THE RESOURCE

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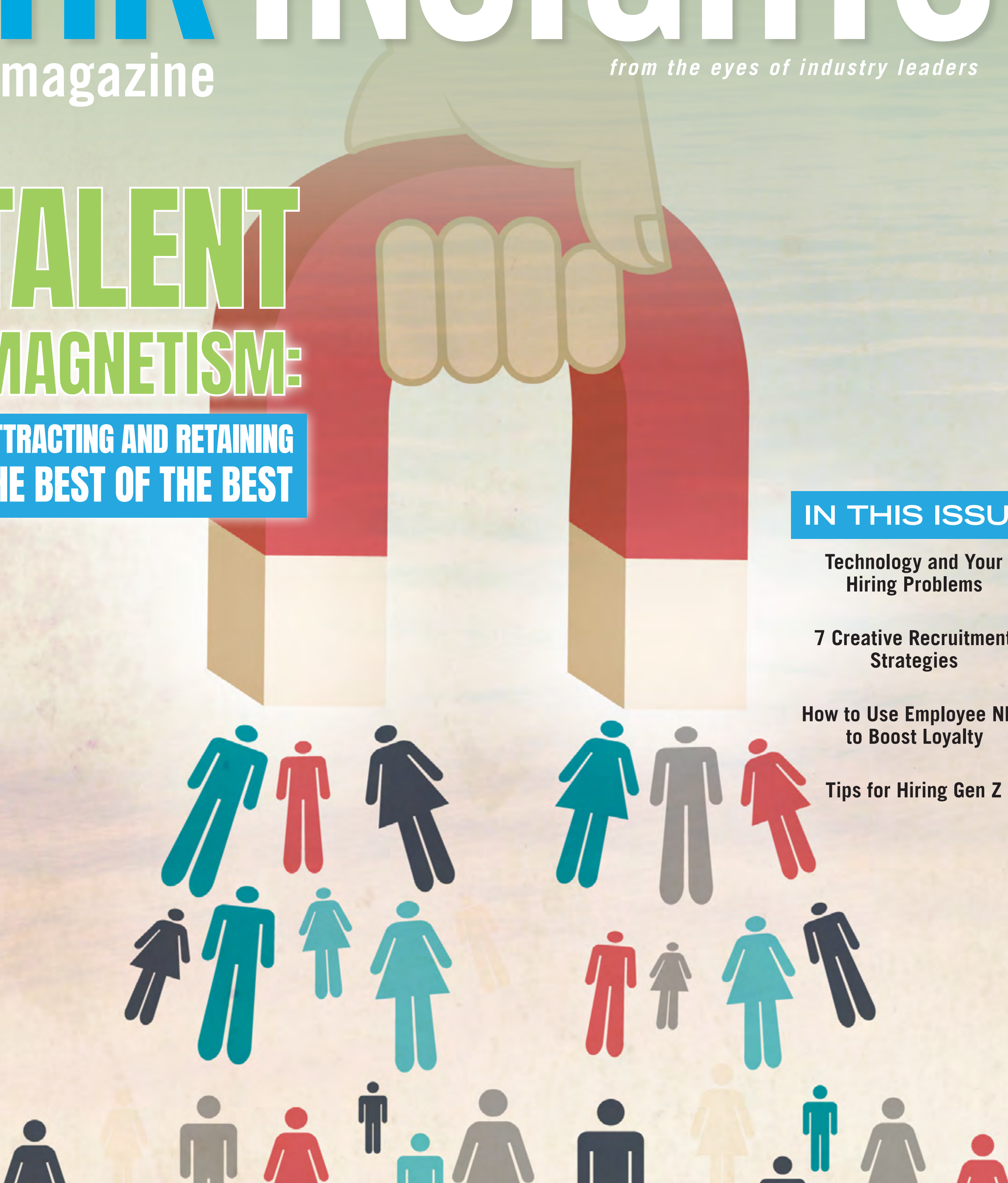
from the eyes of industry leaders



TALENT MAGNETISM:

ATTRACTING AND RETAINING THE BEST OF THE BEST

IN THIS ISSUE

The Current Labor Crisis: A Perfect Storm

Government assistance and incentives, as well as challenges stemming from COVID-19 have resulted in a **limited supply of people that are looking for jobs**. At the same time, many employers are **desperate to hire new talent** to meet business demands.

We're living through this **PERFECT STORM** of Unemployment Benefits, Tax Returns, Stimulus Checks, Child Tax Credit - all of this making it difficult to attract and retain candidates. The financial impact of these factors has the potential to reach total weekly payments of $882 - which equates to roughly **$22.05 per hour - to stay home! CHA-CHING!**

There are other factors also influencing the current labor crisis, including an abundance of employment opportunities for candidates, COVID-related issues (fear, childcare, etc.), as well as that pay rates are essentially a moving target. *What's competitive now soon won't be any longer.*

The Bottom Line: An extremely challenging environment to recruit and retain employees!

So, what are we doing about it inside our organizations?

Another Big Question: What are we doing to *take care of* our existing employees?...

Grade your organization on the Pillars below. How well are you doing in each area, and where could you improve?

Pillars of a Positive Work Culture:

- **Good Managers Who Care**
- **Personal & Professional Growth**
- **Flexibility & Wellbeing**
- **Recognition and Appreciation**
- **Employee Empowerment**
- **Teamwork**
- **Purpose**
- **Communication and Regular Feedback**

Here are some steps to consider implementing in your organization to weather the storm, and hopefully position you to come out stronger on the other side:

RECRUITING - Consider relaxing drug/background/COVID testing requirements. **CULTURE** - Gather information on employee perceptions/pain points, and create an action plan. Consider Leadership Development & Coaching opportunities. **ONBOARDING** - Evaluate and enhance your onboarding and training programs by gathering feedback. **WAGES & BENEFITS** - Review your wages and benefits package to ensure they're competitive, and make adjustments where needed.

THE RESOURCE

"WHAT IF this situation doesn't get better in 3...6...9...12 Months? What will you do to weather the storm?"

