



2019 STAFFING IMPERATIVES

What it Takes to Win in Today's
Unique Labor Market

EXECUTIVE SUMMARY

Employers face significant, but not insurmountable, challenges in today's hiring market. With organizations adding jobs, unemployment dropping and wages rising, it's become more difficult for companies to develop and execute a staffing strategy that will adapt to economic conditions and ensure they have the talent they need to achieve their business goals.

At Aerotek, we partner with companies to create scalable, flexible solutions to address their workforce needs. Aerotek has outlined three imperatives for organizations looking to navigate the evolving employment landscape:

1. **Recruitment:** Prioritize the candidate experience to attract top talent
 2. **Retention:** Retain employees with opportunity and respect
 3. **Technology:** Use technology to support talent acquisition and management
-

Employers in 2019 face the most challenging job market in recent memory. During the last year alone, unemployment hit a 49-year low¹, companies added 18 percent² more jobs than in the previous year, the quit rate hit its highest level since 2001³ and wages continued to rise⁴. This white paper will examine today's unique labor market by the numbers, dig deeper into how to engage job seekers, offer strategies for recruiting and retaining top talent and explore how technology is impacting the recruitment process.

STAFFING CHALLENGES CONTINUE

Two concurrent trends are causing a unique tension for recruiters, with too many jobs chasing too few job candidates. The unemployment rate, from highs over nine percent in the wake of the 2008 recession, through 2018 continued its steady downward trek. In September, it fell to 3.7 percent, the lowest rate since 1969. At the same time, job gains achieved a streak of 99 months.

Quit rates are rising

The candidate-driven hiring market is making today's employees more inclined to switch jobs. People are quitting their jobs at a higher rate than at any time during the past 16 years — between 2017 and 2018 alone, the quit rate increased eight percent.

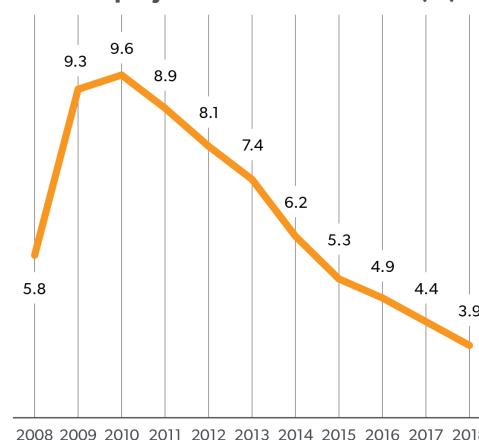
Wages are growing

"Nationally, people have become infatuated with the perception that real median wages have been slow to grow. But, studying median wage data overall is dangerous at this time as they are downwardly influenced by the massive retirements of baby boomers, which are currently at their peak," notes Ron Hetrick, Director of Labor Market Business Intelligence at Allegis Group, Aerotek's parent company. "In occupations not populated by retiring workers, wage growth has been soaring."

With an average of 10,000 baby boomers retiring every day, a figure that will continue for three to five more years, this is a factor that will be in play for the foreseeable future.

It's important to note that wages are growing even with the inclusion of Baby Boomer retirements.

Unemployment Rate 2008-2018 (%)



Wage Growth 2008-2018 (%)



¹ Labor Force Statistics from the Current Population Survey. Bureau of Labor Statistics. <https://data.bls.gov/timeseries/LNS14000000>

² All Employees: Total Nonfarm Payrolls. Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/PAYEMS>

³ Job Openings and Labor Turnover Survey. Bureau of Labor Statistics. <https://data.bls.gov/timeseries/JTS000000000QUR>

⁴ Wage Growth Tracker. Current Population Survey, Bureau of Labor Statistics and Federal Reserve Bank of Atlanta calculations. <https://www.frbatlanta.org/chcs/wage-growth-tracker.aspx>

STAFFING IMPERATIVE #1: PRIORITIZE THE CANDIDATE EXPERIENCE TO ATTRACT TOP TALENT

By Matt Bramblett

Aerotek Director of Strategic Delivery Solutions

Navigating the new hiring reality is driving companies to adapt their established recruiting strategies to better motivate job seekers, emphasizing market-rate compensation, corporate culture and the candidate experience. Implementing these changes requires employers to be authentic, flexible, agile and aggressive.

