



EPISODE 3

How to Retain Top Talent – And Your Competitive Advantage – During COVID

- 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, thank you so much for joining us for PrideStaff Strategic Insights. I'm your host, Brad Smith, and I'm very pleased to welcome Daan Renssen, strategic partner and owner of the PrideStaff Thousand Oaks and Oxnard offices in California. Daan, thanks so much for joining us today.
- Daan Renssen:** Thanks for having me. Thank you.
- Brad Smith:** Daan, I'm excited because you bring a very unique and diverse background of PrideStaff. You were in leading roles at international Fortune 500 organizations before becoming an office owner here at PrideStaff. You had the opportunity to work on large scale projects, lead international teams. You bring a very interesting perspective to things, and now you're on the other side. Now, you're the one that's helping organizations secure the talent and solve the workforce issues that they have so that they can be successful. If you don't mind, talk to us a little bit about what you love doing in your day-to-day now that you're on the other side of things.
- Daan Renssen:** Thank you, Brad. Well, first of all, let's get it out of the way. My accent is from the Netherlands. I moved here about 10 years ago. One of the things why I moved to America is three things: I like mountains, I like blue sky, and I like optimism. That was 10 years ago. What I'm seeing coming from a corporate background is I truly like the fact that I own my own business and especially looking from the other side at companies, one of the first things I do tell my clients is that I've been in your seat. I know what it is. I know what it means to lead a team, to struggle to find good people, and to try to figure out how to move forward and how to stay competitive.
- Brad Smith:** Yeah, and I mean, talent is the leader in innovation. It's the leader in productivity. It's the driving force behind organizations so it's vitally important. Daan, I love that you have that experience on both sides of things. You've been very successful, obviously, at helping clients secure their talent, and you've been

on the other side. You understand their challenges. You understand their struggles and have a great perspective on that.

Brad Smith: You are the owner and strategic partner of two offices in California, one in Thousand Oaks and one in Oxnard. Now, while they're both in California, like most of the country, there's diverse markets, and those two markets are quite different. Maybe for our listeners, you can talk a little bit about those two markets and since the pandemic has hit and since unemployment has skyrocketed, just talk to us a little bit about what you're seeing and what your clients are struggling with right now.

Daan Renssen: That's a lot of questions in one question, Brad.

Brad Smith: That sure is.

Daan Renssen: First of all, the two offices that we have, they're like, just to paint the picture, they're like Northwest of Los Angeles. Our Thousand Oaks office is typical suburban area with some manufacturing, as well. The typical mix in our office is about 50% office jobs, about 50% manufacturing, assembling, warehousing. The other office, which is in Oxnard, which is Ventura County, it's a much more agricultural environment. That office is doing primarily manufacturing and warehousing.

Daan Renssen: The fun thing for me as an owner is that even though they're adjacent territories, they are very different in character. Your question was: What's the impact of COVID-19? So basically what happened, when we got the message, the stay-at-home email, I think it was March 22nd or 21st, we were not considered to be an essential business, initially. My Thousand Oaks office, we probably lost about 45% of our clients because they had to close down as well. My office in Oxford, we lost about 90% of our clients because they were forced to close down. Of course, it was like in the beginning of COVID-19 the pandemic, and it was a bit of turmoil, nobody knew exactly what would happen. Pretty quickly we figured out that we are essential because we have a lot of people in our payroll that need to work, need to get paid, and need to get supported. A lot of our clients, after a week or two of mayhem, figured out that they were actually also essential.

Daan Renssen: If I take the two offices, my Thousand Oaks office, we decided to keep everybody on board. Even though we lost some business, we decided that actually, now more than ever, our clients need us. We kept everybody on board. We worked remote. We realized pretty quickly that a lot of our clients were also working from home, obviously. We reached out to them and just ask them how things were going, if we could help them out and what have you. The Thousand Oaks office which, like I said, is typically 50/50 in office and the manufacturing, it's shifted almost completely to manufacturing. What we're clearly seeing is that a lot of typical office professions, CPAs, law officers, they basically worked from home and took a standstill in hiring.

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Daan Renssen: I'm pretty active in several business networks. In those networks, I'm meeting a lot of clients, a lot of CPAs, a lot of lawyers, and they all tell me, "You know what, actually, I never thought it was possible, but working from home actually improves my productivity. I get more billable hours and I might not need an office as much as I thought I would." That's clearly reflected in the hiring and the need that we get from those clients. They are basically waiting how this pandemic will pan out.

