

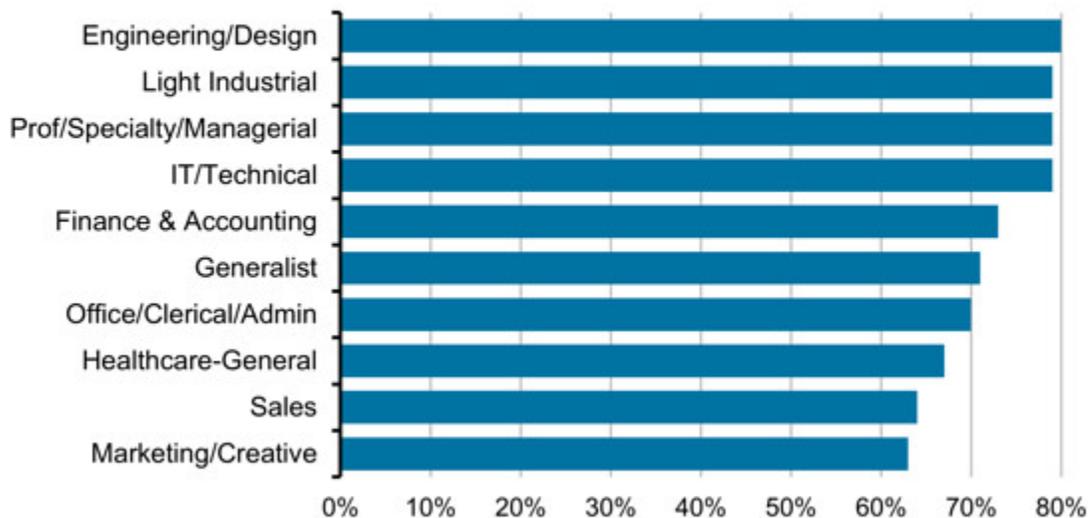
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IN THE TRENCHES, RECRUITERS SEE THE SKILLS GAP UP CLOSE

By Kathleen Madigan
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The Rising Skills Gap

Percentage of recruiters with shortage of skilled candidates by open position



Source: "2015 North American Staffing and Recruiting Trends Report" by Bullhorn | WSJ.com

No surprise, the acceleration in U.S. hiring in the second half of 2014 benefited the companies that profit from finding the right candidates for job openings. Those benefits are expected to continue in 2015 even though the skills shortage will make placements harder in some industries, according to a new survey.

Bullhorn, a firm that creates cloud-based customer relationship management software for recruitment agencies, polled 1,285 North American recruiters in December to ascertain the state of the employment placement industry.

"2014 was a year of high performance output and steady progress," said the Bullhorn report. The survey showed 77% meeting or exceeding revenue goals last year. The ratio of openings filled increased to 50% from 46% in 2013.

Looking at 2015, 89% expect revenues to increase and 75% plan to expand their own firms' headcount. The revenue outlook means the industry expects to place a larger number of candidates into jobs this year.

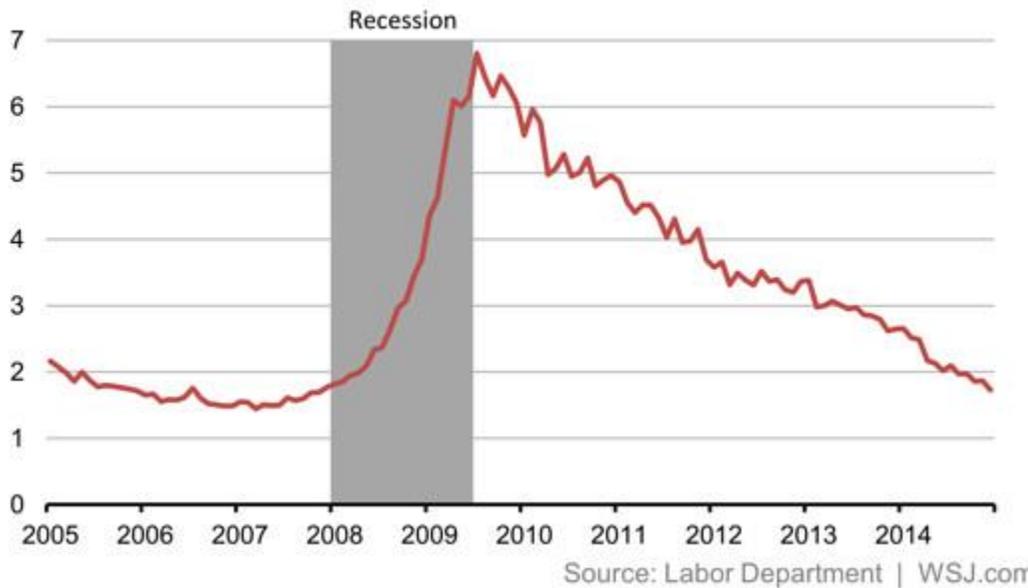
"Hiring economy-wide looks to continue on its current pace if not pick up," said Gordon Burnes, chief marketing officer at Bullhorn.

The Bullhorn survey also found the same skills-gap challenge mentioned in various business surveys. Three out of four respondents said they struggle to find the right skilled workers needed by the industry they mainly serve. Government had the biggest skills shortage, with 83% of recruiters seeing a shortage of skilled candidates while marketing, public relations and media had the fewest problems with the skills gap.

Among job descriptions, engineering and design positions had the biggest shortage of candidates while marketing and creative positions had the smallest gap. "The skills gap is by far the number one challenge mentioned by recruiting firms," said Mr. Burnes.

A Sign of Tighter Labor Markets

Ratio of the number of unemployed workers to job openings



The shortage may worsen in 2015 because the pool of available labor is shrinking.

On Tuesday, the Labor Department reported the December rate of job openings in the workforce stood at the highest level since January 2001. With the unemployment rate shrinking throughout 2014, there were only 1.7 unemployed job seekers for every opening in December, down from a ratio of nearly seven unemployed workers per opening during the depths of the recession in 2009.

To fill the gap, placement firms are getting creative. "One solution is to use social media to find a passive candidate—someone not actively looking—but who has the exact skills" for an opening, Mr. Burnes said. In addition, "we have heard anecdotally that customers are hiring people who don't exactly fit [the requirements] and then training them on the job."