Best Regards,

Kathy Hartung

Kathy Hartung, CEO

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TECHNOLOGY ALONE IS NOT THE ANSWER TO HIRING PROBLEMS

BY LINDA BRENNER

The volume and variety of talent acquisition technologies on the market would lead even experienced HR professionals to believe that at least one of those technologies must be the key to improving the speed and quality of hiring. In fact, in 2019 experts predicted that the market for human capital–related technology (mostly related to hiring and retention) would approach $30 billion by 2025.[1] Even during the difficult economic times of the past year and a half, much of the talent acquisition chatter continues to have a strong technology bent.

In truth, hiring wasn't fast enough or good enough for many organizations even before the pandemic. Hiring managers expressed frustration with the speed of finding interested and qualified candidates, with recruiters' inability to compel top talent to consider the opportunities they offered, and with the quality of the candidates they saw.

As economic pressures mount in the wake of the pandemic, as hiring needs are pared down to the most critical roles, as the demand to attract qualified candidates of color increases, and as the number of applicants seeking work spikes (complicating the search process), the spotlight remains on talent acquisition to attract and select high-performing, diverse talent. Amid all this, virtual advertising and white papers tout

1. Mark Feffer. 2019. "HCM Solutions Market Seen Growing to $30 Billion by 2025." HCM Technology Report, August 27, www.hcmtechnologyreport.com/hcm-solutions-market-seen-at-30-billion-by-2025/.

"something for everyone" on the recruitment technology front: applicant tracking, employee referrals, job searching, brand creation, job marketing, resume builders, job board distributors, social networks, job search, CRM, mobile-friendly job applications, resume parsing, job matching, interview scheduling, video interviews, skill-and-fit assessments, candidate referrals, AI, predictive analytics, metrics management, volunteer management systems, temporary labor management, and more.

Despite the availability of these technology options, finding high-performing, diverse talent isn't getting easier—even though the number of candidates actively searching for work has dramatically increased. Why?

MISSING TECHNOLOGY IS ALMOST NEVER THE ROOT CAUSE OF HIRING PROBLEMS.

Any audit of an organization's current state of recruitment (including an analysis of its most critical concerns) will almost never point to missing technology as the root cause of the problems. The fact is that the most important talent acquisition activities happen outside of any technology. These include understanding the specifications of a role and the business it will serve; identifying the right prospects to target; crafting compelling, authentic messages; screening applicants; reaching out via personal and customized communications; and selecting candidates and convincing them to consider the job and the company. Even technologies that claim to "find" passive candidates won't help recruiters convince such talent that they should quit their current jobs and join a new company.

Without documenting exactly how these activities should work and which steps are supported by technology, hiring efforts quickly become haphazard. Also, effective hiring requires skilled recruiters with business acumen, functional expertise in talent acquisition, and the ability to innovate and drive results. Technology will certainly help recruiters track, report on, and continuously improve their hiring activities, but it will never replace these essential process-design requirements and recruitment capabilities.

> "MISSING TECHNOLOGY IS ALMOST NEVER THE ROOT CAUSE OF HIRING PROBLEMS"

ADDING TECHNOLOGY USUALLY TAKES LONGER THAN ANYONE EXPECTS.

Making the decision to acquire technology is just one step in a very long process. Considering what's involved—influencing key stakeholders, budgeting, a request for proposal process, vendor selection, contracting, configuration, testing, implementation, training—the timeframe is often measured in years, not months. Talent acquisition leaders rarely stay in their roles long enough to see evidence that the technology is, in fact, adding value to the hiring process. HR leaders understand that the selection and implementation of technology are all-consuming tasks and that it may take years for the results of such efforts to be captured and assessed.

TECHNOLOGY WITHOUT PROCESS DESIGN MAY NOT EVEN PROVIDE AN INCREMENTAL LIFT.

When technology isn't configured to support a specific and detailed stated process (which in turn supports a broader talent acquisition strategy), it simply can't work. When laid on top of an unclear process in which roles and responsibilities aren't defined or desired outcomes are unclear, even the most advanced and most perfect technology will never add value. Plus, once implementation begins, HR leaders often find that their chosen technology doesn't integrate well with other systems, that there aren't enough workflows or configuration options, or that users push back because the technology is "too difficult" to use and the upside is unclear.

IT'S TOO GOOD TO BE TRUE.

As much as recruiters want to believe that hiring technology will live up to the promises laid out in compelling demos, it can't succeed on its own. Companies—especially those powered by intellectual capital and dependent on quality hires—simply can't avoid the hard work involved with attracting, selecting, and retaining talent, no matter how many technologies they cobble together. As the pandemic persists, the war for scarce talent is getting harder, and the solutions to hiring problems are not as quick and easy as recruiters wish they could be.

There are great talent acquisition technologies out there—and a time and place for them. They are most successfully implemented in organizations with defined talent acquisition strategies and detailed process designs. With those road maps in place to define the work needed to win top talent, technology can fill the role of supporting that vision and enabling the work needed to achieve it. ■

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Talent Growth Advisors is a talent management consultancy that leverages deep finance and talent expertise to help organizations make smarter people investments. Their clients include Amazon Web Services, Delta Air Lines, Raytheon, Under Armour, TIAA and the Coca-Cola Company. Check out their work at www.talentgrowthadvisors.com or contact them at info@talentgrowthadvisors.com.

DOL Withdrawal of Independent Contractor Regulations Means More Uncertainty for Employers

BY JIM PARETTI, DANE STEFFENSON, ROBERT PRITCHARD, AND MICHAEL J. LOTITO

On May 6, 2021, the U.S. Department of Labor (DOL) formally withdrew final regulations promulgated earlier this year under the prior administration which set forth, for the first time by way of an Administrative Procedure Act rulemaking, the analysis the DOL would use to determine whether a worker was an employee or independent contractor under the federal Fair Labor Standards Act (FLSA).

