

Attracting skilled talent in 2022 and beyond.

How to effectively position and market your company to prospective employees in today's "most unusual job market."

EXECUTIVE SUMMARY

There are **5.5 million** more open job positions in the US than people able or willing to fill them.

Within IT, where industry leaders have been forecasting tech **talent shortages** for at least a decade, competition for skilled talent is described in terms of “battles” and “wars.” And economists say the **labor market won't be loosening up anytime soon.**



Larger companies with deeper pockets are expected to weather this tight labor market relatively unscathed, while startups and small-to-medium-sized businesses (SMBs) with fewer resources tend to have a tougher time competing.

For companies — especially SMBs, and especially those in the tech fields — looking to build or rebuild teams of skilled workers,

standing out as a desirable alternative to deeper-pocketed companies might look and feel impossible. But is it?

At Boulo, we strive to give our clients the answers they need to make informed hiring decisions. To better understand this labor market and how our clients might expect to fare, we've commissioned a close examination into all the relevant data.

EXECUTIVE SUMMARY

In this white paper, you'll find:

- A look at the myriad factors impacting today's US labor market.
- A compilation of what we learned today's prospective employees need and want from their workplace.
- A wrap-up of expert advice for companies that are trying to better position (or "sell") themselves to a prospective workforce that's clearly changed its outlook on work and understands its negotiating power.

We conclude our careful review with the firm belief that while, yes, hiring skilled talent is more challenging now, it's not impossible. For the foreseeable future, attracting the skilled talent you need will take new hiring strategies — even creative,

"outside-the-box" strategies — built on empathy.

The research for this white paper included reviews of articles and industry reports from business management publications (*Harvard Business Review*, *Forbes*, *Fortune*), multinational staffing firm, ManpowerGroup, as well as academic studies from the Stanford Graduate School of Business and the Wharton Business School, global analytics firms (Gallup), Pulitzer-prize winning newspapers (*Boston Globe*, *Washington Post*, *New York Times*), global think tanks (Pew Research Center, Brookings Institution, Economic Policy Institute [EPI]), and of course, the US Bureau of Labor Statistics.



Introduction

A “Most Unusual” Job Market

A confluence of factors stemming mostly from the Covid-19 pandemic has created what the Washington Post calls, “the most unusual job market in living memory.”

As of April 2022, the US unemployment rate has plunged to 3.6%. The number of people who have or want a job has been stagnant since May 2020, and “talent wars” triggered April 2022’s year-over-year wage rate rise of 5.5%, “one of the biggest increases in decades.”

Economists believe the labor crisis and wage increases will continue for the foreseeable future.

In fact, they say, turning the labor market around at this point would “require something dramatic.” Some predict the IT labor market in particular “will never be the same.”

These realities have forced employers to compete for talent, court job prospects, and work at employee retention more earnestly than ever before. Try as they might, many employers remain frustrated and wonder what they can do to effectively “sell themselves” to the skilled talent they need.

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Understanding “The Great Resignation”

The US was experiencing a tight labor market in early 2020 before Covid-19 forced 21 million people out of the workforce. A year later, by April 2021, government subsidies were working to spur demand for labor. The vaccine also became available around this time, making it safe for people laid off to return to the workforce and satisfy the demand for labor. But they didn't return — a situation that's confounded economists and employers alike and contributed to the current labor crisis.

After more than a year of labor market research, we now have several answers as to why — answers that can help shed light into prospects for getting these workers back.

- According to the US Census Bureau, 38% of those laid off in 2020 retired. This is 5% more than would normally be expected and accounts for 1.5 million additional retirees.
- The Washington Post reports that 1.3 million of the women who haven't returned to work since easing of pandemic restrictions cite lack of access to affordable childcare.
- Illness from Covid-19 continues to impact the workforce as well. People are still contracting the coronavirus, caring for loved ones who have it, or staying home with children whose school or daycare has closed due to the virus.
- The Brookings Institute recently explored data on debilitating and lingering health effects from having Covid-19 (termed “long Covid”) that could be responsible for “upward of 15% of unfilled jobs” in America.
- A substantial number of people also continue to express fear of getting or spreading Covid-19.

In a surprise twist, of those people who did return to work (or were never laid off) a record 3.8 million quit their jobs in April 2021, kicking off a phenomenon known as the “The Great Resignation.” More than a year later, people are still walking out of their workplaces in increasing numbers every month.

