and cheaper? Fewer resources are given to models that can potentially transform or disrupt the industry. Given the patterns exhibited by the majority of staffing companies today, the staffing company of the future will certainly be better, but most likely only incrementally.

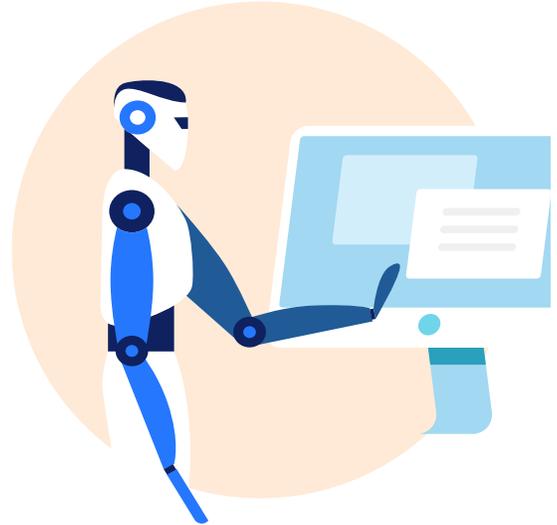
But the future will not only be made up of today's existing staffing companies that are seeking to improve. There will be entrants to the space who got here by an entirely different route. That future state may look entirely different.



CHAPTER 3:

## A More Expansive View of What's Possible

Now that we know the current state of the staffing industry and what the future looks like if current trends continue to play out (i.e., if the staffing model remains fundamentally unchanged but companies use technology to improve internal processes and distribution), we can now take a more expansive view of what the staffing firm of 2030 could possibly look like.



### Moving Toward Outcomes, Not Placements

In the future, staffing firms will sell (and clients will expect to purchase) outcomes, not placements. What this means is that there is an opportunity for staffing firms to “break up” work into more optimally divided tasks that can be accomplished either less expensively or more effectively piecemeal. A good example from today’s market of this approach is what Fiverr, an online marketplace for freelance services, has done with its digital marketplace: The company does not sell three million humans to be hired; rather, it sells three million “services” that have been well defined and that can be purchased for a fixed price. While Fiverr is currently operating at the lower end of the skills spectrum (its average order size is less than \$500), this model removes friction in the hiring process by tying the purchase specifically to an outcome. It also presents an advisory opportunity to staffing firms that are better able to match skills to outcomes.

Staffing companies of the future won’t just be filling job reqs; they will help organize the scope of work and structure the composition of the team that ultimately delivers for the client. This will require much more sophisticated talent intelligence tools to understand candidate capabilities and, more specifically, how those capabilities can match to specific tasks required to accomplish a project.

### Focusing on Talent Pool Prospects

By 2030, almost all organizations will have a proprietary database of pre-engaged talent (i.e., a talent pool) and the desire to leverage such candidates as the primary source of their contingent labor. Today, the early examples of this are “direct sourcing programs” among large employers, which are typically administered by a client’s managed service



provider (MSP) or a specialized vendor. In the future, part of the industry will evolve into serving this segment, providing the process, technology, and service (including actually employing the workers that are sourced via this channel) required to successfully activate a passive talent pool.

Today's direct sourcing vendors will obviously continue to grow and have skin in the talent pool game; however, we also expect the emergence of a new breed of staffing firm specially engineered to serve this market. Such a firm may bring its own pool(s) of talent, recruitment marketing and automation technology, and a suite of employment services for candidates. There may also arise a set of application programming interfaces (APIs) that clients could use to connect their internal databases and "turn on" a contingent recruiting campaign, like a Plaid for contingent recruitment marketing.

As more staffing firms specialize in this area and both clients and staffing firms become more strategic around candidate data, we expect the size of clients that can be served by such solutions to decrease dramatically. Today, only the largest companies seem to leverage their own databases to source contingent labor; in the future, there's no reason that any company that uses an ATS or customer relationship management (CRM) technology, regardless of size, couldn't leverage the data therein to source candidates.