These regulations (the "Independent Contractor Rule" or "Final Rule") clarified the relevant factors the DOL would use to determine whether workers are in business for themselves and are independent contractors, or are economically dependent on a putative employer for work and thus employees under the FLSA. The Final Rule emphasized that the proper analysis is whether a worker is dependent on a purported employer for work as opposed to whether a worker is dependent on the income received.

Prior to adopting the Final Rule, the DOL and most courts considered seven economic reality factors when analyzing a work relationship using the economic reality test. The Independent Contractor Rule clarified the seven factors by identifying two core factors based on an exhaustive analysis of decades of cases dealing with the test: (1) the nature and degree of control over the work; and (2) the worker's opportunity for profit or loss. It additionally set forth three additional non-exhaustive guidepost factors to be considered if the core factors are not determinative or point in different directions:

- The amount of specialized training or skill required for the work that the potential employer does not provide;
- The degree of permanence of the working relationship, focusing on the continuity and duration of the relationship and weighing toward independent contractor status if the relationship is definite in duration or sporadic; and
- Whether the work performed is "part of an integrated unit of production."

The Independent Contractor Rule was published on January 7, 2021, with an effective date of March 8, 2021. In February 2021, shortly after the inauguration of President Joseph R. Biden, the DOL proposed delaying the effective date of the rule; in March it issued a final rule delaying the effective date of the Independent Contractor Rule to May 7, 2021. It subsequently proposed withdrawing the rule in its entirety, and on May 6, 2021—one day short of the delayed effective date—formally did so. Both the initial delay of the Independent Contractor Rule and its subsequent withdrawal are currently the subject of legal challenge in the U.S. District Court for the Eastern District of Texas.

The withdrawal of the Final Rule, if upheld by the court, means that employers will have less clarity as to how courts and the DOL will determine independent contractor status under the FLSA. Courts have used a variety of different tests, making predictability and consistency—particularly for national employers—difficult.

Perhaps more worrisome for employers is the expectation that the DOL will take a more aggressive approach toward enforcement of worker classification laws and dramatically narrow the class of workers who may be properly classified as independent contractors under the law. U.S. Secretary of Labor Marty Walsh has made a number of public statements indicating that the DOL will look very closely at questions of worker misclassification and suggesting that many workers—particularly those in the gig economy—may be misclassified as independent contractors.

It is also widely expected that David Weil—who served as administrator of the DOL's Wage and Hour Division during the Obama administration—will likely be tapped by President Biden to serve in that position again. Weil has repeatedly expressed his view that gig workers are being misclassified, and as head of the Wage and Hour Division in 2015 issued an Administrator's Interpretation (which was withdrawn during the Trump administration) that interpreted the definition of employee under the FLSA exceedingly broadly. If Weil is again chosen to lead the agency, it is likely that he will again take that view.

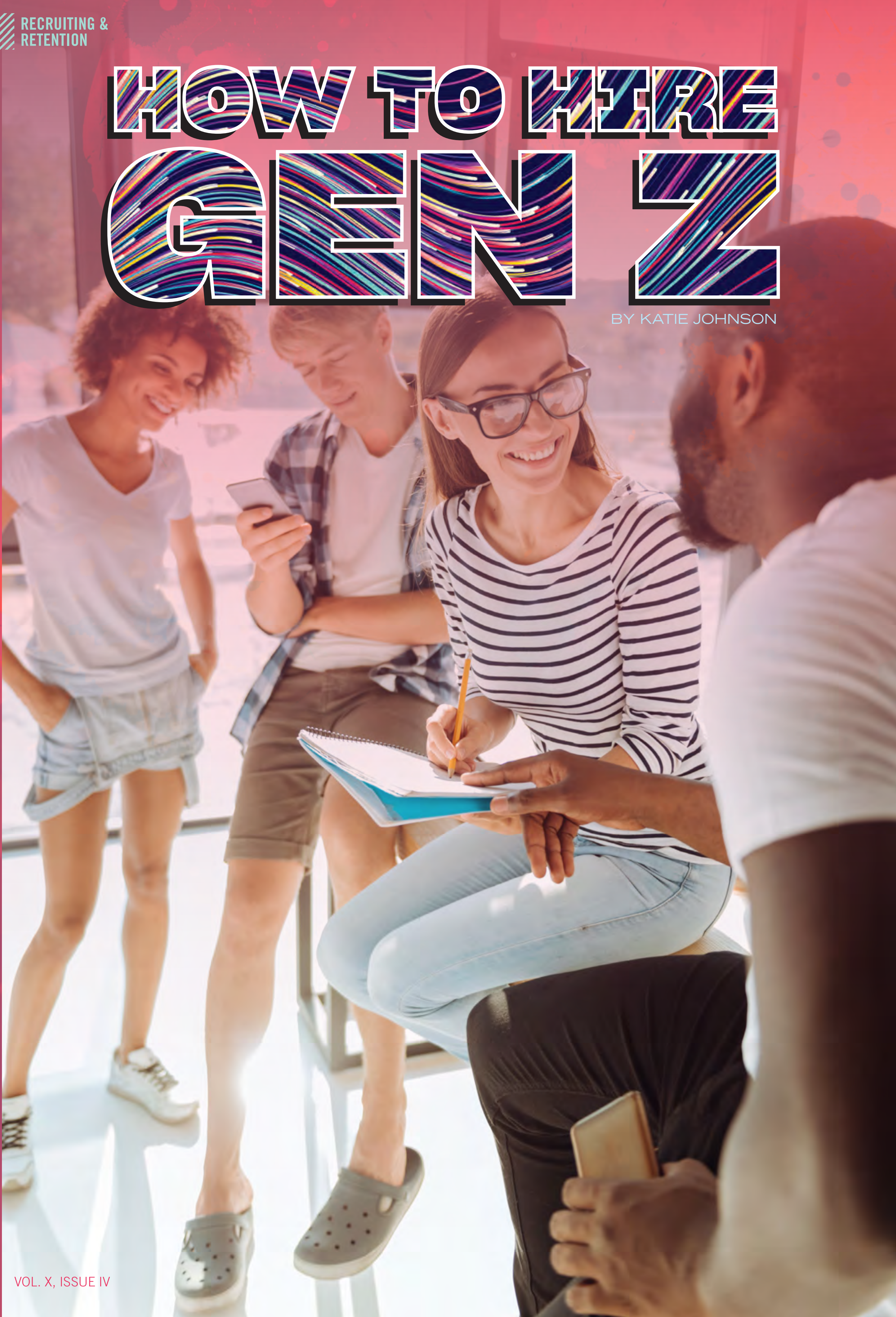
The DOL also has broad litigation authority under the FLSA. Unlike in private litigation, the DOL can expand a complaint-driven investigation and any litigation to include as many regions as it deems practical. More significantly, the DOL can seek a national injunction based on a limited investigation if it can show that the practices are companywide. Unlike private litigation, arbitration agreements are not valid against DOL enforcement actions and there is no class certification requirement. It is also likely that the DOL will increase its use of strategic or targeted investigations; Weil championed targeted enforcement of specific industries during his previous leadership of the Wage and Hour Division.