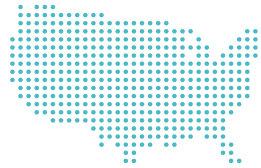
They cite an unwillingness to tolerate low pay, poor working conditions, lack of advancement opportunities, and inflexible work arrangements. As mental health experts explain it, “The Great Resignation,” stems, at least in part, from a



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“collective trauma” workers in the US experienced from Covid-19 — one that ignited a need for genuine shows of compassion and empathy. Employees who felt these lacking in the workplace naturally began questioning how much of their own health and wellbeing they would continue to sacrifice for the sake of work.

Impact

Economists tell us the labor market has changed — and quite probably, forever. Bootstrapped startups and small to medium-sized businesses (SMBs) are experiencing the brunt of today’s labor crisis, as a market this tight means competing with deep-pocketed giants for the same pool of skilled talent. In fact, in their Monthly Economic Report for April 2022, the National Federation of Independent Business (NFIB) says 47% of SMB owners have job openings they can’t fill.

But the impacts of a tight labor market reach far beyond competition for hiring. For instance, tech companies report that a shortage of skilled workers is to blame for stalling adoption of at least 64% of emerging technology.

What now?

The Covid-19 pandemic affected everyone to some degree. Attracting talent today will require new strategies — strategies that take the preceding facts into account. These strategies must be built on a solid foundation of empathy and acceptance that, in 2022, people and their outlooks have changed. Employers will need to hire like it’s 2022.

According to NFIB, 47% of small to medium businesses have job openings they can't fill. Employers will need to adapt to the new job market climate.





Know Thy (New) “Customer”

Companies looking to sell themselves to today’s workforce will need to build recruitment strategies based on an understanding of what workers care about now and want from their workplace going forward.

Fortunately, we live in a data-rich world and employees haven’t been shy about speaking out through surveys, social media, various online communities, the media — even TikTok.

●
Pre-pandemic recruitment strategies that relied on in-office ping-pong and higher pay won’t necessarily speak to post-pandemic job seeker.

●



So what do they want? Show them the...

Money

Well, some things haven't changed. Candidates in high demand are, in fact, leveraging their clout to ask for more money. In a recent survey of 800 US-based recruiting professionals, 73% say clients are negotiating higher salaries, up from 53% in the pre-pandemic, tight labor market of 2020.

Gallup reported similar findings in their survey of 13,085 US employees. When asked what factors would contribute to their acceptance of a new job, 64% responded that a significant increase in income or benefits would be "very important."

Wellbeing

But money isn't everything. People also still value traditional benefits. However, post-pandemic employees and job seekers want more. A survey by Ceridian of 3,000 people in the US, U.K., Canada, and Australia found that, across the board, people want benefits that relieve or help prevent mental health issues, such as stress and burnout, and that enhance quality of life.

These include:

- Job flexibility, hybrid and remote work, and job sharing
- Positive work cultures that foster a sense of belonging and caring
- Real childcare solutions
- Mentorships
- Recognition and feeling valued
- Rewards
- Professional growth
- Values and purpose

Prospective employees are also spending more time researching company missions and considering company goals before applying.

Those who value social causes are choosing companies that align with their interests and passions, such as diversity, equity, and inclusion (DEI). In a Gallup survey, 42% of candidates said they want "to work for organizations that are diverse and inclusive (of all types of people)."



Candidates want to work for organizations that are diverse and inclusive. They also want job flexibility—hybrid, remote work, and job sharing.

Attracting Skilled Talent in 2022 and Beyond

Based on our research, we've identified six key areas that we strongly suggest employers consider as they strategize for attracting the skilled talent they need going forward:

1 EMPLOYER BRANDING

Employer branding can be incredibly influential to prospective candidates.

An employer brand conveys a company's unique self-identity and reputation from an outside perspective. Ideally, these will align. It also includes

company culture and a stated mission and values. To be successful, says The Harvard Business Review (HBR), employer branding should take into account three main factors: reputation, employee value proposition, and employee experience:

Reputation

Job seekers are keenly aware of how their workplace affects their own reputation — from their career trajectory, to the company's perceived “culture,” to “citizenship,” the impact the company has on the community.

Employee value proposition (EVP)

The biggest selling point a company provides to employees is its EVP. One company's EVP might be an offer of complete flexibility in working hours. Another employer might offer lots of money, but zero flexibility. Another may offer a reputation for positively impacting surrounding communities or climate change, for instance. Job seekers give weight to company EVPs and decide whether certain company benefits are worth more to them than others offered by different employers based on their own personal and professional goals.

It takes talent to recruit talent and the smartest acquisition strategies include excellent recruiters



Employee experience

Employees that perform according to expectations, are compensated fairly, and treated respectfully will likely share their positive employee experience with others in person and online communities. Employees with positive experiences are more likely to perform better as well.