Finally, we think that a service such specialized staffing companies would offer is the ability to effectively match talent across companies; that is, these staffing companies (at least the successful ones) will naturally evolve into the arbiters of shared talent networks. Historically, shared talent networks have struggled as companies are not willing to share talent (even when not utilized) with competitors; however, we think that through effective contracting, a neutral third-party staffing company is best positioned to place talent at the right job across employers, increasing positive outcomes for all parties involved.

By 2030, the recruiter's role will change significantly, looking a lot more like a talent agent than a traditional recruiter.

The recruiter's role will also change significantly by 2030 and will look a lot more like a talent agent than a traditional recruiter. Proprietary access to candidates will be a strategic differentiator, both in a world where candidate data is ubiquitously available via social profiles and where candidates have provenance over the use of their data. The stickiest form of direct candidate access will be the relationships built with recruiters. Staffing firms will evolve to provide significantly more talent advisory services than they do today, which they will leverage to engage with candidates throughout their careers, building long-term relationships that span multiple employments. Successful staffing firms will hire recruiters based on their ability to manage and deepen such relationships rather than on their ability to navigate an ATS or compose a Boolean search.



## The Staffing Interface of the Future: On-Demand, Self-Service, and Predictive

By 2030, candidates and clients will demand an experience that fully mimics the convenience of consumer technology. Staffing will be a largely self-service experience, not unlike online shopping today, with candidate advisory services available on demand. We expect that venture-funded, verticalized talent marketplaces will capture potentially significant market share in the future, which will motivate many more staffing companies to open up their candidate databases to clients via technology and allow direct connections either via deployment platforms or similar marketplace technologies.

There is also a life beyond apps. The interface of the future will likely be some kind of artificial intelligence (AI) bot-assisted, voice-activated (or possibly even thought-activated, if implants become a reality) interface that allows candidates, clients, and even internal staff to interact and transact without having to navigate a website or app. These digital assistants will automate much of the manual processes staffing firms deal with today and provide the ability to service clients and candidates 24 hours a day. The back end for such a system already exists and would remain essentially the same; the futuristic part of this equation is the conversational layer and automations that have yet to be deployed in this manner.

By 2030, staffing will be a largely self-service experience—not unlike online shopping today, with candidate advisory services available on demand.

Consumers already have access to similar technology via consumer devices (e.g., Siri, Alexa, or Google's AI assistant); given advances in natural language processing, we think these digital assistants may become the front end of future staffing candidate interactions. Why try to navigate an ATS or CRM when you can have your bot do it for you?

A final role these systems will play is in surfacing predictive analytics. Today, predictive analytics exists as its own special category of software, with algorithms tailored to answer specific questions such as "What should staffing levels be for the upcoming quarter?" By 2030, AI will be so embedded in staffing systems that it will be able to proactively offer insights and analytics to clients, talent, and even staffing firms themselves. The most likely scenario is that a handful of larger tech companies will build robust computational AI models and sell them "as-a-service" that is purchased and incorporated either by staffing systems providers (e.g., ATSs) or by staffing companies themselves, like a matching system 3.0.

## The Staffing Industry Won't Be the "Staffing" Industry

In 2030, competition is as likely to come from outside the industry as within it, possibly redefining the industry in the process. In addition to venture-funded "disruptors," big technology companies have already been dipping their toes: Amazon has been running its Mechanical Turk network of crowdsourced workers for years and recently launched a "human-assisted AI" cloud service; Google has built a job search and matching technology



that it sells to talent acquisition (TA) tech companies and to staffing firms; Facebook launched its own Jobs Marketplace (a seeming “Craigslist killer”); and dating apps have tried their hands at matchmaking beyond romantic partnerships (e.g., Tinder’s parent company, IAC, invested \$14 million in an on-demand staffing app called BlueCrew; eHarmony launched a job board in 2016; and Bumble recently launched Bumble Bizz, a matchmaking service for career seekers).

These new players—and ones you might not even consider—will introduce new ways of curating and displaying jobs, new methods of matching candidates to opportunities, and possibly new business models that alter the fundamental economics of the staffing business.

