



EPISODE 2

Bringing Back Furloughed Workers – How to Overcome the New Talent Shortage

- Introduction: Welcome to Strategic Insights, brought to you by PrideStaff. On each episode, we bring you interviews with leading management and employment experts from across the country. Your host for Strategic Insights is Brad Smith. And now, here's Brad.
- Brad Smith: Hello, and thank you so much for listening in to this episode of Strategic Insights, brought to you by PrideStaff. Today I am so honored to have our guest Ann Gilbert. Ann is the strategic partner of the PrideStaff Tempe, Arizona office. Ann, thank you so much for taking your time today.
- Ann Gilbert: Thanks, Brad. Great to be here.
- Brad Smith: So before we get into today's topic, I always like to start off by giving our listeners a little background about who you are. So I mentioned that you're the owner and strategic partner of our Tempe, Arizona office. You've been in the staffing industry for 15 years. If you could, tell us a little bit more about what you love about your day-to-day. You get to work with thousands of great professionals, and candidates, and amazing companies. So what's most rewarding to you?
- Ann Gilbert: You know, I love a successful connect, the impact that we have on individuals' lives and company growth. It's the match, and that's the magic that drives me every day.
- Brad Smith: So let's get into today's topic, and what we're going to talk about today is bringing furloughed workers back. So from what we're seeing across the nation, and not just in certain areas, but really across the nation, is that the market is tough from a recruiting standpoint. We thought that as the economy got back going, that it would be easy to recruit candidates with high unemployment rates, but we're not necessarily seeing that. What are you seeing in your local market, there in Arizona?

Ann Gilbert: Yeah, it's been really tough getting people to go back to work. A lot of them want to stay out longer and they're not pushing to go back to work. They're really comfortable where they are right now.

Brad Smith: For sure, yeah, and like I said, we're seeing that across the country, we're seeing that across different industries, and the more people I talk to, we're having to have conversations with HR managers and companies, and discuss that, yes, unemployment is high, but it's been a challenge getting people back to work. So I'm looking forward to talking a little bit more about that, and some challenges that you're running into, and how you're helping companies really overcome that challenge and bring workers back in.

Brad Smith: So leading up to that, though, when we talked as we were preparing for today's recording, you mentioned once COVID and the pandemic hit, that you almost saw a near immediate decrease in inbound inquiries. So companies that were reaching out to you to help with their recruiting efforts just kind of stopped. But over the last two months, you mentioned you were back to pre-COVID levels, and in some cases even higher. So talk to us a little bit more about the demand that you're seeing and the war for talent that companies are battling right now.

Ann Gilbert: Absolutely. We have a lot of clients with huge demand right now. It's crazy. Manufacturing sector is definitely growing. Distribution is growing, as well. One of our clients, we just brought on a new client last week, who said, "We're going to be working with Amazon." They'd just signed a new contract, but that means they actually have to triple their output, so they need to hire as fast as they possibly can.

Ann Gilbert: We also have clients that we've been servicing, who are in, nutraceutical is really big in Phoenix, and one of the areas that they've made changes is that instead of doing nutraceutical production, they've actually decided to start doing pharmaceuticals, so generic pharmaceuticals, so retrofitting the equipment that they have.

Ann Gilbert: We also have a very large vitamin distributor, and of course, everyone with COVID is getting very healthy and going back to, what are the all-natural remedies I can use as well? So they saw a huge uptick. Of course, home building has not stopped. People are still buying houses, so the construction industry is extremely strong, and with this increase in demand, the competition for talent is crazy.

Brad Smith: Yeah. So in many of these sectors, the companies that you're referring to often had to cut and furlough talent a little bit. They expected those people to come right back. That hasn't been the case. Originally, there was some fear from employees. They were afraid of getting sick, afraid of coming back to work. But you mentioned that that's subsided a little bit. So why is recruiting still difficult? If unemployment is high, why are people still not eager to jump on the opportunity to come back to work?

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Ann Gilbert: Well, even with the recent reduction in unemployment benefits, some low wage workers, they don't want to return because they're being compensated the same or more than they were prior to the pandemic.

Ann Gilbert: Of course, we have a lot of schools that are not going to be going back to a full-time classroom, and parents are really in a bind in regards to, how do I homeschool my child and still hold down a job? They can't return because they have no one who's going to be able to be there and take care of those childcare needs, to make sure that their kid gets up in the morning, and logs in online, and completes all their courses.

