BEYOND THE WAGE WARS

Strategies for Improving Recruitment and Retention in a Highly Competitive Market

INTRODUCTION

What pops into your mind when you hear the words "candidate experience"? If it's a list of skills and qualifications, read on to discover how pivotal interactions shape perceptions about your organization—and influence whether candidates and employees alike choose to stick around.

According to the Bureau of Labor Statistics, the United States unemployment rate fell to 3.2% in August 2019, nearly a 50-year low. Across the nation, businesses are growing exponentially, creating new positions, filling open jobs, and desperately trying to hold on to the employees they do have.

That may be great for job seekers, but companies are facing a myriad of recruiting and retention challenges. For example, as they create new positions, companies are writing job descriptions from scratch and striving to meet accelerated hiring deadlines. With no historical reference for what a position entails, they hire to match the job description rather than the skillset required. That leads to dissatisfaction by both parties: the company and the new hire. Other businesses are investing heavily in high wages and fun perks (Sleep pods! Free snacks! Foosball!) and still coming up short on their hiring and retention goals.

THE VIEW FROM ABOVE:
THE CANDIDATE/EMPLOYEE EXPERIENCE

Many companies look at the recruitment, hiring, and onboarding process in stages. Yet, for candidates, they comprise a series of connected interactions; ones that come together to shape a candidate's perception about a company and how they fit (and feel) within the organization. Those perceptions influence whether a candidate accepts an offer, is satisfied on the job, or stays in a position and with the company.

As Randy Wey, Talent Consultant, explains, it all comes down to one word: *experience*. "What experience is your candidate or employee having from the moment they apply to the time they leave? All people want is a good experience—at all levels."

Lynne Rusnak, Senior Director of Human Resources at Hughes Network Systems agrees, "You have to understand the candidate's experience from the moment they see a job posting and sit down to apply. Do you lose them in the application process?

Does the recruiter follow-up quickly, or will it be three weeks before they reconnect? Are your managers prepared and organized for the interview? Is everyone courteous?"

This continuum of interactions that begins with the application process and ends when an employee leaves an organization is referred to as the employee life cycle. Stepping back to assess the experience that your candidates—and employees—have along this full continuum, is the first step to understanding what the organization needs to do to recruit quality candidates, build a satisfied workforce, boost company loyalty and longevity, and reduce turnover.

Here, we offer advice from industry experts on what to consider.

The Employee Life Cycle

RECRUIT	ONBOARD	DEVELOP	RETAIN	OFFBOARD
Marketing	Job Orientation	Training and Coaching	Employee Value Proposition	Exit Interview
Application Process	Technology	Ongoing Engagement	Opportunity	Initiation of Final Pay and Retirement Plan
Interviewing	Payroll and Benefits			
Hiring	Clear Expectations			

The Society for Human Resource Management (SHRM) estimates that it will cost a company **6 to 9 months of an employee's salary to identify and onboard a replacement.**

Quality hiring leads to higher retention — **31% of recruiters count quality of hire as the most important success metric,** followed by retention rate (23%).

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Understand Your EVP

The employee value proposition, or EVP, is the set of promises a company makes to candidates. It's a combination of salary, perks, culture, and work-balance lifestyle. Many companies focus solely on trying to win the wage wars. Others overpromise and underdeliver. Still others are unclear, leaving it to managers and staff to convey their personal interpretations of what the company offers. Companies that are unable to clearly and consistently articulate their EVP often see high turnover due to mismatched expectations.

Ms. Rusnak points out that a company like Hughes, a technology and services company, did not build its stalwart reputation by supporting four-day workweeks, a popular perk offered by ambitious start-ups.

"While we might compete against those companies for candidates, we have to be very transparent about what we offer in terms of our culture and strengths. It doesn't do us any good to promise something we don't deliver."

Think Big and Get Creative

According to Paycor, a top recruiting trend is recruitment marketing, which involves strategic efforts to find, attract, and engage job seekers and encourage more qualified candidates. In a highly competitive landscape, companies must recognize the need to market themselves to potential candidates. This goes far beyond basic job postings.

"Marketing plays a key role in the experience that we're talking about. From the ads a company is running to where they're posted, what font is used, and their literature, the talking points, formatting, and what the materials look like. Companies need to get creative to separate their ads from the competition," Mr. Wey says.

Ryan Festerling, President and Chief Operating Officer at QPS Employment Group agrees, "You might have a job that's better in every sense of the word, from its pay and benefits to the company culture, but if you're not a well-known brand or you're in an obscure location, you need to cut through the clutter to reach the candidate."

In a recruiting landscape that will become more competitive across all levels of employment, companies need to ask themselves what they need to do to stand out.

Start with the Hard Questions

Mr Festerling advises clients to start with some hard questions, like asking whether managers and leaders really care about having an engaged workforce. If the answer is no, the company needs to solve this problem above all others if it hopes to improve hiring and retention rates.

Employee engagement—what it looks and feels like—can be different depending upon the organization. Coming to a common understanding and aligning it with what target candidates and current employees view as meaningful and important is the ultimate goal.

