

Where's the Talent?

A Shyft Careers Analysis of Hiring Trends
in the Tech and Marketing Sectors

By Joel Radzewicz



If ever there were a year to test the mettle of your recruitment agency, 2018 is it. When it comes to hiring in the tech and marketing industries, it's a seller's market out there. While this is great news for candidates, it also means employers should constantly recruit to deal with the realities of the current job market.

Overview

After eight years of steadily increasing, the nation's unemployment rate plummeted to an 18-year low in 2018. This steady downturn has fueled an all-out war for talent in tech, healthcare, e-commerce, and other key professional services. In the tech sector specifically, the drop has had an earth-shattering effect on hiring. As of April 2018, the overall national unemployment rate reached a near-historic low of 3.9%. In tech, it was just 1.9%, down from 3% the previous year ¹. Overall, as employers struggle to

fill a record 6.1 million open jobs, they are relying more heavily than ever on recruiters to help them land quality employees. The dearth of talent has meant steep increases in pay and benefits for job seekers with backgrounds in data science, software development and health care. Tech skills are particularly in demand, outpacing others as consumers have become increasingly comfortable with all aspects of the Internet ².

The Tech and Marketing Explosion

As automation and artificial intelligence steadily infiltrate the market, historically non-tech companies are increasingly becoming high-tech companies. Software automation, mobile apps, and data mining have changed the game for businesses, forcing them to recruit top talent from the technology sector.

Consider this: from 2012 to 2017, two dramatic changes have occurred in the job market ³:

- Non-tech employers have sharply increased hiring for tech jobs, with manufacturing, retail, and banking and finance seeing the largest gains.
- Employers are now hiring in smaller, more affordable tech-centric areas, such as Seattle, Austin, Detroit, Dallas, and Raleigh.

While this is great news for tech workers, employers looking to nab top talent aren't so fortunate. Falling unemployment rates mean companies must be increasingly competitive and therefore have to reevaluate their benefits and retention strategies. Employers can no longer expect to make an attractive offer without having to account for multiple offers from competitors and/or counter offers from candidates.

Top 5 Fastest Growing Tech Jobs of the Future

	Projected Future Growth
Database Administrator	15% by 2022
Software Developer	22% through 2022
Web Application Developer	23% by 2022
Computer System Analyst	25% by 2022
Mobile App Developer	23% to 32% through 2020

Source: Bradford, L. TheBalanceCareers.com (2017, Aug. 20)
"The 7 Fastest-Growing and Best Tech Jobs of the Future"
Retrieved July 7, 2018, from <https://www.thebalancecareers.com/the-7-fastest-growing-tech-jobs-of-the-future-2071965>

On the marketing side, the demand is equally high. Digital marketers are once again the most hired-for role in 2018 followed by traditional marketers, who have seen an increase in demand of 79% and are the third-most hired-for specialty in the workforce.

The stats are telling 4:

- Demand for creative professionals is expected to grow by 23%, while available supply is estimated to shrink by 33%. This means there will continue to be less talent available to fill an increase in open positions.
- 59% of employers are looking for a digital marketer, but only 19% of digital marketers (employed and unemployed) are actively looking for new opportunities.
- Sixty-nine percent of marketing leaders expect to grow their teams in 2018—up 44% from last year.
- A majority of hiring managers (56%) say they're unsatisfied with the length of time it takes to find and employ a new marketer.

More troubling news for brands is the restlessness marketers are feeling in their current positions. Ninety-seven percent of marketers would be open to switching jobs if the right opportunity came along. Their reasons for being open to a transition? Salary increase, followed by career advancement.

Being open to switching jobs isn't the same, of course, as actively looking for another job, but at the same time, it's not too far off. Seventy-three percent of candidates are passive job seekers, meaning


Top 5 In-Demand Marketing Talents

Digital Marketing	59%
Creative Services	43%
Traditional Marketing	34%
Marketing Operations	33%
Research & Analysis	31%

Source: Boggs, M., et. al. McKinleyMarketingPartners.com (2018, April 17) "Marketing Hiring Trends: An In-Depth Report on Factors Shaping Demand for Marketing and Creative Talent" Retrieved July 5, 2018 from <https://cdn2.hubspot.net/hubfs/4517345/WP-2018-Marketing-Hiring-Trends.pdf>

they're happily employed, but open to a better deal if one comes along. In a job market where demand exceeds supply, this passive approach to job searching by grounded employees ensures compensation packages remain generous and employers stay tuned in to the slightest show of discomfort.

Inadvertently, however, these attractive salary and benefits packages have fueled another new phenomenon in tech and marketing: job-hopping.



Job candidates in tech and marketing understand the new realities, and they understand that, at least for the time being, they hold the cards.

