

Presented by Bandal Consulting LLC

ATTRACTION & RETENTION

QUARTERLY NEWSLETTER

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Labor Market to Cool in 2024 but Remain Competitive

Attraction and retention remained a challenge in 2023 as organizations across industries struggled to find and keep talented workers. According to Zywave's 2023 Attraction and Retention Employer Pulse Survey, more than 60% of respondents said attraction and retention was a top-five business challenge. However, this was a decrease from 80% of respondents in 2022. Although the competition to win over talent may ease compared to what employers have experienced since the beginning of the COVID-19 pandemic, labor markets are expected to remain competitive in 2024.

Employers should understand how the market is shifting this year while focusing on new strategies to attract and retain talent. The talent market has been historically challenging for employers since the onset of the pandemic. According to the U.S. Bureau of Labor Statistics (BLS), the total number of employee quits and job openings reached record highs in late 2021 and early 2022. Although 2023 reports show open jobs and employee quits are trending down from all-time highs, they are still averaging higher than pre-pandemic levels. This highlights the ever-changing and competitive nature of the labor market, though the market is expected to cool down.

Zywave's survey found that the majority of employers (66%) expect attraction and retention challenges to "stay about the same" in 2024, while 15% expect them to improve. Attracting new employees is anticipated to be more difficult than retaining existing ones in 2024 as more workers decide to stay put rather than test the labor market. In summary, employers can expect the labor market to moderate—but should not expect talent

challenges to go away. While the labor market isn't likely to present the same challenge as in previous years, employers will need to stay agile and adaptive. Labor and talent trends that are expected to shape the employment market in 2024 include greater compensation, skills-based hiring, artificial intelligence in recruiting, voluntary benefits, the "Great Gloom" and Generation Z's growing presence in the workforce.

Employer Takeaway

Recent labor reports indicate that the job market is shifting in favor of employers. In 2024, employers can expect evolving trends, such as continued demand for compensation, return-to-work mandates and the need to find workers with the right skills, to pose significant challenges. Savvy employers will continue to monitor these trends, informing their talent strategies in an evolving labor market.



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Winter Attraction and Retention Tips

Recruiting often slows during the winter months—especially after the winter holidays. However, winter is also when many job candidates set goals and plan for the coming year. This may include searching for new jobs and opportunities.

Simultaneously, employers may notice decreased workplace productivity and morale associated with the cold, dark weather and stress of the holidays and winter months. Left unaddressed, a winter slump can negatively impact employee satisfaction and retention, leading to increased turnover rates and other employment challenges. Savvy employers can use winter employment challenges as opportunities to attract talented job candidates and reenergize the workforce.

Winter Attraction Tips

Many individuals have more free time around the holidays and in the absence of warm-weather activities. This provides an opportunity for employers to boost their recruiting efforts at a time when potential candidates have more free time and lenient schedules. Employers can consider the following strategies to improve winter attraction:

- Ramp up social media efforts.
- Launch an employee referral program.
- Build a talent pipeline to take advantage of the reduced hiring competition.
- Recruit college or university students who graduated during the 2023 fall semester or prepare for spring 2024 graduation.
- Use employment websites to improve branding and candidate outreach.
- Be quick and transparent with all candidate communications.