Another hard question is "Would you want your son or daughter to work here?" If the answer is yes, then ask, "Why is that?"

These answers show the many ways a company is unique and attractive to candidates and employees. They are the foundation for how to set it apart from the competition.

If the answer is no, then the leadership team needs to reflect on what might be changed.

"Many focus on the negatives, what they can't change—like their location. Instead, they should focus on the what they can change," he says. "For example, do we need to allow flexibility? Or change our schedules? It wasn't that long ago that companies resisted having someone work from home one or two days a week. Now it's common. What can you do differently today that might have been a non-negotiable 10 years ago? Then, control what you can control."

Strengthen Recruiting Through Technology

Technology drives the first line of engagement with a candidate, which shapes first impressions. Companies need to consider how to make their application process the most convenient and smoothest experience possible. That requires assessing technology and its role.

Applicants often conduct job searches and submit applications using their mobile devices. Most companies assume that the platforms they use are compatible with mobile devices. Yet one quick check can uncover job postings that are impossible to read on a small screen, or application fields that aren't accessible, or Apply Now buttons that don't activate correctly when selected. The only way to confirm that your job postings and application tracking system are mobile-friendly is to test them. Search, read, and apply for your company's open jobs from a mobile phone or tablet. Discover what your candidates are really experiencing first-hand.

"When you do, remember that not everyone is privileged enough to have the latest and greatest phone," cautions Mr. Wey. Ensure that your platforms support a range of models and versions, and that candidates have multiple ways to both learn about and respond to opportunities.

That includes considering under-utilized communications channels, like texting, when trying to engage candidates, especially in retail, supply chain, and transportation industries. After all, he says, "When was the last time you left a voicemail? It's the convenience factor, but companies aren't investing in text platforms. Even if you got one candidate through text, that could justify the investment in the platform for a whole year."

Within the next decade, it's likely that computer software with artificial intelligence (AI) will replace recruiters—or at least the initial steps of the recruitment process. In that scenario, candidates may go to a hiring site, sit in front of a kiosk or computer, have their identity scanned through facial recognition software, and participate in a preliminary interview with a computer-generated avatar. It will look and feel as if the candidate is being interviewed by a real person. Similar technology, in text chat form, is already in use at call centers nationwide. This approach may greatly reduce the costs associated with screening applicants, and free up recruiters and managers to conduct more in-depth interviews. In addition, given the swift evolution of technology, it points to the need for organizations to consistently assess the role of technology in their hiring processes.

More than **70%** of job seekers start their job search on Google, cites iCIMS, a recruitment software company.

According to Glassdoor, **79%** of job applicants use social media during their job search.

Jobvite finds that **25%** of recruiters are investing in recruiting efforts on Instagram, especially millennial recruiters (35%) and those working at technology companies (63%).

43% of recruiters have used texting to reach out to candidates or current applicants and **88%** report a positive feedback from the job seeker.

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Let Employees Be Brand Ambassadors

While the competition for candidates is stiff, the cost to support gorilla marketing tactics across social media can be relatively inexpensive. Developing a creative brand campaign to drive recruitment and social media engagements is one option. Another is for a company to use its own employees for referrals or to post to their own social media accounts, especially LinkedIn. While cheap, it does require an investment of time to strategically unleash good brand ambassadors. But done well, they can be a company's best advocates for amplifying a message and addressing all of the reasons it's a great place to work.

Hire for the Future

Companies also get into recruiting and retention trouble when they focus solely on their current needs and priorities. Instead, they should look at where the organization is headed so that they can acquire the types of skills and competencies that will be valuable not just in the short-term, but to support the longer-term forecast.

"If you know where your company is going and have an idea of what it will look like in five years and the planned changes ahead, then you can determine some of the competencies you'll need," says Ms. Rusnak. "Look more at behavioral skills and competencies, not just whether a candidate knows Excel." That includes their decision-making, critical thinking, and problem resolution skills. In this way, not only can a workforce grow and evolve as a business changes, it can also deliver the very skills and competencies necessary to drive those changes.
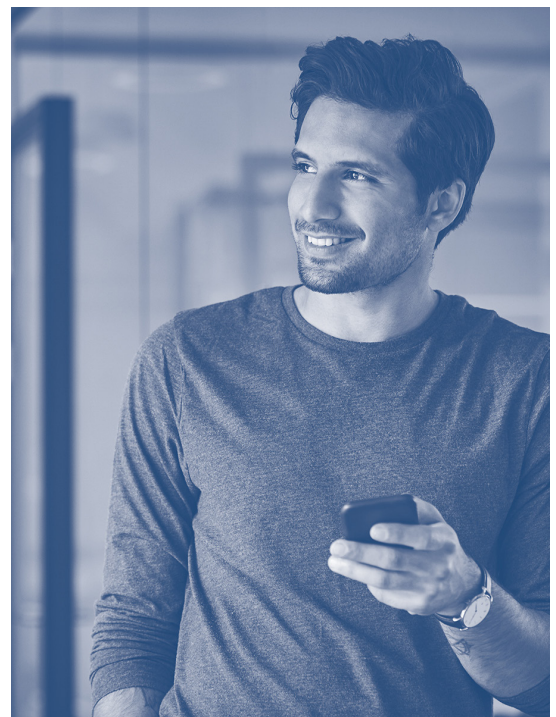
Assess Potential, Not Just Past Performance

Over the past several years, companies have become stricter about having candidates meet their checklist of requirements. As a result, they have become too narrowly focused, and are overlooking the candidate's potential.