Daan Renssen: However, the moment companies were allowed to open up again, we saw a tremendous backlog in need for manufacturing, but particularly warehousing. What we concluded talking to our clients and just observing what happens is that a lot of warehouses had a lot of inventory. They had to shut down literally overnight, they were sitting on a lot of back orders. The moment they were allowed to reopen up again, they did so and were desperate to find good people. Now, here's the caveat Brad, is that even though there is a lot dealt with paper, there's a higher unemployment.

Daan Renssen: For a lot of people, there are different motivations not to go back to work. Some of them, it's the financial incentive. Some people consider, if I can get a little bit higher unemployment, I'll maybe wait it out and see if I go back to work, which is particularly at the lower end of the salary range. Let's say, minimum wage to 15-16 dollars an hour. A lot of people just decide to stay home. A lot of people, of course, are very afraid to go back. A lot of people decide actively, "I don't want to expose myself to potential COVID-19 and I stay home."

Brad Smith: Daan, let's dig into that a little bit. You mentioned unemployment benefits and different people's motivations. The government was, in some instances, giving people more money than they would have earned working. So they didn't want to come back. Now, those unemployment benefits have been reduced, but for those on the lower end of the wage scale it could still be more money than they would make if they were actually employed and working. How do companies actually compete with that? If they're on the lower end of the wage scale, how are they going to get people in the door?

Daan Renssen: That is a major struggle. What we're getting, we're getting a lot of clients that clearly thought they would easily find staff because there's such a high unemployment. They tried themselves, either current clients or past clients or new clients, and they call us and they tell us, "I thought it would be easy and it's super hard to find good people." There's a side thing as well, that if even if they find good people, there's a high turnover. A lot of people are ghosting. They literally just don't show up. One day they're there, one day they're not there. There's a very high frustration level amongst our clients, but particularly warehouse and manufacturing where as an employee, you can choose where you want to work basically. They might leave for either just collecting benefits or they might leave for a slightly higher wage somewhere else. That's when they come to us because they realize, you know what, we need help from a staffing company because it takes a lot more effort, a lot more work, to actually find good staff.

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Brad Smith: One very important thing I wanted to note, and we talked a little bit about this on the last episode of Strategic Insights is that Daan and the entire PrideStaff team has access to compensation data that's near real time. As a hiring manager, we can supply you with that information and with that data to make educated decisions. You can look and see exactly how much you need to pay in order to attract that talent. On the last episode, we shared the example from the Tampa, Arizona market. By increasing pay rate by \$1 an hour, they were able to fill 30 open positions that had been open for weeks before that. Now, you obviously can't do that in every single position and sometimes there's small margins and things like that, but Daan, you even mentioned, some employees are being able to choose the job they want.

Brad Smith: Companies can highlight and really showcase why they're an employer of choice, why someone would want to work for their organization, what's great about the culture, what's great about the coworkers, what are the fringe benefits. There's a lot more even beyond pay that you can do to help yourself and really attract great talent. And by all means, partnering with a specialist that recruits 24/7 can really help too. I don't want to be too overt in promoting your staffing services, Daan, but it's true. Your team recruits 24/7, don't they?

Daan Renssen: I always tell clients that if you are a middle size, let's say a family owned company, and you try to find talent by yourself. What do you do? You place an ad or two, and that ad is just being drowned out by anybody else looking for people as well. Where if you're teaming with a staffing company, we have ads and positions on virtually every platform available. We have, almost see that like, we cast a very wide net for the talent pool whereas as a midsize business, you only have one or two shots. We do recruit 24/7.

Daan Renssen: I also thought about another pretty current thing that's happening since a week or two, Brad, which we're sharing with our clients as well, is that with schools reopening and childcare virtually non-existing, a lot of families struggle to find a way to balance that act. To how to take care of small kids, because they're basically all homeschooling, and how to work. We see a dramatic shift and a dramatic need to basically shifts in the industry to kind of work around school hours. Especially in manufacturing, where there are several shifts a day, there's a day shift and a night shift, we've seen a dramatic increase in requests for night shifts from people that have to take care of small kids.

Brad Smith: That's interesting. And partnering with a workforce provider can really help you add some flexibility there. If you are an employer and faced with that challenge, reach out to a qualified staffing partner or workforce partner to help come up with those solutions, to help recruit people that are looking for other shifts to help support your existing employees so that they can be home and take care of family responsibilities and still have employment, but you're not stuck with lost productivity. There's some great solutions there.

