



EPISODE 26

Retention Strategy: How to Reduce Employee Turnover

Intro: 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 Strategic Insights from PrideStaff. I'm your host, Brad Smith. Today we have a great episode. We are talking with Steve Romanelli, owner and strategic partner of PrideStaff and PrideStaff Financial in Northern Kentucky. Steve, thank you so much for joining us.

Steve Romanelli: Thank you, Brad. Glad to be here.

Brad Smith: Our topic today is one that a lot of businesses are facing and it's reducing employee turnover. Employee turnover has hit many businesses and many industries very hard over the last year or two. Consider these statistics, in the last year, the employee turnover rate was a whopping 57.3%. The average for most industries or years before that was about 18%. And in 2022, the overall cost of voluntary employee turnover was 1 trillion. That's including the cost to hire cost of unfilled positions, lost productivity.

So not only is turnover high, but the most recent jobs report that came out showed over half a million jobs were added in the last month, which is great news for the economy, but it's not great news for the talent market. The unemployment rate fell to 3.4%. That's the lowest it's been since the moon landing in 1969. So, we're at historic levels. Employers are facing a tough talent market and we need to make sure that they're keeping their top performers and today's episode is all about that. So, Steve, let's dig into that topic a little bit. From talking with your clients, what did you see as the biggest contributing factor to the massive turnover that we're facing?

Steve Romanelli: I think there's a couple dimensions to it, Brad. First is in the absolute, you just have a shortage of talent. I think there's something around 11 million job openings across the country and that hits hard because at the end of the day, the candidate has many more options than you think of historically. So, you've got to figure out what is the combination of culture, environment, career progression, compensation progression that a company could offer an individual

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and make sure they're trying to hit all those dimensions properly because people are looking for a place that they can stay at. You had a lot of other interesting factors too, Brad, relative to companies are not able to produce product the way they would like to because the talent shortages, you had all the issues of the last couple of years with COVID and supply chain. I've seen in my market significant increase by salaries and starting pay by companies.

But at the same token, you've got rampant inflation that has been all over the press the last six months in particular. So, while as an employer you feel you're making progress, the pocketbook for the individual really isn't making the progress they would like. And then the last big area, which I thought about a little bit but always gives me a headache is we clearly are having what they call the mass resignation and reduction and shift in the workforce. I see it where I think people are now living multi-generationally in families and you're seeing a lot of situations where a significant other and a spouse or a wife or a husband will split up the work responsibilities because they have one car and if they only have one car, then they vote that one person will not work even though there are options available for alternate shifts. So, there's a lot of factors going on there. We just make it a really, really hard.

Brad Smith:

Steve, you brought up a lot of great points and one thing that you mentioned is that a lot of people right now want to find a great place to work. They want to stay there for the long term. They want to advance in their company and I think you're dead on there, but the data is showing that these turnover rates are extremely high and 70% of all turnover is voluntary. So, they're voluntarily stepping away from their organizations. So, the employee is deciding to leave for "greener pastures." What are the biggest factors that lead to that? And I think you touched on a few, but what are some of the different factors that you're seeing?

Steve Romanelli:

So, I think without a doubt it's that combination of pay and environment. So, what I've seen people say that have come through my office and look at different companies is I need to be at a certain pay point. Let's use \$17 an hour. I might have some options for them based on their experience. I might have some that are at 16 or 1650. I might have one that's at 18. Trying to get them to the right cultural fit is equally important because people are not afraid to walk away from a job to that voluntary turnover you're mentioning because the combination of factors are not working for them.

Maybe it isn't a welcoming environment. Maybe they had a supervisor who had a rough day and just didn't treat them with welcoming arms necessarily. 5, 6, 7 years ago people would stick with the job because they needed to work. Now there's not as much of that because they've come up with alternative ways to survive and meet their family needs and let's be honest, they're barely getting by, but they're getting by adequately that they're okay walking away from that job and knowing that it might take a week to get into another job, but that's the choice they're choosing to make.

Brad Smith: So, they've got options out there and they're not afraid to explore those options because they know they can find another job in similar pay ranges. So, Steve, you work with companies all the time, you work with companies in every industry. You talk about these challenges. You talk about pay, culture, burnout. How and how does a staffing company go about helping organizations manage these challenges?