"As a recruiter, if I can get a candidate to possess 7 of 10 listed skills, I'm confident they be coached up [to acquire those skills]. Yet clients will focus on the two to three that a candidate doesn't have, and they'll shoot them down," reports Mr. Wey. That leads to job postings that grow stale and candidates that grow frustrated. It can also reflect poorly on a company's brand, when it conveys an urgency to hire, yet allows jobs to linger open and unfilled.

Companies that are beginning to recognize this error have now started to eliminate role qualifications, such as "Bachelor's degree required" and are instead searching for equivalent experience that might prove even more valuable to an organization. Or, at the very least, not eliminate high quality candidates from consideration prematurely.

Assessing potential and hiring for the future can also be effective strategies for seasonal workers. For example, KTLA TV reported that Target will hire more than 130,000 people ahead of the 2019 holiday season, up more than 4% from the previous year. While these jobs are described as seasonal, Target also noted that 40% of the people hired in 2018 stayed with the Minneapolis company after the holidays. Best not to view seasonal help through just a short-term lens.

Build a Strong Onboarding Program

"You can have the best candidate, but if your onboarding program is weak, they won't stay," says Mr. Wey. "What's the expectation of them for 30, 60, 90 days out? What do you want them to be able to do? If that's not communicated properly, they will not succeed. If you never talk about it, there is a disconnect."

Onboarding spans longer than the handful of days it takes to get an employee into the payroll system, up and running with their log-in and security credentials, or familiar with policies and procedures. It encompasses all of the information and communications intended to keep employees in the loop when it comes to those expectations, systems, or policy changes.

Coach and Develop Your People

While it is advised to hire for potential and for the future, companies must nurture that potential through training, development, and mentoring. Often, people are hired into positions because they are at the right place at the right time, even if they do not possess the right qualifications. That may leave them lacking in the skills they need to do their business effectively, especially when it comes to managing others.

The result can be managers who say, "This has worked for me, I need you to do it like I do." Yet that approach does not consider each individual employee's own strengths, capabilities or natural tendencies. And, it is a quick way to send the message that an employee's unique contributions are undervalued.

"If the hardest working person doesn't feel appreciated by their mentor, they're going to leave. People don't leave companies, they leave leadership," stresses Wey.

To combat this, companies should offer employee development, coaching and mentoring opportunities that can be replicated across the organization—at all levels. This is tightly linked to a company's EVP, in that such programs are tangible evidence that the entire workforce matters.

THE CANDIDATE EXPERIENCE

3.7%
Low Unemployment
Current unemployment rate is at a **50-year low**.[1]

74%
A More Competitive Future
of recruiters believe hiring will be more competitive in the next **12 months.**[2]

31%
Higher Retention
of recruiters count quality of hire as the most important success metric, followed by retention rate (23%).[2]

High Attrition & Replacement Costs

Employee turnover can be as much as

50% in the **first 18 months** of employment.[3]

Of 1000 workers surveyed, **31%** reported quitting a job in the **first 6 months**.[6]

Marketing & Social Media are Key

Top investments for growing an employer brand are: **social media** (47%), **company career website** (21%), and **marketing and advertising** (12%).[2]

92% of recruiters use social media to find the best candidates for each position.[4]

Make it Mobile Friendly!

73% of candidates say they would prefer to receive targeted jobs via text message.[5]

65% of job seekers use their smartphone at least once a day for job searches; **39%** said they apply right away from their mobile device.[5]

Sources:
1. U.S. Bureau of Labor Statistics (August 2019)
2. 2018 Jobvite 2018 Recruiter Nation Survey
3. Society for Human Resource Management (SHRM)
4. Adweek Survey (2015)
5. Nexxt Survey
6. BambooHR Survey

Remember, it's Still a People Business

Finding good candidates demands that managers and staff take an interest in the screening and interview process and that they are given time within their own workday to be thoughtful and discerning when assessing a candidate's viability. It means that everyone in an organization is aware of and willing to share news about opportunities with their friends, neighbors or peers. And it means helping candidates and new hires to share their own progress and good news in relation to their job search efforts.

Because despite all the ways that programs, strategies and technologies can help, recruiting and retaining success rests on one key fact: it's still a people business. Understanding all of these pivotal interactions and how they shape perceptions about the organization will help you create the type of experience that candidates and employees yearn for. And in the end, that means, they'll stick around.

For additional information, please call 1-888-440-7126 or visit www.hughes.com.

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