Recruiting Strategies in 2017

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MRA

Key Outlooks

- Responses based on 567 Midwest employers surveyed in July-August, 2016; eighty percent $100 million revenue and under; eighty percent privately owned for profit businesses;

- Outlook on the Economy: greater optimism regarding U.S. economy than state economy;

- Outlook on Business: More than half of reporting organizations indicated gains in sales/revenue in 2016 with 74% reporting they expect increases again in 2017.

Key Outlooks

Outlook on Economy:

Economic Outlook	Global Economy	U.S. Economy	State Economy - IL, IA, WI, MN
Improve	15%	30%	27%
Stay the same	66%	60%	67%
Decline	19%	10%	6%

Key Outlooks

Outlook on Business:

| Revenue/Sales Outlook	2016 Compared to 2015	2017 Compared to 2016 (projected)
Significant increase in sales/revenue	13%	14%
Slight increase in sales/revenue	42%	60%
Sales/revenue flat	22%	20%
Slight decrease in sales/revenue	18%	6%
Significant decrease in sales/revenue	5%	-

Key Outlooks

Outlook on Company Actions for 2017:

- ♦ Formal employee engagement programs;
- ♦ Use of bonuses/profit sharing;
- ♦ Total reward communications;
- ♦ Training budget;
- ♦ Use of data analytics to improve business strategy.

Key Outlooks

Outlook on Recruiting and Retention:
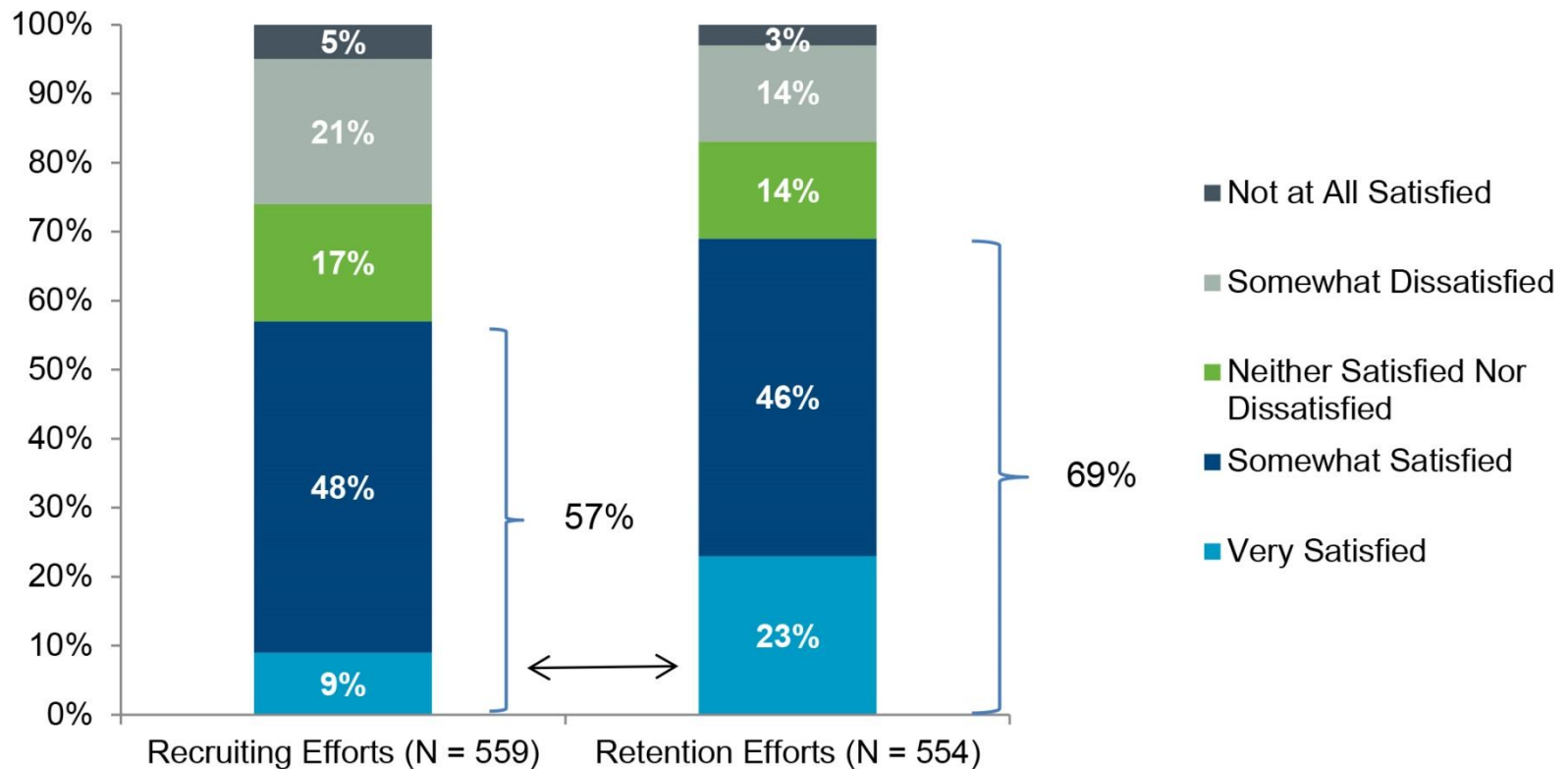
Key Outlooks