Steve Romanelli: Well, there's a couple things that we can do on that. First is we try to be as proactive with our clients as possible, bringing information to them to understand really what the market conditions are. There's been a lot of discussions the last two years around pay rates in particular pulling data not just in the local market. And we have in my market some fairly transparent ways to get information about competitive pay rates. But then also we supplement with some data we have on wage analysis in the market that we can pull using a product we use called Light Cast, which allows us to get really granular information about pay rates and regions and at certain pay rates, what population of potential workers might you be able to attract into your opportunity?

We also spend time trying to work with companies around their onboarding. If you think about it, when you were in elementary school, you might have aspired to grow up to become a teacher or a sports person or a fireman or a police officer, but no one thought about, "Hey, I want to grow up and be a temp." Life circumstances though curve balls at these folks and it is a hard thing to walk into a brand new building where you don't know the norms, the culture of the environment and even little bit of orientation you get.

It takes time to learn what makes that environment tick. What does that company really value? How do I fit in and how do they embrace me and try to develop me and groom me for more responsibilities? The more you can spend on the cultural side, the more results you're going to get in a positive way. Data has said over the years that people don't necessarily quit a company, they generally quit for the supervisor or their manager. That's the driver behind it in many cases.

Brad Smith: So, culture is extremely important. That's going to help make sure that all else being equal, people are going to be happy, stay at your organization and be productive. But one thing that you did mention Steve is that pay inequity, if your pay is below market rate, it's going to be very hard to retain your people. And you mentioned tool called Light Cast. So, you have access to amazing data that's going to show you what competitive wages are and what wage you need to be at and what the available talent pool might look like at that wage. How can our listeners get access to that data? Is that something that they have to pay for you to run a report or how do they access that?

Steve Romanelli: No, that's something your PrideStaff staffing partner can provide for you. So, reach out to one of your PrideStaff offices in your area and they can pull that information and help design it as well as on a broader schedule, look at what are

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the combination of factors they're seeing across that market you're embedded in. So, you can become a referred employer by the combination of pay, shift flexibility perhaps, other things that you may want to consider so that you have more talent coming towards you than running away from you.

Brad Smith: Perfect. Thanks. So, for all those listening, visit pridsStaff.com. You can go to locations, find a local office and as Steve mentioned, they can work with you, pull that report so that you can make better educated decisions on pay rate and job postings. Steve, I want to transition a little bit in and think about when people are actually leaving positions and the studies show that roughly a third of employee quits happen within the first 90 days of being hired. So, they're not at organizations very long in many cases. Why do you think that is?

Steve Romanelli: I think there's a number of things when you look at it. If the pay happens to be on the lower end of the range, they just may take a job, look at a temporary while at the same time continue to look for a better paying position and that better paying position comes in. So, they just walk out the door and say, "I took something I'm getting a dollar an hour or more." It could be that when they arrive, the job description that they were shared during the review and the orientation process and what they're actually doing on the floor is a lot different.

And in some ways, it almost feels like they're being let down because I was coming in to do this position, but you have me doing something much different and that isn't really where I want to take my career. Now that could be overcome by just more transparent discussion that says, "Hey, we may have had some sicknesses in another part of our operation and we're asking you temporarily to come in and help us out here. Yes, we're going to get you back over to that shipping receiving position," or whatever the job was that they were being assigned.

Another area we see is absence of a good onboarding program. People will just leave. They just don't feel welcomed at all. There's also always a bit of an issue, and I can understand it from the employee's standpoint. The full-time employees don't necessarily embrace the temp employees because over the years they've seen many of them walk out after 90 days. So, they have a bit of a JD perspective and maybe aren't as welcoming to the temps that are coming in.

And then lastly, even if you're competitive coming in, people talk all the time, so if I have a temp in your operation and he speaks to three or four your full-time employees and they said, "Yeah, I've been here three years and I've gotten a 50 cent raise across all three years total, that's all I got." They're going to walk out. Even if you would look at irrationally and say, "Hey, stick with the job until you have another one," they just won't. They just say, "Hey, this is a place that's stopped for me because I don't have any opportunity to improve my pay rates over time because this person with three years has only gotten a 50 cent raise across the total of those three years." A lot of different factors.

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Brad Smith:

There sure are. As an end employer when you think about how much time, energy and resources you invest in those first 90 days, those first three months of a new person coming on board, it's a high cost to the end employer. So, it's very important that you do things right. So, Steve, you had mentioned a few things that companies can do, but what else can organizations and employers do to make sure that people don't leave after those first few weeks or first few months?