Quitting to Win

It's no coincidence that the Internet boom of 17 years ago was the last time U.S. workers quit at roughly the same rate they are now. The Internet is again taking over the job market, leading millions to leave their jobs to pursue greener pastures. In April, 3.4 million people left their jobs, doubling the number of departures (1.7 million) that came about due to layoffs in the same month. According to the Federal Reserve Bank of Atlanta, those who left were rewarded with pay increases of roughly 30% at their next job ⁵.

Although this phenomenon is not exclusive to tech and marketing, these industries are emblematic of

why employers must now come to terms with the idea of constant recruiting. The security of full-time employment, which once upon a time prevented employees from leaving, is no longer enough. Job candidates in tech and marketing understand the new realities, and they understand that, at least for the time being, they hold the cards.

It's not just the demand for talent in these industries that have candidates switching jobs so frequently. They've got peace of mind from an enormous safety net that gives them the flexibility their predecessors didn't have 20 years or even 10 years ago.

The Gig Economy


Gigging Along to Get Along

In an effort to meet their needs when talent is in such scarce supply, many companies are resorting to hiring contractors and “gig economy” workers. The gig economy—or freelance economy—is that part of the workforce ruled by temporary positions, independent contractors, and other self-employed workers.


Currently, nearly 32% of the private sector workforce is made up of “gigsters” a number which is expected to increase to 58% of the U.S. workforce by 2027⁶. Yet, full-time employment is still the ideal among most top talent. For tech professionals, the prospect of full-time “gigging” is often problematic because they won’t receive the same benefits or compensation full-timers receive.

Relying on gigsters has its drawbacks for companies, as well. For example, when a freelancer leaves a project (or obtains full-time employment), the contracting company must scramble to find someone to fill in the gaps, provide updates and/or fix problems.

Despite its disadvantages for workers and companies, the gig economy isn’t going away any time soon. And as long as it continues to thrive, it’ll continue to be the X-factor when it comes to job placement for recruiters and recruitment agencies.



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The Challenges for Recruiters

The biggest issue facing recruiters—and brands—in 2018 is the talent shortage outlined above. Like it or not, it's a candidate-driven market. Forty-two percent of employers worry they won't be able to find the talent they need, and 73% are already struggling to find relevant candidates.

Meanwhile, recruiters are having to deal with an increase in candidate demands and a tremendously shortened window of availability (an average of 10 days for elite talent). With candidates calling the shots, the demand for a top-level corporate culture, high-end compensation, and Google-esque perks is higher than ever.

Despite their weakened position in the job market, employers aren't backing down from demands

of their own. They understandably want more diversity in their workforces. They also want to see new interviewing tools, so they can understand candidates better. They want access to data to help them build better offers and predict candidate success⁷. Most of all, however, they want talent that fits their culture and delivers.

It only gets more difficult for recruiters.

Of the most qualified candidates for the positions employers are desperately trying to fill, 86% are already employed and not actively seeking a new job. Interestingly, 40% of those same employees say they plan on changing jobs this year. The challenge for recruiters is finding out who they are and where they want to go.

Notes

¹ Chamberlain, A. GlassDoor.com (2017, December) **“What’s Ahead for Jobs? Five Disruptions to Watch in 2018”** Retrieved July 3, 2018, from https://www.glassdoor.com/research/app/uploads/sites/2/2017/12/Final_CD_ResearchReport_5Disruptions2018.pdf

² Chamberlain, A. (Ibid)

³ Chamberlain, A. (Ibid)

⁴ McKinleyMarketingPartners.com (2018, April 17) **“10 Key Insights From the 2018 Marketing Hiring Trends Report”** Retrieved July 1, 2018 from <http://mckinleymarketingpartners.com/2018/04/10-key-insights-from-the-2018-marketing-hiring-trends-report/>

⁵ Harrison, D. and Morath, E. wsj.com (2018, July 4) **“In This Economy, Quitters Are Winning”** Retrieved July 6, 2018 from <https://www.wsj.com/articles/in-this-economy-quitters-are-winning-1530702001>

⁶ McGuire, R. Nation1099.com (2018, May 11) **“Ultimate Guide to Gig Economy Data: A Summary of Every Freelance Survey We Can Find”** Retrieved July 9, 2018 from <https://nation1099.com/gig-economy-data-freelancer-study/>

⁷ Ignatova, M. Business.LinkedIn.com (2018, January 10) **“The 4 Trends Changing How You Hire in 2018 and Beyond”** Retrieved July 9, 2018 from <https://business.linkedin.com/talent-solutions/blog/trends-and-research/2018/4-trends-shaping-the-future-of-hiring>

General Resources Used

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