

An Exercise in Frustration – Hiring Talent in a Tight Labor Market

From trucking to construction to car care to print distribution, across all sectors in which we work, there is one common trend that our recruiting team has noticed – there’s a shortage of skilled and unskilled workers to fill available jobs. And this shortage significantly impacts our clients, particularly the small businesses with whom we work.

“I’ve really never seen it like this,” said Lisa Ritchie, our Vice President for Recruiting and Talent Selection. “We have more recruiting work than we have ever had, but this tight labor market is tough. We’re having to prepare our clients for the fact that filling these positions in this market is challenging.” Lisa’s not kidding. If you’re looking to hire someone in 2018, you’re in for a bit of a bumpy ride. Consider the following:

- **Low Unemployment Rate.** The national unemployment rate fell to a near historic low of 3.9% in April. Many states, such as Maine, Nebraska, North Dakota, Vermont, and Wisconsin have unemployment rates of less than 3%.
- **Wages on the Rise.** The tightening unemployment rate is beginning to drive up wages as workers demand higher salaries and current employers are increasingly counter-offering more money to keep from losing their talent.
- **Too Many Jobs, Too Few Candidates.** Job openings hit record highs in March as job seekers dwindle. In July 2009, just after the Great Recession, there were 6.7 unemployed people on average for each available job. In March 2018, it fell to just 1.
- **Average Time to Fill On the Rise.** The average time to fill positions continues to creep up, particularly for skilled, experienced workers. Our current average time to fill is approximately 60 days, up from 45 days just a couple of years ago.

Although these are national trends, we see their impact on our clients in all of the industries in which we work, for skilled and unskilled positions, and in all regions of the country. In fact, nearly every day we get inquiries from new clients who have tried to fill their open position on their own and are baffled by the lack of response to their job posting. The reason? Job postings aren’t drawing enough candidates because there aren’t enough candidates actively looking for new jobs. The vast majority of positions we fill for our clients are the result of actively headhunting passive candidates – those candidates who are currently employed, not looking for new jobs but are open and willing to consider a new position if the opportunity is presented to them.

Clearly, these are frustrating times to try to fill open positions. But before you give up and hire a recruiting firm to help you, here are some tips for you to consider:

1. **Be creative about marketing your position.** Remember, you are in a stiff competitive battle with both other employers and with the candidates’ current employers. Be creative about how you structure the position and, more importantly, how you market the position.
2. **Get real about pay.** There is nothing more frustrating than losing a solid candidate because an employer is unwilling to increase their new hire’s pay. Our advice: these are tough times and businesses just got the gift of a huge corporate tax break. Put it to good use and don’t low-ball your offer to a qualified candidate.

3. **Don't dawdle!** We know you're busy, but this is a worker's market. If you don't have the bandwidth to move quickly on your candidate selection, don't bother starting the project. We've lost a number of excellent candidates because the employer took two to three weeks to make a decision on the candidate. There's no time to waste – be prepared to move decisively and to move quickly.
4. **Headhunt, headhunt, headhunt.** More than 80% of the positions we fill are with passive candidates that we headhunted. Yes, it takes time and energy. But the good news is that there are plenty of resume databases you can purchase access to. Quite frankly, you have to go find your talent because it's not coming to you. In fact, on a recent client project in Dallas, our professional job posting netted just three applicants. Three! If you are planning on posting the position and waiting for qualified candidates to roll in, I'm afraid you'll be waiting a long time!
5. **Start early.** Many clients contact us when they are primed and ready for their new talent, only to find themselves frustrated that it takes so long to fill a position. If you know you need to fill a position by Q3 2018, start now because it will take time to find the perfect candidate, particularly the one who is currently gainfully employed and not looking for a job.
6. **Do everything in your power not to lose your existing talent.** There are many employers out there that are more than happy to recruit away your top talent. Make it impossible for them to do that. If you sense your pay is below scale for the industry, now's the time to fix that. If you're unsure whether your employees are happy and engaged, focus your energy on finding out how they feel and what you can do to improve their overall satisfaction. Listen to them. Conduct a focus group. Conduct an employee satisfaction survey. Buy them lunch. Show them you appreciate them. If you don't have a strategic plan in 2018 to improve employee engagement, now is the time to come up with one.

Yes, the tight labor market is a significant challenge for our clients, but we see dramatic differences in the recruiting success between those employers who are well-prepared and aggressive in their recruiting efforts and those who take a more laissez-faire approach. Remember – your talent are your most valuable asset – now is the time to make the investments necessary to attract, hire and retain them!

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