- Employers more satisfied with their efforts on *retaining* current employees than *recruiting* new employees;

- Employers find the following occupations to be the Greatest Challenge *Recruiting* Employees:

  - **Engineers,** Skilled production, Experienced workers, Sr. Management, IT and Sales Staff.

Affect on the Workplace

Not surprising, the cumulative impact of the inability to hire the right people has resulted in;

- more pressure on existing staff (89%);
- less engaged employees (64%).

Reasons for Difficulty in Hiring

Reasons	Responses
Lack of available candidates	83%
Market competition/high demand	53%
Lack of technical skills	52%
Candidates want more pay than we will offer	44%
Lack of work experience	36%
Lack of soft skills	24%
Company's geographic location	21%
Candidates want more flexibility in work/life balance	15%
Lack of recruiting resources internally	13%
Candidates want more/different benefits than what we currently offer	7%
Candidates are unwilling to work part-time/on call schedule	5%
Other	5%

Generational Groups

Differences By Generational Group – What is Important?

- **Traditionalists -** Good benefits, good retirement plan, good pay, regular full time hours, part of a good team;

- **Boomers -** Good benefits, good retirement plan, good pay, regular full time hours, part of a good team;

- **Gen X -** Good pay, good benefits, good work/life balance, opportunity for advancement, challenging work.

Generational Groups

- **Millennials -** Flexibility in work hours, opportunities for advancement, recognition for good performance, good pay, technology training;

- **Digitals -** Technology training, flexibility in work hours, opportunities for advancement, good pay, recognition for good performance;

- Only 2% surveyed have any initial or ongoing onboarding process for this ever-growing group of employees.

Top Five By Generational Group

Categories	Traditionalists (Born 1922 - 1945)	Boomers (Born 1946 - 1964)	Gen X (Born 1965 - 1980)	Millennials/Gen Y (Born 1981-1990)	Digitals (Born 1991+)
Flexibility in work hours	16%	22%	50%	**85%**	**62%**
Mentoring opportunities	12%	13%	32%	63%	41%
Good benefits	**61%**	**84%**	**75%**	38%	20%
Opportunities to connect with others	15%	12%	28%	69%	57%
Good retirement plans	**60%**	**85%**	58%	13%	5%
Recognition and reward for good performance	24%	38%	54%	76%	60%
Ongoing training on new technologies	5%	16%	44%	72%	**64%**
Good pay	49%	71%	**79%**	75%	60%
Opportunities for advancement	4%	13%	61%	**82%**	61%
Good work/life balance	27%	42%	62%	72%	55%
Opportunities to enhance skills	8%	25%	54%	67%	56%
A say in decisions about direction for projects	29%	51%	55%	51%	35%
Regular full time hours	53%	70%	50%	32%	24%
Be a part of a good team	41%	49%	53%	56%	43%
Challenging work	27%	47%	59%	54%	38%

What is important

- Salaries, benefits, and perks in general are important to all workers;

- Competitive pay and bonuses are still undoubtedly attractive, but there are other, less tangible benefits that are top priorities for Millennials and Digitals;
  - A clear path to earning promotions and raises;
  - Flexible schedules;
  - Working from home arrangements; and
  - lengthy (even unlimited) vacation.

Millennials and Digitals are used to customizing many aspects of their lives - rigid work schedules and limited personal time can convince them not to apply to your organization.

