



2020 STAFFING IMPERATIVES

WORKFORCE STRATEGIES
EVERY EMPLOYER
SHOULD KNOW



EXECUTIVE SUMMARY

As recession fears recede¹, employers are facing the reality that the tight labor market is a major obstacle to their growth. With unemployment at 3.5%², companies want to know where their future employees will come from, how best to recruit them and how to retain them.

Many employers are finding, to continue the broad economic gains of the past decade or so, they need to implement employee-first strategies that focus on what candidates want, how to engage current employees and how technology can help them meet workers where they are.

This white paper will examine today's unique labor market and offer recommendations on how employers can alleviate their staffing pain points with three imperatives:

- 1. Adjust to 2020 Labor Market Conditions**
- 2. Create Motivated and Engaged Employees**
- 3. Optimize Talent Technology Tools**

1 "U.S. Expansion Expected to Continue Through 2020 - WSJ Survey." <https://www.wsj.com/articles/u-s-expansion-expected-to-continue-through-2020-wsj-survey-11576681200> Wall Street Journal, December 18, 2019

2 Employment Situation Summary, <https://stats.bls.gov/news.release/empsit.nr0.htm>, Bureau of Labor Statistics, December 6, 2019

Labor market remains tight

Joblessness hit a 50-year low in 2019, following years of steady declines after the 2008 recession. And although the pace of job growth has slowed somewhat since early 2018, the number of job openings still increased 17%³ from the end of 2017 until the end of 2019. Wages – while growing more slowly than expected – are actually charting gains in careers not populated with average-skewing Baby Boomers, such as light industrial and office/administration.

With six million job openings, record-low unemployment and wages continuing to rise, companies need to develop and execute a recruiting strategy that adapts to current economic conditions to ensure they have the talent needed to achieve business goals.



ADJUST TO 2020 LABOR MARKET CONDITIONS

“Access to talent continues to be a driving focus for most employers,” notes Aerotek Vice President Vinay Nayak. “As we enter an election year with a strong record of job growth in recent months, it’s likely that the hiring market will continue to favor job candidates.”

To a certain degree, it’s the new reality of supply and demand, he continues. “With the unemployment rate so low, this means that what worked in recruitment even a few years ago is no longer effective.”

Hiring managers today need to be able to act decisively or risk losing out on top talent, Nayak adds. “In the past you could interview your top 10 candidates and decide among them. Now, it’s unlikely that the first candidate you interviewed is still available. Employers need to be agile and responsive.”

The stakes are high. “Every business is a people business,” Nayak says. “It doesn’t matter if you have the best product and the best strategy if you don’t have the right people to make it happen.”

Pipeline for talent

To source scarce talent, employers increasingly are reaching out to partners whose goals align with their own, such as technical schools and colleges, says Aerotek Vice President Bill Ruff. Building relationships with organizations that prepare students for careers creates a sustainable pipeline of candidates, now and in the future. Within the framework of those relationships, recruiters can build strong relationships and a deep understanding of what each candidate wants. In fact, those relationships make the difference between just another cold call and the opportunity for someone to find the job they’ve always wanted,” Ruff says.

Experience vs. aptitude

To ensure they’re not missing out on quality talent, employers are also taking a hard look at their job postings, adds Aerotek Vice President Sean Carmody. “Hiring managers are making sure the job requirements are all necessary or if they’ve become inflated over time. In many cases, they’re becoming more flexible on eliminating non-critical requirements.”

Organizations are also becoming more nuanced in how they view the candidate’s potential. Where once they only recruited from competitors in the same industry, companies now are casting a wider net. “They’re hiring based on capability rather than exact experience,” explains Carmody. “They’re evaluating a candidate’s aptitude to learn what they do versus displaying where they have done it.”

To measure aptitude, he continues, some companies have incorporated problem-solving, math or dexterity tests into their application process. “This allows the employer to quickly assess whether the candidate has the core skills to learn the unique and specialized nature of the work they’ll perform. The organization is still required to make a financial investment in the onboarding, training and development of the employee — but they can feel confident that the investment will produce a return.”

