

# HR Insights

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## Recruiting and Retaining Talented Employees

In recent years, the labor market has contracted as the job market has widened. As a result, employers in search of the most qualified workers are facing greater competition. In addition, many companies are struggling to retain employees once they are hired and not lose them to other companies after only a year or two.

Today's workers are less committed to the companies they work for than they were 20 years ago. According to a recent survey from Multiple Generations at Work, 91% of millennials will stay at a job for less than three years—a pace that equates to about 15-20 jobs over the course of their careers.

Turnover can be extremely expensive for employers when lost productivity and replacement costs are taken into account. According to the Society for Human Resource Management, it costs, on average, six to nine months' salary to replace a salaried employee. This figure can be even higher for management and high-level executives. High turnover can also harm your company's culture and cause remaining workers to become disengaged and unproductive.

To combat turnover, employers need to get creative and use recruiting and retention techniques that attract and keep employees engaged. Some of these techniques include offering more vacation time, providing incentives for high-quality performance, and offering paid maternal and paternal leave. Offering on-site day care, flexible scheduling and telecommuting options are also very popular with employees when deciding whether or not to accept a job offer.

In addition to these incentives, employers need to tailor their benefits packages to match the needs of their employees. According to Employee Benefits News, younger workers desire more feedback from management and the ability to constantly discuss where they can advance. On the contrary, more seasoned workers value assistance with work and family balance, flexible scheduling and retirement saving options. To retain good employees of all generations, employers should survey their employees to determine what is important to them and create benefits packages accordingly.

### Recruitment Strategies

Use the following strategies to help recruit talented workers and to have an edge up on the competition:

- Use technology.
  - Use internet-based recruiting and job posting sites and apps to attract individuals to the company. Many individuals, especially younger ones, almost exclusively search for jobs using the internet.
    - In addition, make sure job posts are mobile-friendly, as millennials are likely to use their smartphones when job searching.
  - Visit websites like Glassdoor, which provide a profile of your company from employees' point of view.



View your company's page to see what employees are saying and identify strengths and areas for improvement.

- Use LinkedIn and your company's website and social media accounts (Twitter, Facebook, etc.) to post job openings and build your company brand by highlighting company benefits and perks.
- Anticipate future hiring needs.
  - Predict what positions will need to be filled instead of focusing on only the positions that are currently open. This will allow you to plan for expenses and to devise a game plan for how to recruit long before there is a need.
- Offer employee referral incentives.
  - To enhance the appeal of referring friends to the company, provide monetary rewards or other gifts to current employees who refer quality job candidates for open jobs.
  - These programs are generally successful because employees are putting their names on the line by endorsing someone else.
- Tap into the older labor market.
  - Older employees tend to be more experienced and require less training time than their younger counterparts. To attract workers from this age group, employers can offer more generous health benefits for afflictions that affect older individuals, such as care for arthritis.
  - Offering voluntary benefits, such as long-term care insurance and cancer insurance, may also help attract older, talented employees.
- Provide on-the-job perks, such as:
  - Signing bonuses
  - Concierge services
  - Day care centers
  - Casual dress policies
  - Paid maternity and/or paternity leave
  - Fitness center usage

## Retention Strategies

Once hired, it becomes crucial to retain good employees. There is a high price tag associated with filling jobs, and high turnover can harm a company's image as an employer of choice. To keep employees engaged and around for the long haul, consider the following measures:

- Hold managers responsible for retaining workers.
  - Encourage management personnel to establish positive working relationships with the employees that report to them. There should be frequent one-on-one interaction so employees can form a bond of confidence with the individuals in charge. Generally, employees tend to leave their supervisors, not their jobs.
- Offer rewards and appreciation to dedicated employees.
  - Offer cash bonuses or more paid vacation time to employees who exceed their job requirements, as a sign of appreciation.
  - Consider offering bonuses in smaller amounts more frequently to show appreciation for outstanding quality of work.
- Offer telecommuting options.
  - To combat the stress of working and maintaining a family life, offer telecommuting options to allow employees to work from home one or more days a week.
- Offer flexible scheduling.
  - Employees often strain to get everything done and can find value in flexible schedules that allow them the option to come into work later or earlier, depending on what works best for them. Providing a healthy work-life balance is key.
- Offer educational assistance programs.
  - Offer to pay for tuition, books and other education-related costs for employees wishing to further their education and improve their skillsets.

- Consider requiring employees to remain at their job for a specified amount of time (for example, 18 months), otherwise they are held responsible for paying back part of the educational costs.
- Use benchmarking resources.
  - Survey wages offered by competitors to ensure that you are offering your employees' competitive wages, paid time off and other benefits. Do so annually, or even more frequently, to keep up with the competitive labor market.
- Develop and promote a clear career ladder.
  - Employees are more likely to stick around if they know what opportunities for advancement are available to them in the near future and they know what they need to accomplish in order to advance.
- Offer deferred bonuses.
  - Instead of offering employees full signing bonuses right away, try offering half of the bonus up front and half later on.
- Communicate with employees.
  - Request regular feedback from employees through focus groups, surveys, etc.
  - Schedule regular performance reviews in which strengths and weaknesses are discussed—employees will feel more like their work matters if you notice things like performance and quality of work and comment on them regularly.
  - Clearly explain the benefits package to employees to help them understand what they're being offered. Using total compensation statements, for instance, can help increase employees' awareness and appreciation for your benefits.
- Allow employees to use extra, unpaid vacation days or give them the option to donate sick days to an employee who needs them.
- Offer employees time off to volunteer or organize company volunteer events during work hours. Millennials, in particular, have been found to care

strongly about a company's commitment to helping the community.

However you choose to recruit and retain employees, keep in mind that your competitors are trying to do the same thing. By using these strategies and continually researching new strategies, your business can attract the best and brightest talent, and most importantly retain them, allowing your business to prosper.