The federal court's ruling in the pending litigation could delay or mitigate the DOL's threatened challenges to independent contracting. Nevertheless, employers should expect the DOL to vigorously and aggressively enforce wage and hour standards under the FLSA, and businesses using independent contractors would be wise to closely review their procedures and practices with an eye toward the DOL's likely hostility toward the business model.

This article was written by representatives of Littler: Jim Paretti (shareholder), Dane Steffenson (counsel), Robert Pritchard (shareholder), and Michael J. Lotito (shareholder). With more than 90 offices and more than 1,600 globally, Littler is the largest law practice in the world exclusively devoted to representing management in employment, employee benefits, and labor law matters.

HOW TO HIRE GEN Z

BY KATIE JOHNSON



The iCIMS “Class of 2021 Report” presents the results of an April 2021 survey conducted among HR professionals and college seniors to discover the best ways to attract, engage, hire, and advance Generation Z talent. This talent pool presents a great opportunity, but to leverage it HR leaders should keep in mind some key points from the iCIMS report as they evaluate existing hiring processes and match them to these recent graduates' expectations.[1]

ENTRY-LEVEL HIRING IS ON THE RISE.

With nearly every industry currently facing labor shortages, HR leaders might be shocked (and thrilled) to learn that the number of ready-to-work applicants has substantially increased just in the past year: compared to 2020, applications from ages 18–24 are up 15 percent! This is excellent news as 60 percent of HR professionals are opening new positions to entry-level hires.

To make the most of this increase, organizations should post their entry-level jobs on the platforms most popular with Generation Z. These include third-party job boards and social media pages, as well as companies' own career sites.

TO GET ALL OF THE ACTIONABLE INSIGHTS ON GENERATION Z GRADUATES AND THOSE WHO WILL HIRE THEM,
DOWNLOAD THE FULL VERSION OF “CLASS OF 2021 REPORT” HERE:

GENERATION Z WANTS FACE-TO-FACE INTERACTION.

Surprisingly, Generation Z is not interested in a long-term virtual work experience: only 2 percent of college seniors want to work remotely full time. The exact reasons for this preference vary, but college students likely crave the social interaction and relationship building that was lacking from their lives during the pandemic.

Because remote work has become a new normal, this may pose a challenge for HR leaders. Companies may need to start thinking about a post-pandemic future in which employees have the option to work in the office or remotely—or a hybrid of the two. Overall, flexible work options will be key to capitalizing on the new market of entry-level applicants.

VIDEO REMAINS A STAPLE FOR HR PROFESSIONALS.

Video technology is here to stay. Ninety-seven percent of HR professionals in the United States plan to continue using video calls for conducting interviews, and for good reason: video interviews drastically reduce the time it takes to source and hire candidates.

Other digital tools, such as text messaging, are quickly proving their worth for recruitment in 2021. Texting makes it easy for recruiters to connect with candidates anywhere and at any time. And college seniors are comfortable using texting to schedule interviews, receive status updates, and accept job offers. With both candidates and recruiters at ease with this technology, text messaging tools will likely become an essential part of the entire talent acquisition process.

CAREER SITES MAKE AN IMPACT.

Before they ever talk to a recruiter, candidates are very likely to research a company online. The report found that this is especially true for Generation Z: job seekers age 18–24 spend 40 percent longer reviewing a potential employer's online presence than those over the age of 25.

Through social media and career sites, employers can communicate their brands, showcase their cultures, and illustrate their commitment to diversity, equity, and inclusion. The members of Generation Z also want their organizations to support those words with actions: 72 percent of college seniors strongly expect companies to be committed to DEI hiring practices and look for signs of that commitment throughout their candidate journeys. They are happy to see pictures of a diverse workforce on a company's career site, but they are even more impressed when they interact with a diverse hiring panel throughout the interview process.

Each time a new generation joins the workforce, the business world has to figure out that group's interests, motivations, communication styles, and other habits and preferences. As Generation Z becomes the latest group to cross that threshold and HR leaders learn how best to attract and engage that cohort, they should be sure to reach out to those new candidates on their own terms. ■

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1. All data in this article are from: iCIMS. 2021. “Class of 2021 Report.” iCIMS website, /www.icims.com/class-of-2021/.

How Different Generations Want to

Today's business leaders have firsthand experience with the distinct sets of values that each generation brings to the workplace. Whereas younger generations often prioritize the holistic employee experience, older generations focus more on "traditional" motivators, such as high paychecks and prestigious titles. In spite of their differences, however, the different generations share one preference that transcends age: a desire for recognition.

Many multigenerational workforces have found success using employee recognition programs to uplift company culture. These tools resonate with employees of all ages because humans are hardwired to feel good when they receive recognition. Employee recognition programs capitalize on this need for praise to boost morale and bring colleagues closer together.

Although people of all ages are generally on board with the concept of recognition, different generations vary when it comes to how they want to be recognized and what rewards they want. Leaders committed to making the workplace an inclusive environment for members of all generations must design recognition programs that are truly meaningful to employees of all backgrounds. Understanding the generational traits and preferences described below can be a useful starting point.