Steve Romanelli:

So, a couple things. We've been talking with several of our clients and not everyone's pulling each one of these options, but a number of them are pursuing some of them. One is, make sure you invest, you're training in your onboarding program to make sure people understand the mission of the company, what's important, what the company values, who do they talk to if they have any questions. We do an orientation for one of our clients and it's a manufacturing facility and they have different types of safety helmets that are worn and they're color coded and they know that a blue color-coded person is a lead and I can go talk to a line lead if I have any questions, for example.

Second is make sure your full-time attempt to hire staff feel welcome and part of the group, we've actually talked to a couple of clients about almost having a little bit of a mentor program where if I was to come in as the temp and Brad, you were the full-time employee, you'd take me under your wing for the first three to four weeks and maybe there's a \$50 gift card that they give the mentor as long as the mentee lasts 30, 60 days, whatever it is. They all have different ways they celebrate it, but the reality is you want them to help and put a personal connection to the temp.

Third is make sure your employees are recognized for their contributions, both your temps as well as your full-time. Recognition programs go a long way to really feeling valued, not just the paycheck. Continue to work on your culture. Think about what does it take for us to become the best place to work and figure that out. Talk to the employees, understand their why. Why is this job important to them and then approach them and talk to them in a way that makes them recognize that you value them and you want to help them achieve what that why is. One thing I always talk about with a client and a potential new client is if I had a focus group of five of your tenured employees, and I'm not talking all the top-rated ones, but an average mix of those five, what would they tell me are the key reasons why they stay here? What is it about this place? Why do they want to stay? Why would they want someone to join there and use that in your marketing efforts and your onboarding efforts?

So, there's a couple of things that we really encourage people to look at and one that I know goes underutilized the most is try to conduct exit interviews. Why is it that people who have chosen to voluntarily terminate, why are they leaving and try to get to the bottom of that and the root of that and what can you do differently to minimize that and are some common themes that come across. I think when you work with a staffing company, really look long and hard at your options about how you want to bring people on board. When we think about it,

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there's three buckets of types of clients. Those who are just long-term temp who for a variety of reasons cannot commit to a attempt to higher position. Then we have the second, which are temp to hire. They have a known opening and they're using this temp period to have that extended interview over 12 to 18 weeks.

And then we have a number of clients that are doing direct hire and they are saying, "Hey, you find me the person and I'll put them on my payroll from day one so they have access to benefits right away." That model goes a long way to being a big commitment by the company to the individual and helps you really move up the ladder about preferred companies to work with. So speak with your staffing partner on those options and ask them are there some creative solutions with how you can do that and offer that direct hire or if not direct hire, bring them on as a temp only for two to four or five weeks and then roll them over as a full-time employee. We have probably a handful of clients that do the accelerated conversions because they want people to stay and after you've invested that training, you don't want to see someone walk out the door because they're nervous that they won't be hired on at the end of the 14 or 18 week period.

Brad Smith: Steve, you just mentioned so many great points about the value of using a staffing and a workforce partner, and I think that flexibility is amazing. So you help people manage uncertainty, you help them create strategic workforce models that overcome some big challenges and with everything that's going on in our economy right now, with the dreaded recession word, companies need that flexibility and I love that you're offering that and you're working with your clients to figure out creative solutions.

Steve Romanelli: Absolutely, Brad. And I think at this point in time, and I've talked this honestly with every one of my clients, you need to have almost all of the above strategy for recruiting. Maybe they have their own job ads up on Indeed or CareerBuilder. They lean on me for staffing and in today's environment almost can't afford not to be using all of the above. So, my largest client, they do some direct hiring and I find them people that they want to perhaps direct hire. So, we work it out and have a great partnership because at the end of the day, if they've got my employees and their operation and they're happy, they're always going to think about me next time they have another need.

Brad Smith: And I'm assuming their organization so well, their culture, what they're looking for, what makes a great employee there that you can probably even make recommendations and say, "Hey, this person would be a great fit for direct hire?"

Steve Romanelli: Absolutely. That's what we call our most placeable candidates. When we sit down and interview my office, I tell my team to always think about where you could slot this person. If all of our clients had openings, what's the best fit? And if that happens to be Acme Manufacturing, but we don't have a job order today from Acme, get on the phone or call him and said, "I just spoke to Brad today,

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then you really need to meet him because he hits all these key things that in working with you over the years, I know are success criteria for great employees for you." Clients love that and that's the value in having a long-term relationship because the team learns your culture and your environment and are always on the lookout for the talent that you value.