Be authentic

Creating a powerful employee value proposition (EVP) can be a complex undertaking but it demonstrates to candidates that you know what your organization stands for. You have to position yourself in the best light, but you also have to be authentic.

Word of mouth is still among the strongest methods of promoting your brand. When your new hires have a great experience, they'll tell their former coworkers and friends, driving referrals of high-quality candidates. Good people know good people.

Communicating your value is a crucial part of creating an exceptional candidate experience and establishing trust from the onset.

Be flexible

In the old way of thinking, an employer would draw a hard line and look only at candidates who had a certain amount of work experience and very specialized skills. More recently, however, there's been a shift to hiring for capability — what candidates have done, what they're doing now and what they have the ability to do in the future.

The focus is on outcomes rather than experience. At any rate, disciplines such as software engineering change so rapidly that experience in a specific programming language is less important than the ability to learn new programming languages as they evolve.

Forward-thinking companies are hiring for talent and "upskilling" high-potential candidates according to their company's specific protocols.

Be agile

If you make an offer to your first choice and the candidate requests a higher salary, are you empowered to make that decision in real time? You have to be ready to act or be ready to lose out. Come out strong with your offer.

Make sure the person who's making the offer understands the parameters and is also very skilled at negotiating. Does the person making the offer have the ability to create excitement around the position and the opportunity? Is that person empowered to say, 'What

would it take to get you to say yes?' And if a candidate doesn't accept it right off, ask and really listen to the reason why — a candidate saying no could be the opening to negotiation that could still yield an offer.

Insisting on too many interviews or unnecessary tests that stretch out the interview process can turn off job seekers. Employers should be prepared to make quicker decisions, because it's likely the top candidates have multiple opportunities. A slow hiring process will cause companies to miss out on great talent.

Be aggressive

The idea that the employer always has the upper hand needs to be rethought. It's a hard truth but a necessary one.

There are a variety of reasons job candidates won't leap at the first offer to come along. Why do candidates say no? They want competitive wages and benefits, to work on meaningful projects or the newest tech product and generous vacation time to maintain work/life balance. Candidates want exciting work, or opportunity to scale their career.

The importance of paying attractive wages can't be stressed enough. Wages are rising across the board, yet some companies resist the new normal. Employers with locations across the country, for instance, will struggle to find talent if the wages offered aren't competitive in areas with a high cost of living. You can't recruit nationally and then pay locally. With talent this tight, compensation is tied more to the scarcity of the skill set versus the location of the worksite.

“
A SLOW HIRING
PROCESS WILL
CAUSE COMPANIES
TO MISS OUT ON
GREAT TALENT.
”

STAFFING IMPERATIVE #2:

RETAIN EMPLOYEES WITH OPPORTUNITY AND RESPECT

By Dave Poling
Aerotek Executive Director of Operations

In today's tight talent market, retaining your best employees can be just as important as recruiting promising new candidates. A significant amount of staff turnover, or even losing valued employees, can keep an organization from achieving its business goals.

Experts estimate it costs up to twice a departing employee's annual salary to find and train a replacement for a vacant position, so retaining your people needs to be a critical component in your strategic plan. Efficient business operations, knowledge transfer, workplace morale and productivity can also suffer when turnover is high. Complicating the situation for 2019, is the difficulty of even finding the new employees to fill these vacated positions. This means that retention has never been more critical.

The most effective retention strategies focus on the relationship between the employee and the employer.

Here are five recommendations on how to create a culture that values employees, keeps them engaged and spurs retention.