***Keep in mind** that these are broad descriptions and generalizations. When developing and implementing recognition programs, leaders must remember that they're interacting with individual employees who have their own unique preferences, values, tastes, and expectations. Just because a manager knows what generations their staff belong to doesn't mean that manager knows everything about how those employees want to be recognized.*

GENERATION Z

Generation Z is the youngest generation in today's workforce, with its oldest members only just beginning their careers. The members of this generation bring with them an expectation for regular recognition—not because they're entitled, but because it's what they're used to: raised in a world in which they receive likes and comments mere moments after they share new content, this generation expects near-continuous feedback. Therefore the most important thing to keep in mind when recognizing Generation Z at work is simply do it—and do it often.

When it comes to rewards, Generation Z is a lot more practical than one might expect for a cohort so young. Although there is still much to understand about this generation, so far, it's known for prioritizing facts and having a very practical mindset.[1] With a strong moral compass arising from this pragmatic worldview, Generation Z is likely to appreciate rewards that drive progress toward important social causes (such as donations, time off to volunteer, etc.).

MILLENNIALS

As emerging adults, Millennials developed a somewhat negative reputation. Labeled "The Me Me Me Generation," [2] this group has been wrongly blamed for ruining the housing market, dinner dates, napkins, and many other aspects of American society.[3] In truth, though, they just hold different values from those held by their predecessors. It took a while for the rest of society to understand that, but fortunately that more accurate perception is gaining traction.

Like Generation Z, Millennials know the world as a place steeped in technology. Because the members of this generation can seamlessly integrate new software and platforms into their digital ecosystems, companies should not hesitate to rely on online platforms for recognizing them. Also, like Generation Z, Millennials are accustomed to getting continuous updates from peers via social media and therefore also expect fairly frequent feedback in the workplace. Without such feedback, the members of this sensitive generation may assume that they're doing something wrong; therefore, their managers should not neglect to recognize them.

Millennials are focused on experiences and finding a sense of meaning in life. Experiential rewards might look like concert tickets or travel perks. Rewards that help them feel connected to a larger purpose might take the form of letting them make a donation to a charity of their choosing. One great reward that combines Millennials' two main focuses is VTO (volunteer time off) days, which speaks both to their preference for experiential rewards and to their desire to give back to the world at large.

Be Recognized at Work

GENERATION X

Sometimes described as “the forgotten generation,” Generation X has been stereotyped less—and received less attention—than the generations adjacent to it. That’s not to say this group doesn’t have its fair share of unique traits and preferences, though.

Like anyone, the members of Generation X love receiving recognition. But unlike other generations, this cohort generally prefers to be recognized in private or within small groups. Such aversion to public fanfare is somewhat unsurprising given this generation’s desire for autonomy and independence. Although managers should always check their employees’ comfort levels about receiving public recognition, they should be especially mindful about doing so when working with Generation X.

Generation X places a high value on work-life balance (and in fact pioneered this approach). When rewarding Generation X employees, leaders should look for ways to give them back some personal time (by giving them an extra day off, for example, or options for flexible schedules) or rewards that improve their quality of life outside the office (such as travel perks or subscriptions to meal delivery services). The better this generation does outside of work, the better it will do at work, too.

BABY BOOMERS

Unsurprisingly, Baby Boomers are the most “traditional” of the generations currently in today’s workforce. Sometimes their preferences are directly at odds with those of the generations that followed them, which can lead to friction as they see the workplace evolving away from their familiar values and ideals.

Baby Boomers engaged with technology in the early days of their careers very differently from how other generations did when they started working. When delivered digitally, recognition is still meaningful to Baby Boomers, but to have maximum value to them it should incorporate at least some in-person elements, especially for more momentous occasions. It can be as simple as a lunchtime toast to the employee or as elaborate as an awards ceremony.

Baby Boomers tend to gravitate more toward “traditional” workplace rewards, such as promotions, cushy corner offices, and plaques commemorating their accomplishments. As they near retirement, they’re also increasingly interested in health- and wellness-related perks to help them feel continually supported in taking care of themselves.

Streamlining a Recognition Program

Keeping all of these recommendations in mind might seem overwhelming. With four different generations working side by side, today’s workplace has more age diversity than ever before. And with lifespans lengthening and people staying in the workforce longer, such age diversity will only increase.

The best thing organizations can do is select recognition programs with plenty of room for customization, so they can offer recognition that truly caters to the preferences, needs, and values of all employees. Customized rewards can include personalized recognition events, prize catalogs, and many other forms that recognize workers in thoughtful and inclusive ways.

With these tips in mind, leaders should be well equipped to develop recognition programs that truly uplift and unite their multigenerational workforces. As the workplace moves toward more and more age diversity, having this kind of strategy in place will be critical to the long-term success of any organization and its employees.

Katerina Mery is a marketing specialist at Fond (www.fond.co), a rewards and recognition company dedicated to building places where employees love to work. She writes about how to leverage recognition programs to drive company success.

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7 Creative
RECRUITMENT STRATEGIES

Everyone is spending a lot more time online these days—including job applicants. Job seekers (especially younger ones) are increasingly using social media in their job searches, and organizations are capitalizing on this trend to widen their applicant pools. Companies worldwide are leveraging their social media platforms to build their employer brands and create fun, laid-back content that attracts potential candidates. With the following strategies, organizations can drive interest in their next hiring campaigns.

USE TIKTOK FOR EMPLOYER BRANDING

TikTok isn't just for teens anymore! With 689 million users (and counting), it's one of the fastest-growing social media platforms in the world.[1] Its ease of use and accessibility make it an ideal place for organizations to connect with new audiences and showcase the lighter side of work. For example, *The Washington Post* created its own TikTok channel in May 2019 to showcase silly day-in-the-life videos of its staff in order "to build trust with TikTok's young viewers and help them become familiar with the Post's newsroom."[2] Walmart's TikTok channel hosts hashtag challenges and spotlights its team members, and even encourages its employees to show off their talents in branded accounts (such as @cameronfromwalmart1_, whose dancing skills at his workplace have earned him millions of followers).