Brad Smith: Now Steve, you mentioned the importance of effective onboarding, training, making sure people are comfortable, that includes temporary staff?

Steve Romanelli: Absolutely. And that's sometime where there's a bit of a rub and I think that's where you see turnover with a lot of temps. Often it's, "Hey, just send Johnny to the front door tomorrow at 6:00 AM and he'll sign in with a supervisor," and then they're immediately put on the floor. Well, if the supervisor is maybe not in that day or dealing with a bit of an issue in production, then one of the other employees may be taking them along and it's not quite that warm and welcome feel. So, we really encourage our clients to have, even if it's a half an hour, just an orientation about the company, what they value, what they see the opportunity is for someone who wants to work with them and reinforce for those clients that they want to hire people on and they want you to get access to benefits and vacation and retirement plans and everything else. And here's the partnership of what we need to see from you and what we can offer you as a partner to become a long-term employee with our company.

Brad Smith: Wonderful. Now Steve, you also mentioned that employees talk, so you might bring somebody in at a certain pay rate or they might talk about the culture or their boss or their supervisor. How important is it that companies know what's being said about them and really look to maintain a good employment brand?

Steve Romanelli: It's critically important. We have, I would say probably 10 to 15% of the candidates that we speak to will go ahead and look on Glassdoor and some of the other review sites to understand what do people say about that company. And we've had some honest discussions with several of our clients that said, "Hey, I know you, I know your environment, but boy, you seem to have an issue with look at these reviews and these feedback and you need to take action on it." And in some cases, not every company's perfect, not any person is perfect, but there might be some bad apples in the supervisor or lead ranks that only after continues to come out time after time, does the company realize we have an issue here and we're going to have to take action on that issue to have employees be wanting to stay, not wanting to leave because of perhaps a supervisor lead who may have been promoted beyond their capabilities.

Brad Smith: Yeah. I think employment brand is extremely important and for those listening, you need to make sure that what's being said about your organization. So, Steve, I want to commend you when looking at your staffing company, and if I do a search on local staffing companies in Northern Kentucky, you're at the top of search results and one of the reasons is you provide amazing service to people. You've got over 305 five-star reviews, your profile. I think the next

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closest staffing company in your market maybe has 150, maybe. That just didn't happen by chance though, did it?

Steve Romanelli: No, we've been working hard at that. We've been really asking people for feedback because as I tell any candidate in the office, I need to know what's working and what's not working with my team. And I may be able to help you in your job search with an actual position, but if I can't, I definitely want to give you advice and counsel to help guide you to achieve what you're looking for. So as an example, Brad, we have a lot of people who are looking for third shift traditional hours. And by traditional hours, I mean in my market that's 10:00 PM to 6:00 AM. I don't have any clients that have that. Well, let me say it differently. I have a couple clients, but their needs are usually on first and second, so I don't have that option.

And we probe while there are any other options around shift availability or whatever. And if I can't help them on that third shift thing, I'll point them in direction to here are the four, five or six different companies I know and maybe some are even staffing agencies that I know have a strong book of that traditional third shift, go talk to them and go ask them about Acme or X, Y, Z company or whatever. Because I know in the market, they have those shifts. I just don't happen to service them at this time.

Brad Smith: And I would imagine it's much easier for you to recruit for an organization that has a good employment brand high ratings than it is for a company that maybe is a three or lower.

Steve Romanelli: Absolutely. It makes it easier as well as competitive pay rates. We have a very strong client of ours and we just got through a very, very successful peak season with them and we had a very honest discussion in October that said, "Hey, come January, you've been in the market now about 18 months here and you haven't changed your pay rates off cities and off-peak. We won't be able to find anyone for you in January at the pay rates you've been at. The market has surpassed, you need to address that." And it was with the head of operations and head of HR from their corporate team that was in town and they acknowledged and said, "Yeah, we know we have to go to a different direction. We know we've lived out that usefulness of that pay rate and to be competitive, to get the talent in a great job, great environment."