Brad Smith: Daan, earlier you mentioned, in addition to having a challenge recruiting because of increased unemployment benefits, there's this looming fear in some

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cases. Some employees are fearful of their health or safety in returning back to work. What are some things you've seen, either your own company or your clients do, to help calm those fears?

Daan Renssen: We're seeing a very clear trend that, of course, by law you have to have measures in place to avoid COVID-19 at the workplace. That's the first thing. But we also have associates that basically, if we have a client who is not taking COVID-19 seriously... Let's say on paper they have a mask policy, but in reality, nobody's wearing a mask. We see a lot of people just refusing jobs. My clear indication to a client is take it very serious. I mean, for a lot of people, this is a matter of life and death literally. A lot of people, it might not be the associate themselves, but it might be a family member at home or somebody close that is vulnerable or is immunocompromised. People don't want to work in an environment that they perceive to be a threat or dangerous.

Daan Renssen: We have one major client, and I want to share this story with you, Brad. They are a manufacturing client and the manufacturing plant is almost a canvas, many, many smaller buildings. I think they'd done a very smart thing. They took all these buildings and compartment every building into two or three separate rooms, and basically made sure that every employee only enters a particular room. Why? Because if God forbid there is an outbreak of COVID-19, they can completely isolate that particular area and then keep all the rest of the manufacturing safe.

Daan Renssen: There is, also, I think also ways, especially if you're a larger manufacturer, a larger warehouse, to basically isolate potential COVID-19 cases by trying to avoid people moving between buildings, sharing rec rooms, sharing restrooms, sharing shuttle buses. If a COVID-19 outbreak is there, it makes it very easy to track and trace who was there and basically isolate a particular group of people. I thought it was a very smart solution by that particular client.

Brad Smith: Yeah, I think that's a great solution. Looking at things like managing the flow of people in your warehouse, managing staggered shifts, staggered start times, staggered end times, these are all things that can help improve and calm fears of your employees.

Brad Smith: Now, in some cases, fears are rooted in realism. In some cases they're just emotional fears. Is there anything that you've seen particularly helpful in helping employees, whether internal employees or your clients' employees, deal with that emotional fear or emotional upticks in emotion?

Daan Renssen: What I tell my clients is be very sensitive to the emotional side of your associates. Realize that for a lot of employees and associates, it is not a pure, rational fear. There's a lot of irrational fear. There's a lot of stuff that people simply don't know, and there's a lot of conflicting information out there: what works well work and doesn't work; how do you get COVID, there's still no coherent story coming from the government or government agencies telling

people what is actually the main cause, the main matter, the main way to transmit COVID-19. That makes a lot of people fearful.

Daan Renssen: As I tell my clients, realize that if people are not always consistent in their fear, it is because they hear one story and then maybe... Let's take an example. People might be really fearful of touching doorknobs. Then, they go around and share a bowl of cookies with everybody. As an example, where they just hear one thing about doorknobs and that's in a mind, and then they don't realize that some of the things are true as well. Just be sensitive to that. That people are just worried. That there is a general higher stress level amongst the population and people are just more emotional than normal.

Brad Smith: And I think, just be human and understand that everyone processes things differently. Be open to that. Be open to discussion and don't be quick to judge. And I think if we can put ourselves in other people's shoes, put ourselves in our employees shoes, and understand that they're dealing with a whole host of other things that we may not be aware of, it's going to make us better, more compassionate managers.

Brad Smith: Daan, one thing that I absolutely love about PrideStaff is that you've really truly embraced technology. You look for ways to use technology to make a meaningful impact on organizations and on employees. You have a tool called PrideStaff Connect that you use, and it's really come in handy over the last several months, in helping organizations see what's happening with their temporary staff. Maybe you can tell us a little bit more about PrideStaff Connect and how you're using it in the market and how it's helping both candidates and employers.

Daan Renssen: Everybody probably heard the same statistics, especially with a younger population, that the text messages are the number one way to communicate. I mean, every parent has teenagers knows a story where they tried to leave a voicemail and they never opened a voicemail. PrideStaff Connect basically is a text-based platform that allows us to have literally built an intimate connection with our associates.

Daan Renssen: To give you kind of a flavor of how it works, even before somebody is sent out to a client, they will get a text message that explains what the client is. Where is the client? What's the dress code? They will remind people when they should show up, who to ask for. Then, at the first day, we're going to ask them, "Hey, how was your first day?" And when they get their first paycheck, "Hey, how was your first paycheck?" The beauty is this is highly personalized. The recruiter that worked with this particular employee, the text message is sent in name of that recruiter. It also allows us, and that's particularly relevant for the pandemic, it gives us almost like a hotline to every single employee. If we have worries about there's a spike in COVID, we can push out a message to a very select group of people and ask if they have a cold or a fever, or if they a sore throat or et cetera.