TAP INTO EMPLOYEE REFERRALS

With referrals bringing in "more than 30 percent of all hires overall in 2016 and 45 percent of internal hires," employees can be a company's best source for future talent.[3] To get their employees invested in the recruitment process, companies can take a cue from Salesforce's successful referral program. During company-organized recruitment-oriented happy hours, employees can invite their potential candidate friends to meet recruiters in a relaxed setting. And of course, incentives can make referral campaigns even more effective: Fiverr, for example, turned employee referrals into a game by giving points (which could be redeemed for gifts) to employees to made candidate referrals.[4]

CREATE RECRUITMENT VIDEOS

Videos posted to a company's website and social media pages can help boost its recruitment efforts. (For example, Zappos uses videos to highlight its friendly vibes and family-oriented atmosphere by showing employees dancing, dressing up, and working in an open-plan environment.) Companies that lack a large budget for video production can still attract applicants by shooting their own smartphone videos that offer engaging, unfiltered looks at their workplaces.

HOST VIRTUAL JOB FAIRS

As a result of the pandemic, many organizations have pivoted from their usual recruitment events to virtual career fairs or online Q&A sessions. (In April 2020, a survey conducted by one recruitment marking company found that just over 83 percent of in-person events were "canceled, postponed, and/or made virtual" because of the pandemic.[5]) Recruiters can use virtual job fairs to connect with potential applicants either before or immediately after they've applied to answer questions about the hiring process and give an insider's look into the workplace culture. Their ability to reach off-site or geographically dispersed candidates make virtual job fairs an appealing, creative recruitment strategy for healthcare networks, educational institutions, retailers, technology companies, and many other types of organizations.

GAMIFY RECRUITMENT

Adding game elements to recruitment efforts can help companies attract the attention and interest of top talent. In 2004, for example, Google (which was already well-known for its innovative hiring practices) paid for billboards in Silicon Valley and in Cambridge, Massachusetts, that had no logos or company names on them and simply said, "{first 10-digit prime found in consecutive digits of e}.com." Anyone who solved the puzzle was then directed to apply to Google for an engineering position.[6]

Companies that don't want to go as big as renting billboards can try posting games on their social media pages. Riddles, puzzles, and problems for potential job applicants to solve could help organizations find curious problem solvers who might have been overlooked in the typical job application process.

CREATE CANDIDATE-FRIENDLY PAGES

It's important for organizations to engage in open dialogue with potential job seekers. For example, Intel created its own "fan site" on Facebook to give candidates a view of the company's culture and employees, and help them to get a sense of what it's like to work there. Candidates are invited "to ask us questions on the recruiting process, or how we balance life and work, or maybe just what's cooking in the café today," and Intel's recruiters respond personally to each comment or question.

HELP CANDIDATES SEE A POTENTIAL FIT

Invite short-listed candidates to enjoy pizza and drinks after work with current employees. This type of casual social event gives candidates a chance to meet their potential future coworkers and relax a bit during what can be a stressful recruitment process. It also gives them insight into the company culture and helps them see how those candidates might fit into the organization.

The job market has been extremely competitive for years, and that shows no signs of changing any time soon. Companies that want to attract top talent need to think outside the box and add new strategies to their recruitment toolboxes.

JazzHR (jazzhr.com) is powerful, user-friendly, and affordable recruiting software built to help growing companies exceed their recruiting goals. JazzHR's best-in-class solution replaces manual, time-consuming hiring tasks with intuitive tools and automation, empowering hiring managers to recruit and hire the right talent faster.

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How to Attract (and Not Repel) Talent

BY BRIAN FORMATO

In 2016 Harvard Business Review published an article that listed the usual reasons why people quit their jobs: "because they don't like their boss, don't see opportunities for promotion or growth, or are offered a better gig (and often higher pay)."[1] It also highlighted one somewhat surprising reason: because of "their sense of how they're doing compared with other people in their peer group, or with where they thought they would be at a certain point in life." Humans are competitive by nature, and the drive to "keep up with the Jones's" lies behind this reason for quitting jobs.

When organization suffers from an increase in turnover, the root cause might lie in how its managers are treating employees.

A more recent article published on the Harvard Business Review website highlighted three things managers can do to help people want to stay in their jobs: "enable them to do work they enjoy, help them play to their strengths, and carve a path for career development that accommodates personal priorities."[2] All of these interests are very closely linked to employee engagement.

When an organization focuses purely on retention, it can achieve that by overpaying and asking very little of its employees. In that situation, though, employees will be compelled to stay for all the wrong reasons. Many large organizations take this approach because they are assessing metrics incorrectly. Some turnover is,in fact, good. The hungriest and best employees do tend to move around and change jobs, both within and between organizations.

That insatiable thirst for growth and new challenges motivates the best employees. To harness that power, organizations must focus not on retention but on engagement, which exists when an employee's thirst for growth is fulfilled. Companies can drive engagement by providing new and interesting work and by challenging employees, teaching them new skills, and supporting them in their quest to grow.

Having the right talent philosophy is key to attracting and engaging the right employees. As organizations work to set their cultures, core values, and talent strategies, it can be useful for them to think of their managers as magnets. Most people think that a magnet attracts other metal objects, but, depending on its polarity, it can also repel metal objects.

Employee engagement starts with the boss. Many organizations have a mix of managers: some attract talent, and others repel talent. Bosses clearly play a key role in shaping an organization's workforce. One size does not fit all, so it is critical that managers actively engage their direct reports individually and hold development dialogues with them.

It is also important for organizations to conduct pulse checks with employees to measure their engagement. This can be done formally via surveys and more informally through manager-led conversations. It is important that the organization is measuring the right things and not make the common mistake of confusing employee satisfaction (what someone gets from their employer: salary, work conditions, benefits, etc.) with employee engagement (what someone is willing to give to their organization). Engagement is the discretionary effort—the willingness to work extra time, to go above and beyond, to help others, and to be an ambassador for the company. Employees who are engaged at work are far less likely to entertain calls from headhunters and recruiters. They are content where they are and seek opportunities to make a difference in their current companies.