3 Job Openings: Total Nonfarm, <https://fred.stlouisfed.org/series/JTSJOL#0>, Federal Reserve Bank of St. Louis, retrieved December 26, 2019

Upskilling gains new traction

A recent Allegis Group Cultivating Skills survey⁴ of human resources decision-makers found that employers are increasingly viewing employee skills development as the employers' responsibility:



believe the employer is responsible for enabling their workforce to acquire new skills



are exploring new ways to develop critical skills within their workforce



anticipate that their budget for training, learning and development will increase over the next two years

"This shows that employers are taking a proactive approach to creating the skills they need by investing in their current employees," notes Aerotek Vice President Greg Jones. "By doing this, they create value in several ways — they can prioritize the exact skills they need and set a quick pace for training, they demonstrate their appreciation for current employees and they help fulfill the company's potential for growth."

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CREATE MOTIVATED AND ENGAGED EMPLOYEES

Retention has taken on a new importance in recent years, Nayak notes. "When passive job seekers — your current employees — are contacted multiple times by recruiters, they usually get more curious about opportunities in the marketplace," he explains. "Many employers are strengthening their emphasis on employee engagement and satisfaction, in part because of the cost and difficulty of replacing leaving workers."

But employers also see it as a strategic decision, he says, the *right* way to invest in their business's success. "Companies today recognize the value in building their existing skilled workforce by increasing productivity, gaining experience and accumulating organizational knowledge."

"Companies have a choice to be best-in-class employers or not," Nayak notes. "Employees want to have conversations about what motivates them. So employers are taking a tactical approach to engagement — finding out what employees are looking for and acting upon the results to drive satisfaction."

In many ways, hiring and retention are job No. 1, he says. "Making talent management a priority is crucial to meeting your company goals. If your company's work doesn't get done, you won't be able to deliver on your promises to the customers you serve."

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⁴ Cultivating Skills to Build the Talent Pipelines of Tomorrow, <https://www.allegisgroup.com/en/insights/cultivating-skills>, Allegis Group, August 2019

Knowing what employees want

A 2019 Aerotek white paper⁵, Workplace Satisfaction Report: What Workers Want – And What Doesn't Matter, found that employers don't always have a firm grasp on the factors that engage candidates, noting that, "employers need to be responsive to what employees want, not just in compensation but by offering interesting work, growth opportunities and culture."



Jones agrees. "Even in an employee-driven labor market, paying more isn't the only motivating factor in whether or not a candidate accepts a job. The Workplace Satisfaction Report found that employees are interested in whether they will feel valued and be recognized for their work and contributions, for instance," he says.

Employee engagement = retention

Employers are focusing increased attention on the value of employee engagement in driving workplace satisfaction, productivity and retention. For the best results, Ruff says, "companies should build relationships with new employees before they even start work."

Whether it's touching base via phone or in-person, maintaining communication after the offer is accepted can keep an employee feeling valued up until the start date. "That's a time when candidates are especially vulnerable to competing offers," he says. "You should consider the frequency of communication as well as the message. It is an opportunity to explain the company vision and culture — where you're going and how you're going to get there together. Employees want to know they have a career path and that they're in sync with the company direction from Day One."

Perks that work

Organizations are also evaluating the effectiveness of many age-old expectations and requirements — dress code, work environment, hiring practices and qualifications, says Carmody. Progressive organizations

are willing to abandon static practices and adopt new ones in order to appeal to an employee's idealized work experience. Many companies have found that concessions have not only produced similar results, but better. Companies need to ask themselves why certain requirements are in place and evaluate their effectiveness objectively.

In addition to providing competitive compensation and benefits, what else can an employer do to create a compelling package of offerings that will attract and retain employees? "Workers today expect flexibility, and they might sacrifice higher pay if the environment is good enough," he explains. "Employers have adjusted their expectations of when and how often employees need to be in the office to get the job done. If they can do the job remotely, it becomes an expectation."

"There's been an evolution in the way employers think about benefits like working from home," Nayak agrees. "Studies have shown that employees who are able to work from home are actually more productive because workers see themselves as turning that commuting hour into a working hour. And it also helps their work/life harmony."