Ann Gilbert: But we're not hearing that people are afraid to return anymore. I think that that was kind of there at the beginning of the pandemic, but nobody's saying to us anymore, "I'm afraid to go to work because I'm afraid I'm going to get COVID."

Brad Smith: You mentioned earlier, some of your inbound leads now are above pre-COVID levels. I'm assuming that many of your clients, or even new prospects, have tried to do some of the hiring on their own and just ran into many of these roadblocks that you just mentioned. So how do they get around that? This is probably a little leading, and I don't want to make it too self-promotional, but talk to us a little bit about the importance of actually working with a good, qualified staffing partner to help source talent that's just extremely hard to find.

Ann Gilbert: We're talking to our candidates and we have built really strong relationships with them. We've talked to them about what it means to stay on unemployment versus going back and getting a full-time position again, better access to better jobs now, ability to pick the right position versus the big influx of candidates coming back to the market all at once, and what that means from a candidate's perspective. We're talking to them about the opportunities of being hired on permanently. We're being really honest with candidates and we're talking to them about, companies are going to remember, because they're going to see those gaps on your resumes.

Ann Gilbert: But when it comes to our clients, we're talking to them about, what do you have to offer, other than compensation? What are your special incentives? Talk about your great benefits. Make sure that we know what they are and we're sharing it with candidates so that they're excited about the opportunity. A lot of our clients have amazing company cultures, where people want to work there, but we have to share that with our job seekers. You're not going to see it if you're standing outside of a building looking here saying, "I wonder if I should work here?" Right?

Ann Gilbert: And growth potential. There's a lot of growth potential, especially now. Because companies did do a huge downsizing, some of their furloughed employees have decided not to return to that industry, and so there's opportunities for growth and development again. Companies are really stepping up their game to retain their talent, but also attract new talent.

Brad Smith: You're getting very strategic in your communications with your clients. You're trying to pull out those key differentiators, and it's not really just about the job details or the job opening. You're really getting beyond that. We need to talk about the things that make your organization great, the opportunities, longterm, for candidates, and we really need to sell that position. It's not just about the job duties. It's actually marketing and selling that position to attract the right talent.

Brad Smith: So, Ann, another challenge that we're seeing across the country is that once someone does return to work, and they, or a coworker, or someone else comes down with a fever, has a cough, et cetera, people need to get tested, and then their coworkers want to get tested, and there's latency in test results. So we're seeing almost this domino effect, and it's impacting companies, and impacting their performance and productivity. Are you seeing the same thing, and what do you do to get around that?

Ann Gilbert: We have definitely seen that as a huge challenge. Of course, when one coworker wants to get tested, or one worker wants to get tested and they're out for several days, then another worker becomes nervous and they feel like maybe they should go get tested as well. A lot of cases, we're having companies that are short on talent for 20-plus days.

Ann Gilbert: We actually had a client that contacted us and they said, "We have seven people in our warehouse, and today, six of them are out waiting for test responses. We need help. We need people in here to get the product out to our customers, so we can still meet those customer deadlines and keep our business running," and that's what we provided for them.

Ann Gilbert: So we said, "Okay, what are you looking for?" We sent our six associates over there. Once the time period had crossed where individuals were able to return to the work site, then our individuals trickled back out, their individuals trickled back in, and they were able to make it as seamless as possible.

Brad Smith: Oh, that's terrific. Now, you did mention that this was in a manufacturing or warehouse side of things. We're seeing a big crunch in that sector. So, specifically, those lower wage positions are becoming tough to recruit for. Earlier, we talked about, one thing that you can do is really promote the benefits, and the culture, and other things, but how do you really get a worker that's on the lower wage scale interested in coming back? What type of conversations do you need to have with your clients and with employers to really help them overcome that challenge?

Ann Gilbert: Yeah, we've had to be really honest. We've had a lot of difficult conversations. With lower wage jobs, it's tougher than ever to recruit. Even with reduced unemployment benefits, again, we still have a lot of people that don't want to come back unless they're going to make more than they make while they're staying at home. So we've had client conversations about pay rate, showing

them what the data shows in regards to pay rates and what they need to be in order to bring people back, and then how to retain those individuals.

Ann Gilbert: We were working with a client who said, "We're paying \$14 an hour. We're still struggling," and I said, "A lot of companies are paying \$14 an hour. What if you paid \$15 an hour for the position?" I said, "Why don't you just take the one section that you have," they needed 30 associates, I said, "Let us pay \$15 an hour. Let's see how fast we can ramp up that 30 individual spots for you, and let's track the retention on it."