When organization suffers from an increase in turnover, the root cause might lie in how its managers are treating employees. By listening more closely to employees' needs and concerns, managers can drive engagement and, in turn, improve retention. ■

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Use Employee **Net Promoter Scores** to Boost Loyalty and Motivation

BY O.C. TANNER

Like an elevator, employee loyalty can move in only two directions: up or down. Because it is constantly changing, executives want to know if their employees' loyalty is rising or falling—and what it might look like in the years ahead. But how does one measure something as abstract as loyalty?

What is the employee net promoter score?

For more than two decades, companies have leveraged the net promoter score (NPS) to measure how loyal their customers are to a brand. The score is calculated by surveying customers and measuring their responses to one direct question: "How likely are you to recommend our company?"

As companies sought to measure employee experiences and how loyal their employees were likely to be to their organizations, they used the NPS as the foundation for a new metric appropriately named the employee net promoter score, or eNPS. Today's executives trust eNPS as a valuable employee engagement metric to measure employee loyalty. Companies choose to measure eNPS to achieve long-term goals such as keeping employees more engaged—and keeping those employees longer.

Because employee loyalty is not a constant, eNPS can go up and down over time. Keeping these scores high or on an upward trend can improve company culture and drive engagement levels (as discussed below). But first, let's look at how this tool is used to measure employee engagement.

How is eNPS calculated?

Like NPS, eNPS is easily calculated based on responses to one simple question. For eNPS, the question is designed to gauge employee sentiment and loyalty: "On a scale of 0 to 10, how likely are you to recommend this company as a place to work to your family and friends?"

That's it. That's the eNPS survey question. (Companies are free to add more eNPS questions to their employee surveys, but any additional questions are not required for the calculation.)

Once the survey results are gathered, a company can calculate its eNPS score by first ranking and tabulating the promoters, passives, and detractors among the respondents:

- **Promoters:** employees who answer with a 9 or 10
- **Passives:** employees who answer with a 7 or 8
- **Detractors:** employees who answer with 0 to 6

Next, plug the numbers into the eNPS formula:

% of employees who are promoters
– % of employees who are detractors

eNPS

(The employees who are passives are not included in the calculation because they are considered neutral. In other words, they are both unlikely to promote the company and unlikely to talk negatively about the company.)

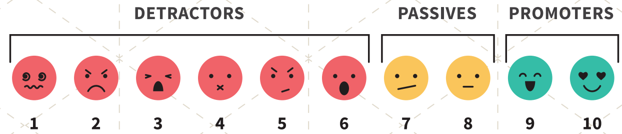
As an example, consider an organization with 100 employees. Based on their responses to the survey question, 42 of the employees are categorized as promoters, 28 of them as passives, and 30 as detractors. Plugging those numbers into the formula looks like this: 42 - 30 = 12. Thus, the eNPS for this company is 12.

A company's eNPS can range from -100 to 100. Scores in the range of 10 to 30 are considered to be good. Scores anywhere near 50 are considered excellent. The average eNPS is 14.[1]

What are the benefits of eNPS?

Perhaps the most attractive benefit of eNPS is that it's a quick and easy way to gauge employee sentiment about the company, which translates to their level of loyalty. This measurement of how employees feel can help leaders to understand if they are providing the right employee experience. Rising loyalty scores indicate that job satisfaction and employee engagement are also on the rise. Of course, employers are always searching for ways to improve their eNPS.

By conducting eNPS surveys regularly, management can know whether efforts to improve company culture are working and whether it is thriving or struggling. Measuring eNPS also gives companies better predictions about how long employees will stay with them. When employers create an atmosphere in which promoters are common, they can expect



to enjoy lower attrition rates and increased tenure.

Promoters work harder and stay longer.

What does the percentage of promoters reveal about an organization? Remember, these are the workers who, when asked whether or not they would recommend their company as a place to work, answered with a 9 or a 10. Promoters don't just like where they work—they rave about it. Their satisfaction manifests in how they work and in their higher level of engagement. In essence, promoters exist when an organization successfully creates a great employee experience.

Engaged employees work harder and more productively. They also benefit an organization by staying with the company longer, thus reducing employee turnover and keeping those long-term promoters in the workforce.

Detractors engage less and feel dissatisfied.

What does the percentage of detractors reveal about an organization? By answering the eNPS survey with a score ranging from 0 to 6, these employees are communicating that they are not currently fans of their organization. Whether their dissatisfaction arises from their lack of trust in leadership or from a poor work environment, the bottom line is clear: a large percentage of detractors is a sign of low employee engagement.

Aptly named, detractors spread negative energy. They detract from engaging work, they detract from innovative ideas, and they detract from a common sense of purpose. Left unchecked, they can inflict some real damage to any workplace culture. By performing regular surveys, though, managers can better understand whether new engagement programs are moving the needle in the right direction.

Recognition can build more promoters.

Obviously, an organization should want as many promoters as possible, and a top goal for any HR department tracking eNPS is to increase the number of promoters in the company. One way to achieve this is to implement or improve activities designed to increase engagement—in particular, employee recognition.

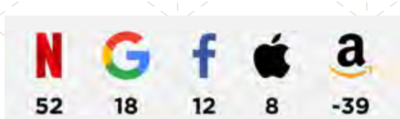
When a company seeks to improve the employee experience, focusing on something as simple as appreciation can bring big rewards: recent market research indicates that when an organization invests effort to understand employee recognition preferences, the odds of having promoters on the eNPS scale increases by 95 percent.[2] Employees care about seeing their employers express appreciation, and they want a say in how they are acknowledged and rewarded. (Solid practices for employee recognition include showcasing accomplishments on an internal wall of fame, allowing employees to choose personalized gifts, and promoting peer-to-peer recognition on teams.) Additionally, "organizations with integrated recognition are: 4 times more likely to have highly engaged employees, 73 percent less likely to have layoffs over the past year, [and] 44% less likely to have employees suffering from burnout."[3]

Recognition has an impact on eNPS during difficult times.