Values Matter to Millennials & Digitals

- Culture is very important!
- Millennials/Digitals are also forcing employers to reconsider the values they project;
- Millennials/Digitals emphasize employee well-being and development;
- Millennials/Digitals want to be a part of an organization with a strong mission statement & sense of purpose;

Bottom Line – Promote your employer brand and culture. Let Millennials/Digitals know what you stand for, internally and externally.

Strategies to Overcome Hiring Challenges

Hiring Strategies (Multiple Mentions Allowed)	Responses
Filling jobs with existing staff who do not have skills but have potential to learn/grow	58%
Increasing starting salaries	50%
Starting/increasing use of social media for recruiting	48%
Focus on existing staff receiving additional training/development	47%
Increasing emphasis on employee referrals	45%
Adjusting pay ranges upward	44%
Broadening our candidate search outside of local region	28%
Partnering with educational institutions to create curriculum	26%
Increasing/enhancing benefits package	15%
Increasing use of variable pay	8%

Other Strategies to Overcome Hiring Challenges

Hiring Strategies (Multiple Mentions Allowed)	Responses
Improving new hire orientations/onboarding	58%
Using staffing agencies/recruiters	53%
Offering a referral bonus	51%
Taking steps to brand and promote uniqueness of company to potential candidates	51%
Using temporary agencies	49%
Promoting work/life balance	41%
Promoting opportunities for continuing education	39%
Improving organizational communication	39%
Investing in training for all employees	36%
Offering employee rewards/recognition	36%
Presenting at job fairs	35%
Better training for managers	34%
Offering more flexible workplace hours/schedules	30%
Using formal candidate tracking system	23%
Offering a sign on bonus	23%
Offering special workplace perks	20%
Conducting stay interviews	15%
Using ads, radio, billboards	13%
Offer telecommuting	9%

Digital/Online Strategies

Hiring Strategies (Multiple Mentions Allowed)	Responses
Posting job opportunities on your company web site	78%
Selecting and posting on most effective Internet job boards	69%
Increasing use of social media for recruiting (LinkedIn, Twitter, Facebook)	66%
Optimizing your web site for career applicants/applications	45%
Getting creative with job descriptions to attract candidates	24%
Developing criteria for which job boards are best for your company	19%
Using mobile devices to interact with potential candidates	11%
Other	1%

Three Top Tips for Finding
Millennial & Digital Engineering Candidates

- **Recruit Actively & Early -** Visit High school job fairs as well as college campuses and make your company, its culture and your brand apparent to them.

- **Scope Millennial Candidates on Their Socials**
    - Companies are capitalizing on talent by posting jobs and interacting with candidates on Twitter, Facebook, and – more obviously – LinkedIn;
    - Millennials gravitate to these platforms to connect to the industries in which they work and study, and to snag jobs;
    - Don't be afraid to throw out an #engineeringjobs tweet or, better yet, scout for talent on these platforms and reach out directly.

- **Optimize Your Application Process for Mobile Millennials/Digitals**
    - Long, daunting, and technically unstable applications will likely be ignored;
    - Many companies are switching to a resume or "1 click" method of screening candidates;
    - Be sure that candidates can upload documents, fill out forms, etc..by way of a mobile device as fewer Millennials and Digitals are operating laptops.

Bottom Line - inconvenience or lack of access will result in these candidates moving on to your competition. Following these tips will guarantee you a greater pool of inbound millennial/digital applicants.

Taking Action

- Before changing your benefits, your Millennial/Digital hiring strategy, adapting your culture, or improving your employer brand, **get a baseline. Every company is in a unique situation;**

- Audting your current state will help you allocate your resources to places that drive more Millennials/Digitals into your recruiting funnel;

- We've seen too many companies pour budget into campaigns or job boards to essentially "pay" for candidates without first identifying any internal issues, which is a short-term fix to a long-term problem;

  - Get an understanding of where to improve by tapping into the minds of your existing Millennial/digital employees;

  - Survey younger employees who recently went through your recruiting and hiring processes to get their feedback;

  - Partner with leadership to conduct small focus groups that aim to identify the good and bad aspects of your company as an employer.

Questions?

About MRA

- A not-for-profit employers association established in 1901

- Serving 4,000+ employers throughout Wisconsin, Minnesota, Illinois, and Iowa and locations where their work takes us

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