Glassdoor emphasizes, “organizations that invest in employer branding are not only a step ahead of their competition in attracting talent, they tend to be ahead in other key business areas as well.”



*A tip from Glassdoor:
Keep tabs on how prospective
candidates respond
to brand messaging and work
to keep it updated.*



2 THE CANDIDATE EXPERIENCE

A candidate's experience at each touchpoint throughout recruitment, interviews, and even onboarding processes can either be a big selling point for your company or a disappointing, relationship-ending experience.

Stand out as an exceptional employer by proving you value and respect employees. You'll show them a first-class candidate experience when you:

- Identify the skills, experience, and education of your ideal candidate in advance of recruitment, then create candidate profiles. This saves time in identifying job seekers who are the closest fit for a position. Profiles also help interviewers ask questions that create a more fair and standardized recruitment process.

As you prepare your profile, consider:

- Qualities that are a fit for your company's culture
 - Required skills, qualifications, or professional certifications
 - Necessary experience — how many years, what type, etc.
- Provide regular, transparent communication from start to finish so your candidates will know you value them and that your brand is one they can trust. To someone considering whether to spend a good portion of their career with your company, trust is very important.
 - Involve leadership by bringing them into interviews. Candidates feel valued when company leaders take an interest in the interview process.

Remember, job seekers use online sites like LinkedIn and Glassdoor to read and write reviews about candidate experiences, company culture, salaries, promotional opportunities, and work-life balance.



Show candidates respect throughout the hiring process and they'll be all the more eager to join your company — and give your company positive reviews.



3 CREATIVE BENEFITS

Money talks in this competitive labor market, there's no doubt about that. To the extent your company can afford to keep up with increasing wages, higher pay makes a fine incentive.

But even if your company can afford Big Tech pay structures, stay agile and willing to rethink benefit packages to accommodate and lure top talent.

A wellbeing promise

Employees are quitting jobs left and right because of burnout and mental stress.

Prove your company cares for employee wellbeing (mental, physical, and financial), give your EVP a big boost, and promote productivity by offering wellbeing initiatives and encouraging vacations from work.



Consider incorporating lifestyle benefits into your EVP – and don't forget to highlight them as part of your company's compensation and benefit plan.



Flexible work arrangements

- **Remote and hybrid**

If you're wondering whether a remote or hybrid work option will encourage more applicants, check this out:

Airbnb CEO and founder Brian Chesky recently announced employees would be allowed to "live and work anywhere they're most productive." Not only did this please current staff, but Airbnb's career page was visited 800,000 times after Chesky's announcement.

The tech industry has been leading the way with remote and hybrid work arrangements for years. Since the pandemic, remote work job listings have increased 357%, according to LinkedIn.

Try offering flexible and remote work options to increase your access to larger pools of talent and give employees relief from the stress of arranging their lives to fit the typical in-office, 9-5 timeframe.

- **Unlimited paid time off (PTO)**

As far out as this perk may seem at face-value, give it a second look. Unlimited PTO not only shows employees companies trust them to get their work done, but it offers potential savings to employers who no longer spend time tracking vacation or paying out for leftover vacation at separation. work option will encourage more applicants, check this out:

Airbnb CEO and founder Brian Chesky recently announced employees would be allowed to "live and work

- **Four-day work week**

If unlimited PTO seems like too much freedom, consider an approach companies have been piloting more often since 2018: A four-day work week.

"Whoever cracks the four-day workweek," says Marta Riggins, employer brand and employee engagement strategic consultant, "is going to win the talent war because that's going to be the new in-demand perk."

Besides the convenience, a four-day work week can help employers shift the focus of employee evaluations to performance rather than attendance.



- **Childcare**

The pandemic taught us a lot, and one of the big lessons includes the importance of accessible, reliable, and affordable childcare for workers — regardless of whether they work from home or in the office. We also learned that a lack of affordable childcare is currently restricting 1.2 million people, primarily women, from participating in today’s workforce.

Employers hoping to fill open positions are taking note and expanding their company benefit packages to include helping employees access childcare. Some have even converted office space into childcare spaces and hired providers to manage their childcare programs.

If a worksite childcare program isn’t in the cards for your company, consider offering benefits like childcare vouchers and discounts instead.

Childcare reduces stress for working parents, improves productivity, and just might be the perfect selling point for the skilled talent you’re hoping to attract.

- **Professional development**

Ongoing professional development, training, upskilling, and reskilling are becoming more and more vital. According to a Talent Accelerator survey, 82% of employees and 62% of HR directors believe workers will need to “hone their current skills or acquire new ones at least once a year” to stay competitive in a global job market.

