



## SERIES EPISODE 1

### Job Candidate Expectations: What's Changed and How to Adapt

- 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 to Strategic Insights from PrideStaff. I'm your host, Brad Smith, and I'm excited today. We're going to have part one of our two-part series on the current job market. In this series, I speak with Daan Rensson, owner and strategic partner of PrideStaff's Thousand Oaks office in California. Daan, thank you so much for joining us for the series.
- Daan Renssen:** It's always a pleasure, Brad. Thank you for having me.
- Brad Smith:** So Daan, in part one, I really want to focus on the current job market, what we're seeing. You and I both know, there's been some massive changes over the last few years. We had to deal with COVID, and then coming out of that, we've had a huge increase in retirements.
- We've seen a decline in labor participation rates. We have lower population growth; we have less people entering the workforce. We have hiring managers that are frustrated. What have you seen specifically in your area, and how are you adapting?
- Daan Renssen:** I think everything is said is correct that there was an expectation that the gap between number of jobs and number of applicants would get smaller. I think everybody should realize that a lot of these trends were happening before COVID even started. Those are fundamental changes in the job market.
- So as a staffing company owner, I tell my clients that this will be the new normal, that there will be a lot more jobs than we have actual candidates, and it means that we have to live with the fact that it will be hard for now and the time being to find motivated qualifying candidates. It also means that it is a candidate market in many ways. So, the candidates have a choice where they want to work, and that is sometimes for some clients hard to understand as well.

So, we're doing a lot of education towards our clients where we tell them, explain first of all why the gap is there, why the gap is remaining there, will be there for the time being and what the changes are towards hiring and retaining good talent.

Brad Smith:

I'm glad that you mentioned, Daan, at the beginning that this started well before COVID. I think sometimes we use COVID as a scapegoat, and we think to ourselves, "All right, we're starting to rebound, we're going to rebound and we're going to see this growth." But the truth of the matter is there's demographic drought.

If you look [PrideStaff.com](https://www.pridestaff.com) and look at our resources section and download the *Sansdemie Whitepaper*, there is simply a lack of talent. As Daan mentioned, it's not going anywhere. So, we can either sit back and hope that things just magically rebound, not a great strategy, or we can come up with a strategy that actually works.

So Daan, if you don't mind, so we're not going to use COVID as a scapegoat, but things have changed a little bit since then. What have you seen most recently?

Daan Renssen:

Let me take on first to what you just said is that I think that's one trend which is reversing, that there were a lot of women, unfortunately, were forced out of the labor force because during COVID there was no childcare. So, a lot of childcares is coming online again and basically is available.

So, we said there were a lot of women leaving the workforce and they're coming back. I think that's one of the few trends that is reversing after COVID. What we have seen after that is I think a lot of people used COVID as well to reevaluate what they want to do in their life and what career they're going after.

It also highlights some areas in categories in employment, where people are realizing that this might not be a long-term career path or it's no value in what they do, or then they realize that with their skillset they can easily transfer to another category where they make a lot more money and have a better career.

Some examples are, and these are all examples of job categories that are typically entry level wage. So minimum wage, just three that come to mind is childcare. So basically, a lot of childcare centers are minimum wage jobs. It's hard. It's a really hard, demanding job. People choose to go into education, for instance, instead of childcare.

We're seeing a lot of hospitality jobs, where unfortunately a lot of people realize that the moment COVID hit, they were being let go and they feel underappreciated. And also, we all know that hospitality is long hours, irregular hours and at-call hours. So, a lot of people there realize that there is better career path than hospitality, and hospitality has a particular problem.

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What we're seeing specifically, even though construction is not one of the categories we're active in, is that let's say a lot of back of the house line cooks decided that it's more lucrative to go into construction, for instance. Then the last category I want to highlight is that a lot of home healthcare, let's say senior care, that is a typical entry level job as well.

People, they're doing 12-hour shifts for a minimum wage, and people are not seeing that as a long-term viable career option. That's more the bigger picture. What we've seen coming out of COVID, I think that was a big shift in what kind of categories were active again coming out of COVID.

To take an example, in the heat of COVID, we saw that warehouse jobs and entry level manufacturing jobs were the first ones to come back. A lot of these companies were deemed, I forget the term. They basically-

Brad Smith: Deemed essential.

Daan Renssen: Correct, they were essential. They were allowed to open up again early. There was a lot of warehouses that had stocked that basically was waiting to be shipped, and the moment they were allowed to start opening up and shipping again, they were desperate to find good people to staff their warehouses.

So that was the first category to come back. I forgot what it was, probably end of '21ish. And then from there onwards, you saw more and more manufacturing categories coming back. And of course, when the whole essential/nonessential was let go, a lot of manufacturing came back very, very strong.