It's one of my few climate-controlled facilities locally, they know and they're welcoming that feedback because they want to see what's going on in the market so they can be competitive. And being competitive doesn't mean you have to be at the highest pays, but the combination of pay, the amount of overtime you have perhaps available for people, the shift flexibility, and reputation in hiring people on, all those factors are what drive your employment brand with the labor talent pool.

Brad Smith: And that data is so beneficial and so powerful. If you're listening and you're sitting there wondering why people aren't applying to your jobs or why you

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can't fill these open positions, reach out to a PrideStaff office. It could be something as simple as adjusting your pay rate and making sure that that you're competitive, but you need access to that data to be strategic.

Steve, we mentioned earlier that we still have a talent shortage. We've got 11 million open job orders; unemployment is at historically low levels. We have seen a mass exodus of people from certain industries, hospitality and food service for example, has seen a mass exodus. Are you seeing that shift in your market and you think it's going to continue?

Steve Romanelli:

I do. I don't see how it's not going to continue. There's been a couple of discussions I've been having with several of my clients and the ones that seem to be doing the best are pursuing strategy along this line. The first one is let's take a lesson from Amazon. And what I mean by that is Amazon happens to be a big employer in our market. They have done a fantastic job of simplifying the tasks so that someone with limited experience could come into the warehouse and hit good productivity numbers as an order picker or as an order packer. They've narrowed the skills down required to be successful at that. So, if I use that as an analogy into an operation, the question is how can I reorganize the responsibilities? So, a newer person coming in, perhaps not with experience that I may like as a machine operator or an operator assistant, how can I bring them in and have them learn and master some of the key functions and disaggregate those more experienced skills out of that entry level position so I can continue to get the work done?

And it's going to force a re-shifting of roles and responsibilities a little bit so that you can take less talented skilled individuals and still move along your organization and fulfill the work you need to be done. Because many clients now are just looking to hire for reliability, work ethic, willingness to be trained, cultural fit, those things my best clients are figuring out, I could train them on anything else. Now I say that in a recognition that there's certain roles that proven skills are critically important. If you have a reach truck in a cold storage environment, moving pallet loads, that person must have reached truck experience. But even that client that I referenced there, they're bringing people in as entry level order pickers in the cold storage facility and they're seeing the ones that have the willingness to stick, the willingness to be coached and trained, and then they are starting to train them on the power equipment. They're not going to get on a reach truck in the first week, but over three to four months, they're starting to give them experience how to use a reach truck.

So, they're what we call the business, they're manufacturing your own talent because you're taking those entry level positions and you're slowly building up the skillset. So, I think companies are going to have to re-look at that a little bit and how they've traditionally divvied up their roles and responsibilities. So, you can bring in entry level folks, groom them, train them, and get them skilled in the right way to further expand their capabilities and further help you on your more sophisticated roles.

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Brad Smith: Wonderful. I love that concept of manufacturing your own talent. That's absolutely amazing and helps solve that talent shortage. Now I want to play the other side of the coin here. In recent headlines right now we're seeing tech companies laying off a lot of people. Some hiring managers might be sitting here thinking, "Boy, we've got historically low unemployment, but these tech companies are laying people off." I know that that's true and that there have been layoffs, but that's not really impacting a ton of other industries that you're seeing, is it?

Steve Romanelli: No, I'm really not. I think what you're seeing is a little bit of some pruning and trimming in some organizations that went perhaps a bit heavy. I know in the tech space, the whole advertising model is radically changing, which is what their revenue streams are really driven on, particularly Google and Facebook or two of the ones that have had a lot of reductions. But recognize it's also a fraction of what was added back after the COVID shutdowns. And as we mentioned earlier, there's still some 10 or 11 million open orders across the country. Talent is still in high demand and companies are still having a hard time hiring. So, what I'm seeing is companies being smarter and more deliberate on bringing talent in even though they're in a tight spot because they don't want to have to go through layoffs because talk about branding and your employment brand, you don't want to face that if you're going to avoid it.

The one area I'm seeing a massive change going on, Brad is the E-commerce space, and my market is by the Cincinnati International Airport. We have a massive Amazon presence with their prime air headquartered here, plus we reach two-thirds of the country within about 500 miles. So, we are a prime distribution location for a lot of E-commerce. I'm seeing many, many changes in the network of E-commerce, third party logistics companies that are out there. I'm seeing some of them disappear. I'm seeing companies rethinking their strategy on that and rather than do it themselves, they're turning it over at the third-party logistic firm. So, they don't have that fixed cost in their operation, but they can be more variable in the cost for that.