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OPTIMIZE TALENT TECHNOLOGY TOOLS

Technology adoption has become the norm among all demographics. "People are averaging more than three hours a day on their phones," notes Blair Kennard, Aerotek managing director. "Driven by their use of technology in all aspects of their daily lives from shopping, ordering food and rides to social networks, job seekers have high expectations for how technology should enhance their job search. They anticipate the hiring process will be fast, transparent and easy, and it's our responsibility to live up to that standard. We must ensure the digital recruiting process takes advantage of the opportunity to meet candidates where they are online, in order to provide a positive experience."

⁵ Workplace Satisfaction Report: What Workers Want – And What Doesn't Matter, <https://www.aerotek.com/en/insights/what-workers-want-and-what-does-not-matter>, Aerotek, September 27, 2019

In fact, speed-to-hire has taken on new importance for job seekers as well as employers. A survey by CareerBuilder⁶ found that candidates are becoming more reluctant to participate in lengthy hiring processes:



20% won't complete an application that takes them **20 minutes** or more



76% want to **know how long it will take them to finish an application** before it starts



66% said they will **wait less than two weeks** to hear back from the employer before moving on

Kennard recommends that employers take a hard look at their recruitment process to identify and mitigate any roadblocks or repetitive steps to ensure that potential candidates aren't motivated to look elsewhere.

Connecting companies and candidates quickly

"Digital recruiting allows companies to access a larger talent pool while at the same time more effectively targeting candidates with niche skill sets," Kennard says. "Artificial intelligence and machine learning enhance what employers know about candidates to quickly reveal the best match between a job opportunity and a candidate."

Improving communication and candidate experience

Technology also supports an improved candidate experience by eliminating the communications gaps that have traditionally left candidates unsure of their status or the next step in the process.

According to a 2019 Allegis Group white paper⁷, "Stepping Up: Workforce Practices That Raise the Bar on Business Performance," many candidates have unmet expectations with regard to the communications they expect to receive from hiring employers:



their application was received



on where they stand in the job application process

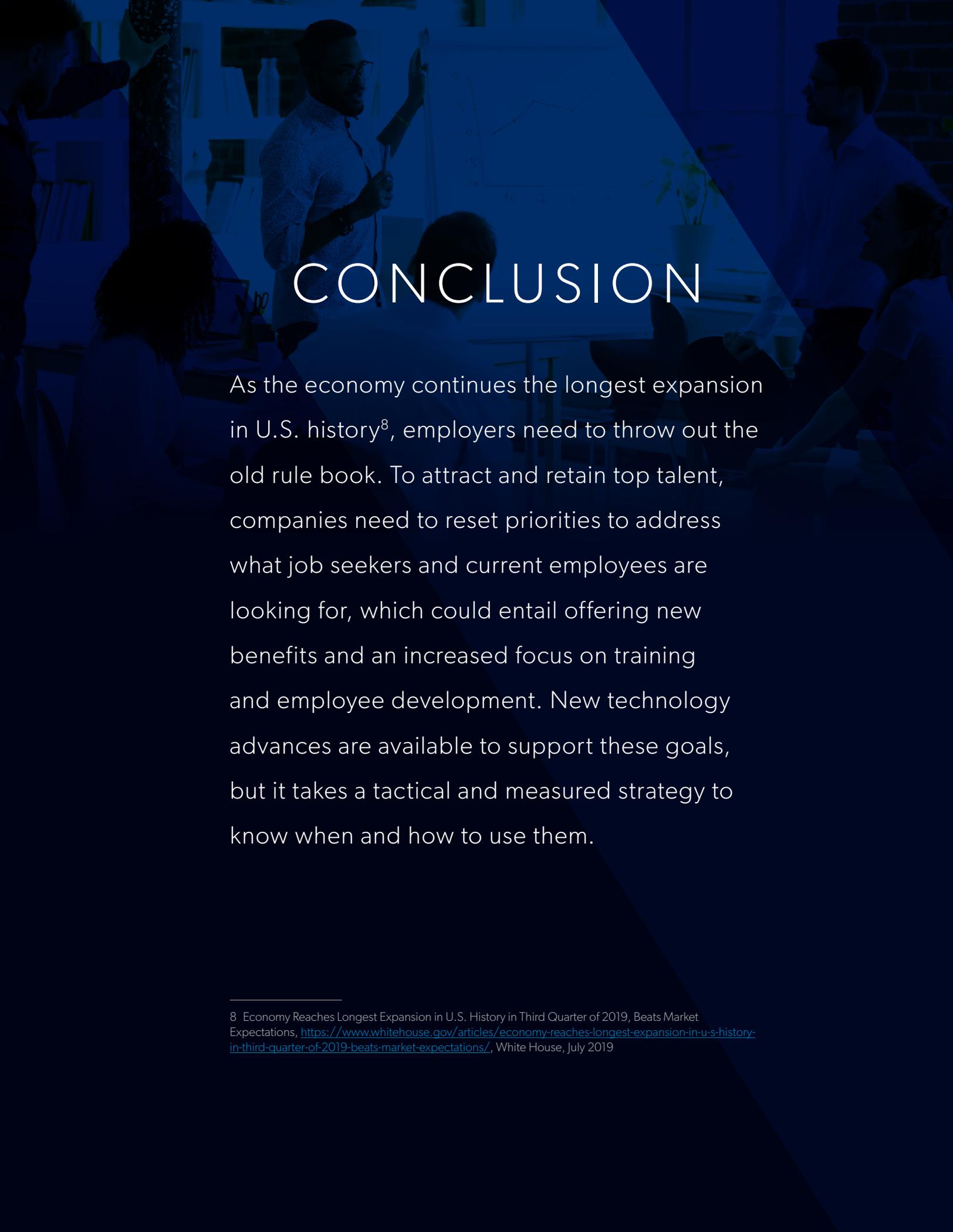


behind declining a candidate for a job opening

Technology tools can ensure HR or hiring managers hit communications milestones and build deeper relationships with the workers that they seek.

⁶ New CareerBuilder Study Unveils Surprising Must-Knows for Job Seekers and Companies Looking to Hire, https://www.careerbuilder.com/share/aboutus/pressreleasesdetail.aspx?ed=12%2F31%2F2016&id=pr951&sd=6%2F1%2F2016&utm_source=ths_jobseekerdropoff&utm_medium=blog&utm_content=pressrelease&utm_campaign=thehiringsitearticles_b2b, CareerBuilder, June 2016

⁷ Stepping Up: Workforce Practices That Raise the Bar on Business Performance, <https://www.allegisgroup.com/en/insights/talent-acquisition-strategies>, Allegis Group, January 2019



CONCLUSION

As the economy continues the longest expansion in U.S. history⁸, employers need to throw out the old rule book. To attract and retain top talent, companies need to reset priorities to address what job seekers and current employees are looking for, which could entail offering new benefits and an increased focus on training and employee development. New technology advances are available to support these goals, but it takes a tactical and measured strategy to know when and how to use them.

⁸ Economy Reaches Longest Expansion in U.S. History in Third Quarter of 2019, Beats Market Expectations, <https://www.whitehouse.gov/articles/economy-reaches-longest-expansion-in-u-s-history-in-third-quarter-of-2019-beats-market-expectations/>, White House, July 2019

ABOUT THE CONTRIBUTORS



Vinay Nayak, Vice President, Strategic Sales & Operations

In his position, Vinay leads strategic sales and operations at Aerotek, overseeing the strategic initiatives and business development efforts for Aerotek's largest national customer accounts. Now in his third decade with Aerotek, he has previously served as vice president of strategic account solutions and vice president of strategic sales.



Bill Ruff, Vice President, Vertical Sales

Bill started his career with Aerotek in 1998 as a recruiter. Over the past 21 years, he's held various roles, including director of program services and director of strategic sales. Most recently, Bill served as executive director of sales for consumer and industrial products.



Sean Carmody, Vice President, Vertical Sales

Sean joined Aerotek in 2003 as a recruiter. He's held a number of roles over the years, including director of business development for government services and executive director of energy and construction. Most recently, Sean served as executive director for healthcare, Department of Defense and aviation.



Greg Jones, Vice President, Vertical Sales

Greg has been with Aerotek since 1998, when he was hired as a technical recruiter and moved shortly into sales. He most recently served as regional vice president for the Southeast region at Aerotek, and prior to that was director of business operations.



Blair Kennard, Managing Director, Marketing & Technology

Blair joined Allegis Group, Aerotek's parent company in 2012, handling strategy and planning initiatives. She joined Aerotek in 2014 as director of marketing and served for more than three years as director of marketing until her promotion in 2017.



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