We're still seeing the markets in typical admin jobs are still very weak. What we're seeing is we're in an area where particularly there are a lot of law firms and CPA firms, and what we're hearing is feedback is that a lot of typical admin jobs in those companies are no longer there. It's very simple. I think a lot of higher-level CPAs and lawyers realize that they don't need a personal admin to plan their calendar, their expense reports and their trips.

Nowadays, there are plenty of good tools that make it as efficient for them to do it as well. A lot of these companies are working remote or hybrid, and they don't have a need for executive admins and admins. So that whole category is very slow. We still see that category not as strong as it was before COVID, so yes.

Brad Smith: So, if I'm hearing this correctly, we've got this demographic drought, we have less people in the workforce. However, there's a lot of people that have shifted. They're going into other industries, other careers. So, there is the potential to get highly skilled people, maybe not people that have the exact skills that you're looking for, but highly motivated and highly skilled people to look at and consider your job opportunities.

How does a company need to adapt or change now to sell those candidates on opportunities? Is there something that they need to do different to recruit those people in?

Daan Renssen:

Well, if you put one and two together, if you realize that it's a candidate's market, so companies have to work harder to find good candidates. I think companies also need to realize that the days where you have a very narrow and well-defined job description where you say, "A person needs to have this and this and this and this education, this certification to be a good fit for this job," that is a very narrow and very niche job description.

We're telling a lot of our clients that they really need to look at transferable skills. They really need to look at candidates that maybe are on the junior side of a requirement or a qualification but can be trained on the job. In many manufacturing jobs, that is I think already the culture where you take a junior person and what do you call it, an internship or another setup where you basically take a person, and they learn the skills on the job.

I think more office jobs, that's still a new concept. A lot of people tend to ask for the perfect candidate, and I tell a lot of our clients that that's maybe not the right strategy. It's better to catch a wider net and try to find candidates that might be suboptimal, but that you can train and form towards to be a good fit with your company.

Another way of looking at it, Brad, is that a lot of younger candidates really want to see some kind of growth and career growth path in a role, if you hired the perfect candidate, that candidate will be pretty much done and not be able to grow further in that particular role.

In a way, to keep turnover lower and keep people longer in a role, so retaining a good candidate, it actually makes sense to get them a little bit below what you expect, train them up to the level where you want to be, enjoy three or four or five good years of this candidate before they move on to the next job.

Brad Smith:

That's interesting. So, looking at transferable skills, looking at hiring below so that you have more opportunity to train. Also, they probably don't bring in as many bad habits from previous positions. When you look at selling the position, when you look at selling your company or selling the industry and getting people to understand that their skills are transferable, how do you go about that? How do you have that conversation?

Daan Renssen:

Just a bit of context. We specialize in aerospace manufacturing jobs, part of our specializations, and it's increasingly important to sell a job more than just what the people will do. So, let's take one example. Benefits are getting more and more important. So, where benefit used to be like a footnote in a job description, benefits are now at the top of the job description.

A lot of people, they consider 401k, health, vision, dental, and PTO as the core, the base, base, base core. They're really looking for companies that are offering more on top of that. It doesn't always have to be expensive. It can be something like, "We do taco Tuesday." Or, "We offer free lunch on Fridays." Or, "We offer maybe pet at work days." It can be a lot of softer values that you can offer as a benefit and that's becoming a major selling point for a lot of clients.

Another thing to look at is people want to align with the values and the values of the company. So, they want to work for a company they can get behind also what they stand for. So, I think in the older days where companies did whatever take to be remain neutral in many national discussions, I think a younger candidate category is looking for clients and looking for employers that actually take a stance and dare to make a decision, dare to take a stance.

Brad Smith:

That's interesting. So, there's so many variables at play and you have to make sure that you're recruiting people that align with your values. You need to make sure that you are looking at social causes and aware of what your entire staff and new people coming in are passionate about.

Now, I know one thing that you didn't mention, but it's always at the forefront of hiring and recruiting discussions is salary. Over the last few years, we've seen salaries begin to increase. How do companies go about that? How do they determine if their salary is on par? How do they determine if they're going to be able to recruit the talent that they need at the pay level that they're offering?

Daan Renssen:

Well, I mean, that's where a company like PrideStaff can be resourced. I think with the experience we have and just the breadth of clients that we have, it's one of the most frequent questions we get. Like, "I want to hire at this position. What do you think the range should be?" Sometimes it comes as a shock what the range is these days.

When again, coming back to the fact that it's a candidate's market, so people will and do leave jobs because they can make more money somewhere else. It's important to be competitive in salary, because again, in a candidate's market, if you want to get the quality of talent that you're looking for, if you want to limit and lower your turnover and have a rotating door of candidates, you need to be competitive in salary.