Ann Gilbert: He said, "Well, I don't know how much better that you're going to do, because in all reality, I'm using three other services. They've had the need for a month. I'm still short 30 people." But he said, "You know what? Right now, I'm willing to try anything." We had those 30 slots filled in a matter of three days, and the majority of them came from referrals as well, and right now, we have only turned over one of those individuals in the last week.

Brad Smith: Wow. So that is, a modest increase of a \$1 an hour got you those amazing results?

Ann Gilbert: Absolutely.

Brad Smith: Yeah. Just to reiterate, you've got some great access to data and tools that allow you to look at salary ranges, right, so that you can provide that expert consultation with employers?

Ann Gilbert: Yes. We have compensation data that we're able to access that is real-time, instead of statistics from a year ago, which, right now, real-time is what we need to know, and that's what we need to share with our clients.

Brad Smith: For sure, yeah. You need that real-time. I think that's amazing insight and some strategic consulting that you just can't get elsewhere. So that's great that you're doing that for your clients, and it's amazing that they're seeing those results because had those 30 positions gone unfilled for another week, the cost or the opportunity cost of that lost production, you're talking probably thousands, maybe hundreds of thousands of dollars. I mean, there's huge opportunity cost to let those positions go unfilled, and you can solve that by increasing wages by a dollar an hour. That's amazing.

Ann Gilbert: Yes.

Brad Smith: There's been a conversation from some companies around shifting to more work at home or providing remote options for staff. How are they handling new employees and onboarding, because it brings a host of other challenges?

Ann Gilbert: Yes, always. Some of our clients, of course, are really concerned and they're nervous about the risk that could be out there. We're working with them on

plans. If they do want to re-engage and bring their workforce back, we actually have an awesome resource. It's a recent white paper, called Turning Back on the Lights. It's basically how to operate in the new normal.

Ann Gilbert: We also have call center clients that, they've had some attrition and they need to add back to their team. Their biggest concern is, I don't know the individuals that we're hiring right now. I don't know if this is somebody who's going to be able to hit our metrics and somebody who's going to be a consistent producer. So we have gone to those call centers and said, "Let's look at bringing in a pod." That's what we call it, a pod of new starts.

Ann Gilbert: So a training class of maybe 10 to 15 people, where you can completely social distance them. They're not exposed to anybody else, because everyone else is working from home. You can bring in two trainers. You're not introducing new people into a new environment, so you're able to get them trained and up to speed, and evaluate them, and then move them into working remote. It's been a really successful option for two of the call centers that we currently partner with.

Brad Smith: Well, that's terrific. So you're working very closely with their internal hiring departments. You're planning out your recruiting efforts so that you don't have a huge influx right away, but you can help them better manage and better schedule this out to adhere to safety guidelines. That's absolutely terrific.

Brad Smith: Another challenge that we're hearing across the country is really tied to call-offs, no-shows, et cetera. So what we're finding is that, not only is recruiting talent a challenge, but now getting people to show up onsite is consistently a challenge. What is PrideStaff doing to help overcome this or help reduce the frequency with which you have call-offs or no-shows?

Ann Gilbert: Again, we work on building longterm relationships with both our clients and our candidates. Candidates know more about the organization before they start. Again, we're going to make sure that they understand the safety protocols that have been put in place, what are the perks of working for our client, where do they see themselves longterm.

Ann Gilbert: We're also better able to align candidates with the right company culture. If we're talking to somebody and they say, "My last supervisor, I didn't enjoy them at all because they were a micromanager. They drove me crazy." Well, if I have a client who is very militant in regards to, be here on time, expectations of, I want you to hit your productivity levels within the first week, it's probably not going to be a match made in heaven.

Ann Gilbert: So, again, we're really focused on making sure we understand from the candidate perspective what's important to them, our climate expectations, and making sure that we're really focused on the match. But the other thing that I think has made a huge impact for us is using our tool, PrideStaff Connect. It

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helps us immensely. So our system, if you think about it, it's the day before the candidate begins their new position, and they're getting a text saying, "Hey, you start tomorrow. Here's the map. Here's the location. Do you have any other questions?" If they ask a question, we can immediately respond to them.

Ann Gilbert: The candidate shows up on day one. Halfway through their day, "Hey, on a scale of one to 10, how would you rate your position today?" and they say, "I rate it a five." Well, anything less than an eight, we're going to call them and say, "What's happening? What's going on?" A lot of times, it's something really simple, but it will completely change the perspective of the candidate because we addressed it in real time and not later, not at the end of the week.