## Hiring an Avatar: The Rise of Pseudonymity in the Workplace

There’s a renewed focus today on diversity, inclusion, equality of opportunity, and selection bias (whether conscious or unconscious) in the hiring process. Historically, staffing firms have not been held accountable to the same diversity requirements as their corporate TA counterparts. That said, by 2030 the staffing industry will be front and center of one of the solutions to this issue.

Specifically, we will see a dramatic increase in the total hiding of identifiable candidate information in a hiring context, essentially using pseudonymous avatars or online, verified “personas” instead—particularly for remote contingent work. A platform would verify a candidate’s information, and candidates would be able to present themselves virtually however they pleased—as a handsome businessman, or maybe an elvish warrior (think recruiting in the world of Ready Player One). The point is that there are benefits to pseudonymity, particularly when it comes to unconscious bias in the hiring process. Once a candidate has validated their skills, credentials, legality to work, and qualifications, there is no real reason for anyone to know they are a Black woman or an Asian man, for example.

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Outside of a handful of exceedingly niche marketplaces built on the Ethereum network, there are currently no pseudonymous networks of significant scale that we are aware of, and there would be a fair amount of employer resistance to overcome before this kind of hiring and work became “normal.” That said, it would be an easy feature to incorporate into a social network or a temporary labor marketplace. Further, as people who have grown up on interactive media spend increasing amounts of time in virtual worlds and communities, the two will continue to blend, and it’s possible that virtual worlds could become destinations for staffing firms to recruit. During the current pandemic, the competitive video game Fortnite hosted a virtual concert attended by millions around the world who logged in and watched as their avatars; why couldn’t a recruiting event be similarly hosted?



## The Ultimate Hiring Lubricant: Trust

What differentiates one staffing firm from another? Some say it is the scope of services it offers; some say it is the firm's expertise in some particular niche; some say it is the culture the firm has fostered. At the end of the day, what differentiates one staffing firm from another is the ability to consistently deliver high-quality talent (hopefully fast). Currently, there is no common mechanism for assessing candidate quality, and thus there is inherent friction in the staffing process as every submitted candidate needs to be independently vetted. Further, every subpar staffing interaction chips away at the industry's reputation as a whole, degrading trust in the process.

Uber was able to scale its business in part because it created trust in the system that it developed. Imagine if every time you booked an Uber driver you had to perform a background check or reference check of previous drivers, or if there was a 30% chance the driver wouldn't show up or would take you to the wrong address; the business would not be nearly as valuable as it is. The marketplaces that scale well (both in and out of the talent industry) have trust embedded into the system. When you purchase an item on Amazon, you are confident that it will arrive at your house when the system says it will, and that you will be able to return it if there is an issue with the product.

While the staffing industry unfortunately does not have a similar system of trust today, we think by 2030 this will be required, lest we leave unsolved the biggest inefficiency and time drain in the business as we now know it.

In the future, for staffing firms to compete against marketplaces (which embed trust in the process via candidate ratings and de-platforming nonperforming candidates), the industry will need to come up with such a system. One likely feature is a shared repository of candidates, including work history and credentials that could be checked via API, possibly (but not necessarily) tracked and managed on a blockchain. Another feature will most likely be some kind of standard skills certification or assessment for various occupations that workers would carry from assignment to assignment, which would indicate to prospective employers a minimum established level of candidate quality.

The services that are best able to remove friction from the hiring process will win, and two of the biggest frictions afflicting the industry today are a lack of standards and lack of trust. Staffing firms continue to make great strides in automating and digitizing formerly manual processes, but the issue of "systemic trust" has not yet been solved. By 2030, we will see such a system (or a similar variant), and it will have a massive impact on the hiring process.

The marketplaces that scale well have trust embedded into the system. In the future, staffing firms will need to come up with common mechanisms for assessing candidate quality.



## Conclusion

While the future is uncertain, what separates great companies from the rest is their ability to consistently “see around the corner” and strategically prepare themselves and execute against their vision. Our goal with this ebook is not to provide all of the answers, but rather to provoke staffing executives to think beyond the status quo, inspire new ideas, and generate conversations in your organization that help prepare you for the future. It will be here before you know it.