Execute on your EVP

Leaders at every level within your organization need to ensure that the same EVP that's promised to job candidates, clients and the marketplace is also delivered to employees. Following through on your promises leads to higher morale and engagement.

Treat employees well

Company leaders and managers should treat employees with the same respect and attention they offer their customers. When employers take good care of their employees, the employees take better care of their customers.

Be flexible when possible

Workers are increasingly interested in remote work, flexible scheduling and exercising their own creativity. Today, where and how the work gets done, isn't as important as the finished product or the final result. If your organization can accommodate any or all of these options, it can prove valuable in attracting quality candidates.



Provide opportunity

Most people looking for a job want something better than what they currently have. They want to be challenged, earn more and do what they love. To compete for top talent in today's marketplace, you will retain more of your workforce if you create opportunities for employees to grow within your organization.

Invest in your employees

Managers need to make developing their direct reports a top priority so they have a network of future talent to fill vacant positions. This promotes loyalty throughout your organization. Not only does this increase employee engagement, it helps create a sustainable pipeline of tenured and committed workers. Developing people often starts with helping them determine and develop their "why." What's important to them? And what are they really trying to accomplish.

Leadership can be defined by how well you empower your employees to take ownership of their roles, focusing on how they can advance the organization's mission, ideals and goals. Top employers are connecting with their people at the individual level so they feel a deeper sense of connection to the overall purpose of the company. Investing in your workforce will not only help you retain critical talent but also contribute to the health and success of your business overall.

STAFFING IMPERATIVE #3: USE TECHNOLOGY TO SUPPORT TALENT ACQUISITION AND MANAGEMENT

By Blair Kennard

Aerotek Executive Director of Marketing and Technology

People are always looking for jobs, and the job search process typically starts online; candidates apply via job boards, visit potential employers' websites and refresh their LinkedIn profiles. In a Pew Research Center survey⁵, nearly 80 percent of those who had looked for work in the previous two years said they used online resources.

At Aerotek, our people are everything — we never lose sight of the human touch that drives our candidate interactions. And, our people-focused approach is enhanced by the technology supporting these interactions.

To compete for scarce talent, employers should make sure their digital recruiting process takes advantage of the opportunity to meet candidates where they are, whether online, on the phone or in person.

TECHNOLOGY BEHIND THE SCENES

By Michaela Wheeler
*Aerotek Executive Director
of Operational Services*

To succeed today, companies need to deploy technology at nearly every customer touchpoint — internally and externally. Implementing new internal data systems can have a significant impact on the client and customer experience.

The goals and benefits are similar to website and mobile application upgrades. Leveraging technology to manage, store and analyze data frees up valuable "knowledge workers" to focus on ways to improve customer service. A centralized data source improves communication as well as client service and real-time reporting. It will also maximize the value and potential for solutions.

As technological advancements are implemented, they can be transformational for candidate, contract employee and client experiences.

⁵ Searching for Work in the Digital Era. Pew Internet. <http://www.pewinternet.org/2015/11/19/searching-for-work-in-the-digital-era/>

Technology 2.0 for staffing

Technology has substantially enhanced the recruitment process, but the optimization makes it effective. Job seekers have high expectations driven by their use of other technology, so it's our responsibility to live up to that standard. It is important to provide a seamless digital experience that's intuitive and streamlined, including a quick application process.

The role of technology is to support the employee experience, not lead it. It's important to know which medium is best for which components of candidate engagement. For instance:



Web/mobile for job listings: Online job postings are a given, but don't be impulsive. Take the time to make sure it's complete, concise, compelling and search engine optimized.



Texts for quick information: Nearly 13 million texts⁶ were sent every minute in 2018, compared to more than 3.5 million in 2016, which is why some recruiters have begun to use text messaging to communicate with job candidates as part of their process. It's best used for brief messages that can be read in real time, such as a reminder of an upcoming interview's time and location.



Email for day-to-day communication: Email is optimal for longer communications that convey more in-depth information. If a job candidate is already employed, it avoids the risk of a communication that could be overheard.