All I want to say is that it is not just about salary, it's also about a lot of work environment values, benefits. A lot of people are looking for a place where they feel comfortable and realize they spent eight hours of their day at their work location. They better have a comfortable good time there. It's another thing to realize is that a younger generation won't have a job for life.

So, another thing I like to discuss with our clients is that what they consider job hopping is the new normal. If you get three to five years out of a candidate, that's a pretty good run. So, I think it's a mindset change that the lot people

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have to make, that it is no longer the norm that people work 10 years, eight years, in a particular job. If they do, good for you. There are definite companies that still have that low turnover, but it's becoming increasingly normal that people switch jobs between three and five years.

And again, coming back to the salary discussion, Brad, is that if you take a step back, more and more organizations are getting flatter and flatter. So that means you have an executive level, a mid-level, and an entry level job in that particular organization. The old way of making promotions where you just gradually go through the layers in organization is no longer there.

For a lot of people to actually get a financial promotion is to change jobs, and I think that's a realization that a lot of people don't have is that there is no other way to increase the salary then to switch jobs for a lot of people. And that's a new normal as well.

Brad Smith:

I'm glad you brought that up, because we do have to get over that cliché of job hopping. Because to your point, if we can get three years, if we can get four years, out of great talent and we have a plan for them across those three to four years, and then we backfill those positions, that's a great opportunity for us to make sure that retention and turnover doesn't impact our organization.

We have a plan in place and we have some great talent. We go into it knowing that they're going to possibly transition after those three to four years, and we proactively plan for that to happen. I think that's where a workforce partner that really knows your organization can help as well and constantly be on the lookout for the types of talent that you really need to drive your business.

Daan, the last point that I want to touch on is something that you brought up earlier and I want to revisit it. It's around employer branding. So, we've seen in just about any market that there's some employers that are just sought after, people really want to work at those organizations, and there's others that just battle turnover, that aren't seen as a great place to work, aren't seen as having those benefits.

How important is it when you work with your clients that they have a strong employer brand and people are saying nice things about them online?

Daan Renssen:

It's super important. I'll think, I don't have the numbers here at hand, but it's definitely that we've seen a major shift where people are checking online sources, and it's anything from Glassdoor to LinkedIn to YouTube to TikTok to see what the brand perception of the brand is or what are the values that a company has and stands for.

We have more and more candidates that basically say, "Well, I'm a specialist in this and this and this." And we ask them, "What are the companies you like to

work for?" And they give you almost a negative selection, "I would love to work for these and these companies. I don't want to work for those companies."

So, I think the questions for the listeners are, if I am a company that is not the most preferred company, how can I change that? I think it's realistic to say that's a long-term process. I mean, with any review-based value system, it takes many years sometimes to change an image and change their position. But I think the step one is to accept that most candidates will check you out. Most candidates will go to your website.

They'll have a judgment and a value judgment on your company based on your social media or online presence. So, it starts make sure that your website is up-to-date. If anybody who checks a website and sees that the latest blog is five years old, they know it's an old website. Realize that the way you value your employees, the way you create a work environment is it's very top-down. If it is very tasked driven, a top-down, I think that's a work environment that less and less appealing to a lot of people.

So, it's a combination of internal culture change, public perception, and a company like PrideStaff can help improve that. We cannot make the major change. We can definitely share best practices and show how it can be done and show some companies that are in the same field that maybe are leading the way or are best of class.

Brad Smith:

I love that. I want to commend you, Daan. I know that you have taken this to heart in your own organization. Before our call today did a little bit of research and when you look at staffing and recruiting companies in Thousand Oaks, you are by far and away have the best employment brand in your space in the market.

You've got 124 reviews. You've got either a 4.7 or 4.8 out of five-star rating. The next companies on the list had 53 reviews, eight reviews and four reviews. If you think about that, what organization would you want to work with yours, because you've invested in that brand. I can imagine that that's helped you on the recruiting front.

Daan Renssen:

If I look purely internally, yes. So, thank you first of all, Brad, for recognizing that, and we've worked hard to get there and it's a continuous, it's never done. Like every single transaction either towards a client and a candidate can take the ranking up or down. So, we realize every single day that we're working hard to keep that momentum going and keep the image going and that perception going. So, thank you for recognizing that we are very proud of having that position in the local market.

Brad Smith:

For those that are listening, I would encourage you as a first step just to take an internal inventory, look at what people are saying about your organization online, see if you agree with everything, see if there's anything that really stands

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out or any themes that you can work on and incorporate that into your service process, into your internal processes. Mix that into training and see what you can do to improve your overall employment brand image.

Daan, thank you so much for your time today. I really appreciate it. In part two of our series, Daan and I will talk about the candidate experience and what companies need to do in order to recruit and hire top talent from Gen Z. So again, Daan, thank you so much for your time and insight today. We really appreciate it.

Daan Renssen: It was a pleasure. Thank you for having me.

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.