Can employee recognition during a crisis affect whether employees will become promoters? In extensive surveys conducted during the COVID-19 pandemic, respondents whose teams had been recognized more frequently for their work recently (compared to before the pandemic) were 82 percent more likely to promote their organizations to others. Additionally, those who reported that their organizations helped them maintain a good work-life balance during the pandemic were 178 percent more likely to promote their organizations to others.[4]

Loyalty at large companies fluctuates, too.

Even large organizations that are making an effort to improve loyalty can see employee loyalty levels fluctuate greatly. A company that does extremely well one year may not do as well the next. For example, an eNPS survey conducted in March 2020 (early in the 2020 pandemic, which no doubt influenced the employees' responses) of Facebook, Amazon, Apple, Netflix, and Google indicated how differently these large companies can be perceived by their own workers. When employees were asked if they recommended their companies as a great place to work, their responses produced the following eNPS scores:



The survey also found a link between secure employment and high eNPS: "57 percent of surveyed professionals feared being laid off. However, only 36.6 percent of Facebook professionals shared that fear." This "increased feeling of job security" was reflected in Facebook's positive eNPS.

Use additional strategies to improve employee loyalty.

Other methods for improving the employee experience include promoting a healthy work–life balance. When workers feel that their time away from work is respected, they are less likely to experience burnout and stress.

Because the benefits that come with a job also influence employee experience, ensuring that healthcare coverage and other company benefits are attractive can also go a long way toward making employees happy. Organizations should also seek to foster work environments in which all employees have access to opportunities and know that they are valued. Any investment in employee experiences that lead to more satisfied employees—and to more promoters in the organization—is worth the expense.

Use eNPS to survey the workforce regularly.

An eNPS survey can be a valuable tool, but only if it's used often. Because employee loyalty changes constantly, regular surveys can give the best indication as to whether loyalty is rising or falling. Reviewing survey results quarterly, for example, can help leaders to turn simple, honest feedback into a benchmark metric and identify trends throughout the year. By monitoring the eNPS ups and downs, employers can react appropriately with tactics designed to improve the employee experience, build a positive workplace culture, and drive better business performance. ■

O.C. Tanner helps organizations inspire and appreciate great work. Thousands of clients globally use its cloud-based technology, tools, and awards to provide meaningful recognition for their employees. Learn more at www.octanner.com.

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FINDING THE CA$H TO INCREASE PAY RATES

BY MIKE MCKERNS

As summer hits its stride and life starts to return to normal in the USA, businesses are lifting pandemic-related restrictions, and the percentage of the population that has been fully vaccinated grows every day. In spite of this upswing, though, talent remains a serious concern of many companies. One recent survey of HR leaders found just over half (51 percent) mainly worried about keeping the talent they have, and just under half (49 percent) mostly anxious about attracting new talent.[1] Employers are struggling to appeal to and retain talent for many reasons, but fear and money are at the top of the list.

I am confident that the fear will begin to subside as the pandemic winds down in the USA. However, I do not believe that the issue of money will be resolved any time soon. Today, employees simply expect more in their paycheck than they did two years ago.

It's easy to say, "Just raise the minimum wage" or "Increase the starting salary for the positions you're struggling to fill." But it's more complicated than that, because implementing either solution will likely lead to the need to increase pay across the board. For example, a company that is currently paying $15/hr would be paying *only* minimum wage if the rate were raised to $15/hr. Likewise, a company that currently pays a starting rate of $15/hr on its own accord would need to increase the pay of current workers in order to keep in step with an increase starting wage.

Without increasing their payroll budgets, how can companies raise pay for the departments they are struggling the hardest to staff? Here's an idea: now that millions of Americans have mastered working from home over the past year, maybe companies should consider geographically expanding their applicant pools for remote first roles.

According to the Bureau of Labor Statistics, both Connecticut and New Jersey have an average wage of $55,000/year. By contrast, the average wage for Florida and New Mexico is about $36,000 (which equates to a difference of about $9/hr). If a company in Connecticut could hire remote staff in Florida, for example, it could apply the payroll savings toward increasing the rates for jobs that cannot be easily done remotely (for example, manufacturing).

In addition to the salary savings from recruiting from areas that have a lower average wage (and lower average cost of living), companies could also realize other significant cost savings with a growing remote workforce. Once costs for turnover, absenteeism, productivity, and other factors are taken into consideration,"a typical employer can save an average of $11,000 per half-time telecommuter per year."

Is this an unusual proposal? Sure. But over the past year we've all learned just how important it is to think outside the box and innovate—especially when faced with the unexpected. So maybe this suggestion isn't as far-fetched as it might seem! ■

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RECIPE

Quinoa and Vegetable Salad

It's always a good idea to have a few "minimal fuss" recipes on hand for those days when you need to get something on the table quickly without too much effort and without having to spend a lot of time in the kitchen. A delicious, easy-to-prepare crowd pleaser, this substantial salad shines as a main course but also doesn't mind playing a supporting role.

Yield: 6 servings **Time:** 30 min.

What you'll need:

- 1 cup quinoa
- 1 red pepper, diced
- ½ small red onion, diced
- 1 cup grape tomatoes, halved
- 1 cucumber, seeded and diced
- ¼ cup fresh mint, chopped
- 2 Tb olive oil
- 4 Tb lime juice, freshly squeezed
- 1 tsp fresh ginger, grated
- 3 tsp honey
- Pinch of salt

Directions:

- Rinse the quinoa in several changes of water until the water is clear. Put the quinoa in a medium saucepan with 2 cups of water. Bring to a boil, then simmer (covered) until the water is absorbed (15 to 20 minutes).
- In a large serving bowl, stir together the quinoa, vegetables, and mint.
- Put the remaining ingredients into a lidded jar, then shake until well combined. Add the dressing to the bowl and mix everything together.
- Serve chilled or at room temperature.

Nutrition Facts

Amount per Serving

Calories:	41 cal
Fat:	9.6 g
Dietary fiber:	4.9 g
Sugars:	7.8 g
Protein:	7.5 g

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