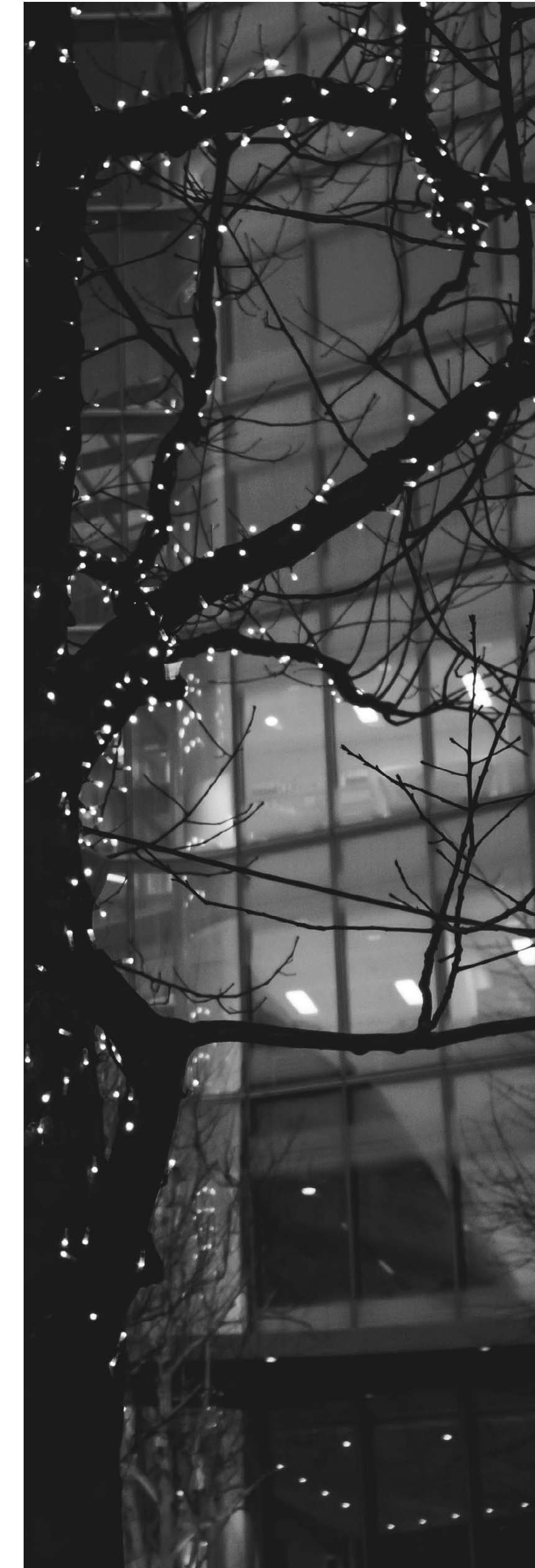
Winter Retention Tips

During the winter, employees are often less socially and physically active. Additionally, many individuals experience a post-holiday slump, which refers to a period of mental fatigue or depression due to the emotional, financial and physical stress of the holiday season. These factors can negatively impact employees' mental health and workplace performance, contributing to employee burnout and high turnover. Employers can consider the following practices to boost employee engagement and retention during the winter months:

- Recognize and reward employees for good work and accomplishments.
- Encourage goal-setting at the team, department and individual level.
- Train employees to ensure they're well-equipped to handle their workplace responsibilities.
- Host active work breaks, such as 10-minute stretching or exercise options around the office.
- Offer employees flexibility on days of severe winter weather.
- Check in with employees on a personal and professional level.
- Celebrate and encourage employees' personal successes (e.g., birthdays and weddings).
- Encourage employees to take work breaks together.
- Encourage employees to take paid time off.

Employers who adopt a proactive approach to attraction and retention during the winter months can combat employment challenges that might otherwise contribute to low morale, decreased productivity and high turnover rates.

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Early-career and Entry-level Development Programs

Investing in early-career and entry-level development programs has become a strategic initiative for many organizations, particularly those in industries where innovation is paramount. According to Glassdoor's 2024 Workplace Trends report, Generation Z workers will soon overtake baby boomers as a majority of the full-time workforce. The newest members of the workforce are eager for personal growth and learning opportunities. Employee development programs provide a structured path for skill enhancement and can serve as an attractive proposition for ambitious young professionals seeking growth opportunities.

The following programs can help guide aspiring professionals toward a future of continuous learning and achievement:

- **Mentorship programs** connect entry-level employees with seasoned professionals within the organization. These programs can help transfer knowledge, skills and industry insights, creating a supportive environment for personal and professional growth by providing a structured framework for communication and learning.
- **Rotational development programs** expose entry-level talent to different roles within the organization. This allows younger workers to gain a holistic understanding of the company's operations and discover areas where their skills and interests align best.
- **Leadership development programs** identify and nurture potential leaders within entry-level ranks. By investing in leadership skills early on, organizations ensure a pipeline of capable individuals ready to take on higher responsibilities as they progress in their careers. Training topics may include strategic thinking, decision-making and interpersonal skills.

- **Internship programs** serve as a bridge between academic learning and practical work experience, allowing employers to identify and assess potential future full-time employees. Employers can build a talent pipeline, assess candidates' capabilities firsthand and provide interns with an opportunity to apply their knowledge in real-world scenarios.

Employer Takeaways

Early-career and entry-level development programs can provide meaningful work and growth opportunities for workers looking to develop their skills further and advance their careers. These programs not only equip employees with the skills needed for success but also create a positive and forward-thinking company culture. By showcasing these initiatives in recruitment efforts, organizations can position themselves as employers of choice for ambitious and growth-oriented individuals, ensuring a bright and talented workforce for years to come.



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WORKPLACE OUTLOOK

The BLS surveys businesses and government agencies each month and publishes the data from the findings the following month. This information offers a snapshot of the country’s employment health and growth. Below is the data for November 2023, the most recent month available.

Unemployment rate*:



Primary job gains:

Health care, government employment, leisure and hospitality, manufacturing and social assistance.

Health care:

+77,000

Leisure and hospitality:

+28,000

Total nonfarm** payroll employment:

+199,000

Government employment:

+49,000

Social assistance:

+16,000

*The BLS does not count furloughed individuals as “unemployed.”
**Nonfarm: This category refers to goods, construction and manufacturing companies in the United States. Data in this category excludes farm workers, private employees and nonprofit organizations.
Source: Bureau of Labor Statistics



WORKPLACE
OUTLOOK