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Daan Renssen: The other thing that we're seeing is that coming from the employee, they see it as such a natural, logical way to communicate with us, that if they have any question, if it is like "Where do I send my timecard? My car broke down. My mother is ill, should I go to work?" they use this platform to connect with us. All my years of experience in staffing, I've never seen a tool like PrideStaff Connect that build this intimacy with a candidate and an associate. It is truly, it's as if you're talking, and for both ways. For us, it allows us to have almost like a hotline to our candidate and associate. Vice versa for that associate, they consider it to be, "ask whatever question I have, I can get hold of my recruiter and I get an immediate answer."

Brad Smith: That's terrific. For the end employer, they get employees that show up prepared as you mentioned. Employees that you're sending out to your clients know what the dress code is. They know who they're supposed to report to. They know what's expected of them. They know how to get to the office. They know what their start time is. This helps reduce no-shows.

Daan Renssen: And let me add to that because there's one important thing I've almost forgotten to say is that we always tell our clients that we can coach and help and mentor our associates. Typically, in an employer-employee relation, there isn't enough communication so if things go wrong and it's too late, you have to let them go. This is an amazing tool where if people have some little things, we could pick up on it. If people say, let's say as an example, we have a heat wave coming here in L.A. They might text us via PrideStaff Connect, "You know what, it's really warm in here and I have a headache," or "I thought I could do this from my home to this location, but I noticed with traffic, I'm always five minutes late". Then can give little bits of information which can help us to coach either the client or the candidate on improvement. Therefore, it helps the client to avoid a lot of drop offs and no call, no shows.

Brad Smith: It helps you solve a bunch of problems before they even become problems. Before they even impact productivity and profitability.

Brad Smith: Daan, I know this episode is all about retaining your top performers, but given the current climate right now, it's a near certainty that every company out there is going to be hit with some level of turnover. What should companies do ahead of time to be a little bit proactive?

Daan Renssen: Like you said, I think it means start with the fact that it's going to happen. If you're working with a staffing company, we can typically plan with you. If you have a close relation with a staffing company, they can be on the lookout for good talent. They can almost be your talent scouts for people that might be a perfect fit. I think every staffing company and every recruiter knows this feeling. They get a new candidate through the door and I immediately think, "Oh, this is a perfect candidate for company XYZ." If you have that relation with a staffing company, you can almost create a pipeline of new talent that is even if you don't have space for talent, you might have the discussion, "You know what, we have Johnny here and Johnny is a great candidate for your company." The

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company might say, "You know, I have no place now, but this and this might happen. We have this and this in plans."

Daan Renssen: As an advice to clients, it is hard to anticipate turnover in general. Again, it comes to a lot of in these hard times, it is a lot of, I think, emotional anticipation. Be very alert to early signs of people being stressed out or burned out. Be a lot more tolerant with, let's say, people working at home. We're getting tons of clients, especially in the office space, that are completely rediscovering working from home and hybrid kind of situation where people are allowed to work, let's say two days from home, three days in the office, which was absolutely not done. It wasn't done in the past and now it's very common.

Daan Renssen: Then, it isn't always about money. People tend to think that to avoid turnover, you have to pay more. Salary is always a factor but I think now it is more and more and more than ever, it's important to create a workspace which is welcoming, it's understanding, it's tolerant, offers perspective, offers security, think of benefit plans that people are looking for. There's a lot of non-monetary things you can offer as a client, especially in these uncertain times where employees would really appreciate any effort you put on it.

Brad Smith: Daan, I want to thank you so much for your time today. You shared some amazing insight, both from your own perspective and from that of your clients. They're going through a lot of the things that our listeners are so I hope everyone listening today got some great value and some great takeaway. Daan, any closing words of wisdom for the people listening?

Daan Renssen: I didn't prepare this one but I tell everybody, stay safe, stay healthy. This will pass and we will get out of the storm [inaudible 00:24:14].

Brad Smith: Again, Daan, thank you so much for your time. For everyone listening, please be sure to visit [pridestaff.com](https://www.pridestaff.com). We have a great collection of resources there. We have a guide to reopening. The blog and resource section on the website offers some amazing tips to help you overcome all of these workforce challenges. Be sure to listen to upcoming episodes of PrideStaff Insights. Thank you so much for listening.

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.