So, I think that's going to continue to shake out because I think buying patterns are still changing, driven by the Amazon model as well as others. So, there's a bit of a change, but I don't think that those layoffs are going to have significant benefit to the market that I'm in, for sure.

Brad Smith: So, Steve, one other thing that we're hearing in the media is talk about a potential downturn, potential recession. If we do go deeper down that path and we do see inflation continue to increase and we do go into a recession, do you see the market shifting even more?

Steve Romanelli: I think by segment it'll vary. I think the consumer facing companies will definitely have an impact. I still believe the industrial companies' business to business will be less impacted. We have in our market and a lot of auto parts suppliers; we have suppliers to aerospace and defense industry. And if you think of all the investments in funding products that are going over to Ukraine on the

defense side for example, that has to be replenished in our own supplies eventually over time. So, I think the business to business is going to be fine. I think you may see some softness in the consumer segments, but even then, it's not like 11 million jobs are going to disappear and therefore there's going to be no openings across the country. I just think each market will be a little bit different and there may be some opportunities for some segments to pick up some good talent being shed in some places and others not.

As an example, there's a one company here and those of you who have Amazon in your market, which you may want to think about this, Amazon brings with it not just itself, but a lot of ancillary companies that come along line to help the Amazon structure. And there's a big one in my market called iHerb.com, which really does much of the fulfillment of beauty care and healthcare products for Amazon. Well, they've been around about six or seven years. They cut about 40% of their staff back in March of 2022 because much of their shipments surprise go to Eastern Europe. And with the Ukraine, Russia situation, that whole supply chain was greatly impacted. And they have not brought all those people back because I've had some great warehouse shipping receiving personnel and others who came on the market because of the reduction that I heard. So small little example of how some segments are going to be impacted. But in my market, we still have a total shortage just because I heard put maybe 80 or a hundred people on the street didn't impact the total demands in my market.

Brad Smith: So, you mentioned that example, you also mentioned earlier third-party logistics companies and some organizations outsourcing that. So, for companies that are looking at eliminating risk, maybe reducing overhead and managing that uncertainty, those are things that you can help with?

Steve Romanelli: Absolutely. It's something we do every day. We are talking to companies that always trying to proactively have on our bench, people identified that could fill those traditional roles that client needs. We're always recruiting. I mean in the course of a week; we'll interview 20 different people at least do phone screens with probably another 30. So, we're always looking at and understanding what's available in the market and the ones that are the strongest candidates, we are on the phone instantly reaching out to four or five different clients saying, "Just get off the phone with Brad. He's now available. Situation had to change at Acme company. He needed to move to a different shift. They couldn't accommodate. He's got this great experience. When do you want to meet him?" That's the role that a staffing partner can provide for you. Always benchmarking, always consulting and always recruiting.

Brad Smith: Steve, final topic for you. We've heard the term quiet quitting a lot in the news and in the media recently. What are you seeing?

Steve Romanelli: I see very similar themes that you see in the national news. I don't quite figure out how some people are able to survive not working. There clearly are, and being in business now or coming upon our 12th year, there are names I

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remember that first came across our desk the first year we had opened. And I sometimes feel like Rain Man because I have the ability to remember names and faces and you're like, "Guess who popped up? He called in today. We haven't heard from him in two or three years. Well, what's he been doing for two or three years?" And there are people who disappear and I don't know if they're out driving for Uber, maybe they're doing under the table work for a construction company and they reach back out to us in November. It's almost like clockwork.

So there definitely is a huge shift in what's going on. There clearly is a bunch of quitting. There is the lack of engagement that people see in the workforce. That's changed a lot. Employers are very much facing a situation where candidates are expecting higher pay. I mean, I'm getting phone calls now from candidates who maybe have six months experience and they're asking for \$20 an hour in the warehouse and I'm like limited options. The ones that are paying that rate, you have to have a little more experience than general pick pack work. I've got some jobs more at 16 or 1650 or 17. Well, I'm going to call around and I'll get back in touch with you. So there really is a little bit of that and you've got to figure out a way to try to understand why people are working and how this potential job opportunity at Acme as my example, could lead to being hired on a higher pay progression.