A recent Harvard Business Review (HBR) article looked at the benefits to all when companies prioritize learning and professional development.

Consider how much the talent you need to hire might value opportunities for upskilling and reskilling on the job. Not only might this perk help your company add headcount, but it’s been shown to help foster retention and loyalty among current staff as well.



Lack of affordable childcare is restricting 1.2 million people, primarily women, from participating in today’s workforce.

A majority of HR professionals support eliminating the 4-year degree requirement given that certification courses from quality programs, including online coding courses, often provide targeted and relevant learning opportunities.



4 WIDEN YOUR TALENT POOL

Skilled talent comes in all shapes and sizes and from all manner of life experiences. However, common application processes often accidentally or intentionally screen out a large number of potentially talented job seekers.

The Harvard Gazette released a report in September 2021 highlighting a “hidden” workforce of 27 million people in the US “who would gladly, and capably, fill jobs,” were it not for hiring practices that prevented employers from meeting them.

The Managing the Future of Work project at Harvard Business School believes companies could solve many of their labor issues if they would only give these workers a closer look.

Leaders may worry about the risk of hiring some of these hidden workers. However, researchers discount that idea, asserting “hidden workers are more productive, are more likely to stay, and are positive contributors economically.”

In any case, businesses looking for more hires should at least consider increasing their talent pools by removing barriers such as these:

- **No college degree**
Having a college degree is a wonderful asset, but it’s a privilege not everyone can afford, and it doesn’t always reflect how much a candidate knows or is capable of.

One survey found that a majority of HR professionals support eliminating the 4-year degree requirement altogether for several positions, given that certification courses from quality programs, including online coding courses, often provide targeted and relevant learning opportunities. Tech apprenticeships are efficient training mechanisms that are also increasingly accepted.

To increase their pool of talent, Intel has taken the step of hiring students still in college as competition for labor and demand for their products both rise.

- **Gaps in work history**

For far too long, employment gaps have disproportionately discriminated against parents trying to return to the workforce after raising children. Two years into the pandemic, however, gaps in employment are seen as much less problematic — to most employers, that is. One in five hiring managers still say they will “outright reject such candidates.”

To open up the conversation, LinkedIn has recently launched a feature allowing users to add “career breaks” to the Experience section of their profile. They can enter time periods and choose from a list of reasons: caregiving, bereavement, career transition, layoff, health and wellbeing, travel, and volunteer work.

Consider reconsidering your company’s policy on employment gaps, or at least digging deeper for a candidate’s reason.

- **Felony convictions**

You might not want a bank robber heading up Accounts Receivable, but “second-chance” hiring has become a popular option for companies trying to meet needs for talent within their workforce.

The US Chamber of Commerce has released an extensive report on the business case for putting this population to work. It also highlights programs and organizations that can help connect employers with the formerly incarcerated.

- **Veterans**

You might not intend to discriminate against the men and women who fight for our country, but this group is easily overlooked when their descriptions of their skills don’t match employer keywords.

Consider widening your pool of candidates by taking a fresh look at who your company application system may be filtering out, such as parents and veterans returning to the workforce.

- **Guidance from recruiting agencies**

It takes talent to recruit talent and the smartest acquisition strategies include excellent recruiters.

To find the skilled talent you need and create a pipeline of candidates, make sure to hire recruiters that:

- Show genuine interest in your company’s needs as well as candidates
- Provide a streamlined experience that is respectful of candidate time and energy
- Help clarify the role and explain job expectations, the interview process, and the work culture
- Communicate authentically with candidates
- Help candidates envision themselves in your work culture



Veterans are easily overlooked as their skill descriptions often don't match employer keywords and application system are filtering them out.



Conclusion

For companies of all sizes, finding, selling yourselves, and hiring the skilled talent you need in the midst of this tight labor market — a market not projected to loosen up for years — is far from impossible. But knowing how to do so within a changed labor market is crucial.

Companies successful at procuring the skilled talent they need going forward will be those who develop strategies showcasing:

- Their unique value propositions
- Strong, purpose-driven employer brands
- Thoughtfully designed benefits that solve for today's employee pain points
- Positive, supportive work cultures
- Smart, targeted, respectful recruiting efforts that don't shy away from seeking out "hidden" talent

Most importantly of all, companies that are successful will be those who listen, *really* listen, and respond to the needs of today's workforce.

To find out how Boulo can help you find and attract the top talent in today's market, please reach out to

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BouloSolutions.com/contact-company