Ann Gilbert: We also take any feedback that we receive. So we've had situations where maybe a supervisor was a little gruff with somebody on the first day, and we'll contact the client and say, "Hey, Ben started today, and I know he was working with John. He said John seemed a little gruff, very direct, not very engaging." Maybe the client tells me that, "Well, John, he got a flat tire on his way to work, so he felt like he was a little behind."

Ann Gilbert: So when you can have that open communication with the client, and then you turn around, and talk to the candidate, and say, "Okay, here's the deal. John got a flat tire. He didn't start his day the way that he wanted to. I have a feeling that tomorrow is going to be a better day for you. Do you still want to return to the position and give John another chance?" The candidate is so ecstatic about the fact that we went and had that conversation, and we were honest about what was happening, that they feel like everybody is engaged in their success.

Ann Gilbert: So we're able to provide that on the spot, or as I like to say, hot management and hot coaching for the candidate, and also making sure that we're working with the client and not wasting their revenue. If the person decides, "Hey, it's not a good fit. I don't want to return." Hey, no problem. Let's go ahead and find you something else, and Mr. Client, please don't continue to invest in somebody who doesn't want to be here.

Brad Smith: I absolutely love that, and you've built this amazing feedback loop that allows you to make better placements, better fit for the client, better fit for the candidate, identify problems before they actually become a problem. We talked earlier about the cost of having that job vacancy. It is enormous. So you've built in this feedback loop to make sure that that doesn't happen to your clients, that we know about these things ahead of time and can proactively solve problems before they even arise.

Ann Gilbert: Exactly.

Brad Smith: Now, to kind of sum things up, we talked about a lot of items on our episode today. We talked about how companies that have furloughed workers might have a challenge bringing them back, and some strategies to overcome that. We

talked about how important it is for selling the benefits of the job, even beyond pay. So, why is your culture so great? Why would someone want to work at your organization? What are longterm advancement opportunities?

Brad Smith: We talked about evaluating the pay rate and partnering with a provider like PrideStaff that can get you access to real-time data to make the absolute right decision for your company and overcome those hiring hurdles. As Ann shared, \$1 an hour increase in wage had a dramatic impact on filling open positions that otherwise would have gone open for much longer.

Brad Smith: We talked about why you may need to adjust or alter your onboarding and training strategy, and how partnering with a provider like PrideStaff can help you pivot, and adjust, and make sure that you have the talent that you need when you need it. And we talked about being proactive, so making sure that you're having honest candidate conversations and using technology like PrideStaff Connect to make that easier and get better results.

Brad Smith: So, Ann, I want to thank you so much for your time today, these were amazing takeaways, and wanted to ask if you had any closing words of advice for companies out there, hiring managers out there, that are just having a difficult and hard time with recruitment right now?

Ann Gilbert: Of course, I would recommend that they form relationships with proven workforce partners. Know your strengths in the marketplace, what makes your company unique, and then really evaluate, what is the cost of not filling the position? How does that impact your customers?

Brad Smith: That is a big one, and that can impact current production, that can impact client retention down the road, that can impact overall satisfaction with your company or your brand. There's so many far-reaching impacts, negative impact, of leaving those positions unfilled. So use the tips and strategies that Ann shared throughout today's episode to make sure that you fill those positions. Make sure that you're proactive. Make sure that you weigh the cost of a small increase in wage versus letting those seats go unfilled. So, that cost can be astronomical.

Brad Smith: Ann, again, thank you so much for your time, we really appreciate the insight that you shared today, and to all of our listeners, we hope you found some valuable takeaways that you can implement in your organization. If you have any questions, please feel free to visit pridestaff.com. Reach out to one of our local offices. We are here to help you. We are here to help you get answers to pressing questions that you have. We're here to help you proactively plan your workforce strategy so that you can take advantage of opportunities as the economy begins to open back up.

Brad Smith: Again, visit pridestaff.com, reach out to one of our offices, and we also have some amazing resources like the Turning on the Lights ebook that Ann

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mentioned. You can find that all on our website. Until our next episode, thank you so much for listening. We appreciate your time.

Closing:

Thank you for listening to Strategic Insights, brought to you by PrideStaff. Whether you're looking for high level workforce consulting or staffing help to meet demands, PrideStaff is here to help.

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