Gee, the supervisor there started as a temp through us five years ago. Looking at them now, leading part of the operation on first shift. Painting those pictures is the best way that we have to try to get engagement and try to overcome some of that quiet quitting that's happening. But it's real. It's absolutely real out there and it's got to turn around at some point because I think most of the supplemental funding through COVID and some of the other government programs, I believe that is almost over. So, the hard fact of paying bills is going to be something that starts to hit some folks

Brad Smith:

And painting those pictures and showing the success stories of an employee that progressed through your organization and got promotions and is at a different pay scale right now, I think is a great way to improve that employment brand for your organization. So, look for those stories, showcase those employees, make them case studies and encourage the rest of your team to follow in their footpath. Thank you so much for your insight today. This was very beneficial for myself and all of those listening. For companies that are struggling with high turnover right now, any closing words of wisdom?

Steve Romanelli:

Yes, I think the first thing you need to do is take an assessment of where do we really stand? And I would start with a salary assessment and we are where we are for whatever reason, but do we know how competitive we are in the market? You can reach out to your PrideStaff office, help them run that like cast report, free to get a better feel for it. And also look at Indeed and CareerBuilder and perhaps in your market there's a Facebook jobs page for your community. There's so much information available there to really help you understand

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where do we stand competitively? You may not be able to solve everything financially in terms of pay rates, but know where you are.

The second thing is you need to look at, I think at your company culture and your employment brand. Go look at Glassdoor and some of the other job review sites to get a feel for what are our employees saying about us out there in the market. Look at how do we do our onboarding and training. And I'm not suggesting you have a 10-day onboarding class, but are we doing enough to make people feel welcomed and understand the career opportunity we have for them?

Make sure people know you have a career path, what that could look like and what the opportunity is if they were to stick with you, grow and groom their skills to become a higher value add. The next point I would say is make sure you talk to candidates. I have so many candidates who get frustrated because, they're just throwing more work at me and I'm not getting paid more. And they don't understand the why behind why you said, "You've been a great order picker, but you know what? I'd like you to learn packing." And the reason why is I hope you can become a lead in the fulfillment part of our operation. We see your attendance, we see your positivity, we see your strong results. We want to invest in you. Instead, the candidate doesn't know and is like, "They don't like me. They took me out of the job I loved and they put me in another area that I just don't feel comfortable with." Not understanding the opportunity for career progression.

And lastly, you're going to have to have a flexible work workforce model and think about how can you use temp staffing through an agency to help you as a strategic tool. Flexibility is key. They provide great flexibility with different models for how they onboard people and how people bring into your organization. But recognize too, that you may need to do some more direct hiring for critical roles to find the best talent available to fill those roles. So, I think it's an all the above strategy, but it'll help you tremendously because then you're not sitting there with back orders and missing shipments because you don't have the staff you need to deliver the bagels.

Brad Smith: And one final tip I'd like to add, Steve, is realize that you don't have to do this on your own. If you're struggling with recruiting, if you're struggling with high turnover, understand that there are companies out there that focus on this like PrideStaff. Visit pridestaff.com, get access to those reports.

Steve Romanelli: One last thing you mentioned, Brad, that triggered something that I forgot to mention. As you understand your market environment, understand the talent. In my market, we have a very strong Hispanic immigrant population. So, I worked with several of my clients and said, "Look, I don't see that population disappearing. So, have you considered investing in bilingual supervisors? Because if 40% of the available talent pool are heavy Hispanic speakers that have limited English, can you bring some of that talent in by having the right support structure for them or not?" Otherwise, you're missing an opportunity

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out of what the total pool of talent is available. And I've got three or four clients that have invested in that and that's helped them tremendously. And for a whole host of reasons, a number of those clients are preferred employers by the Hispanic community. And I have Hispanic speakers coming in all the time knowing that I have places where they can go even though they're not comfortable that they have depth of English that they might know they need long term, but now they can get a job where they can get to support with a bilingual supervisor.

Brad Smith: And Steve, thank you so much for that example because that is a perfect illustration of why you want a true partner, somebody like PrideStaff that understands the market, that can get creative, that can look at strategies or look at what other employers in the market are doing to attract the talent that you need and help you develop solutions to get people in the door and drive productivity in your organization. So, visit pridestaff.com, talk to a local PrideStaff office and they can help you come up with creative solutions like Steve just mentioned. Steve, again, thank you so much for your time. We greatly appreciate it.

Steve Romanelli: Thank you, Brad. You all have a great day.

Brad Smith: Thank you all so much for listening. Take care.

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.