Human touch for career conversations: Phone calls and in-person meetings remain the primary communication vehicles for substantive discussions that help job candidates fully convey their goals, skills and interests to their recruiter.

Data informs decision-making

Metrics and tangible, data-driven information will help determine the necessary technology solutions. While providing a better customer experience, the data gathered by technology ensures feedback that can aid in continuous improvement. You don't have to rely on what candidates share about their experience — you can see from the data how they behave and from that determine where blind spots might be. Candidates will repeat successful experiences, so you can see exactly what's working best (and what's not).

By improving the employee experience, we reinforce our credibility and expand our candidate pool to ultimately benefit our clients.

Don't forget the basics

Even more so today, employers need to target passive as well as active job seekers. The goal is to create a job description so compelling that it would motivate people to leave their current job and come work for you. And increasingly, employers need to differentiate what they require in a candidate from what they merely desire in a candidate. Although posting a job online seems like a basic first step, it only works if an employer has put a lot of thought and care into creating a job description that's accurate, specific and persuasive.

As employers know, posting jobs online works. The complex digital apparatus on the back end is a major reason why. For a company that specializes in talent recruitment, a strong and strategic online presence along with great personal service, is key to success.

⁶ Data Never Sleeps 6.0. Domo. <https://www.domo.com/blog/data-never-sleeps-6/>

CONCLUSION

While there are no guarantees the current labor situation will continue in the long-term, companies that need new employees now realize the way they leverage their strategies and resources will determine how well they succeed in the employment marketplace. Some essential priorities, such as maximizing an effective and streamlined candidate experience, will serve them well now and into the future. At the same time, retaining existing talent is just as important as recruiting new candidates. Make sure your key employees feel trusted, valued and rewarded — with opportunity as well as compensation.

Recruiting and employee retention are supported by new and innovative technological capabilities, which are increasingly being leveraged to manage data, freeing up recruiters and employers to focus on the human touch that can give them a competitive advantage.

Creating a memorable and effective candidate and employee experience is a key differentiator in any market.

ABOUT THE AUTHORS



Matt Bramblett
Aerotek Director of Strategic Delivery Solutions



Matt Bramblett is Director of Strategic Delivery Solutions with Aerotek. As a 20-year veteran of the recruiting industry, Matt leads Aerotek's strategic recruiting centers, in charge of fulfilling the industry's most challenging positions across engineering, sciences and skilled trades.



Dave Poling
Aerotek Executive Director of Operations



Dave Poling is the Executive Director of Operations at Aerotek. In this role, Dave is responsible for leading Aerotek's recruiting and sales processes across the organization while supporting the growth and evolution of our long-term clients.



Blair Kennard
Aerotek Executive Director of Marketing and Technology



Blair Kennard is the Executive Director of Marketing and Technology at Aerotek. A results-driven leader with more than 20 years of experience, Blair leads the marketing and technology centers of excellence in pursuit of Aerotek's global initiatives.



Michaela Wheeler
Aerotek Executive Director of Operational Services



Michaela Wheeler is the Executive Director of Operational Services for Risk Management and Compliance at Aerotek. Michaela is responsible for increasing regulatory, contractual and operational compliance; in addition to ensuring customer retention, preventing loss and creating operational efficiencies.

ABOUT AEROTEK Our people are everything. For more than 30 years, Aerotek® Inc. has distinguished itself as a leader in recruiting and staffing services by having a deep understanding of the intersection of talent and business. As a strategic partner to more than 18,000 clients and 300,000 contract employees every year, Aerotek's people-focused approach yields competitive advantage for its clients and rewarding careers for its contract employees. Headquartered in Hanover, Md., Aerotek operates a network of over 250 non-franchised offices with more than 8,000 internal employees dedicated to serving our customers.

To learn more, visit: Aerotek.com | 1-888-AEROTEK | An Allegis Group Company

