

Attracting and retaining talent in a competitive job market

The U.S. economy added 224,000 in June, continuing the longest streak of consecutive months with positive job growth in history. Unemployment is at levels not seen in decades. At the same time, the number of people who are quitting or changing jobs has increased slightly since the start of the economic expansion in 2010, but that number has not kept pace with the amount of new job openings. For many positions, there are more job openings than people available.

That means that employers are faced with trying to hire talented people in a tight labor market. In order to hire and retain talented people, employers must work harder and think strategically. They have to understand the current environment, including the way younger generations approach work and the job market.

Create positive culture

Recently, Glassdoor, the job-rating platform, surveyed 5,000 workers in the United States, Germany and the UK. Researchers found that while high pay is an important part of attracting and retaining employees, company culture is the top reason for an employee to join or stay with a company. The survey found that 79% of prospective hires consider a company's culture before applying for a job, and 65% said culture is the main reason for staying at a job.

Culture and company values are especially important for millennial workers. They consistently regard company culture as being more important than older generations of workers. Agility, collaboration, diversity, innovation, integrity and respect were some of the most commonly cited values that people sought within a company.

"Across the countries we surveyed, it's clear that job seekers are seeking more meaningful workplace experiences," said [Christian Sutherland-Wong](#), Glassdoor president and COO. "Job seekers want to be paid fairly, but they too want to work for a company whose values align with their own and whose mission they can fully get behind."

A company should emphasize its values during a job interview and let the potential employee know the values that are important to the organization. An organization must find ways to differentiate itself in a tight labor market. The same is true for current employees. Companies must foster a positive work culture and encourage employee involvement in the creation of that culture.

Maintain work-life balance

A proper work-life balance is important for many people, but a recent survey found that only 66% believe they have achieved the proper work-life balance. In the current era, people want greater control of their time and life than previous generations. Some employees are willing to take lower compensation to work less and spend more time with family and friends.

Studies have shown that employees are more productive when they achieve the proper work-life balance. A company should promote its value of maintaining work-life balance when attracting and retaining employees. The idea can be discussed during interviews, and managers need to encourage employees to maintain selfcare.

Ways to promote work-life balance:

- Offer personal days in vacation packages
- Provide paid maternity and paternity leaves
- Pay for continuing education classes
- Allow part-time telecommuting
- Offer a flexible work schedules
- Provide a gym membership as compensation
- Pay for childcare services
- Encourage volunteering

Create a well-rounded compensation package

In a competitive workplace environment, employers must offer holistic compensation packages. Gone are the days of two-weeks of vacation a year. Now, many employers offered either paid-time-off or unlimited vacation. This gives employees more flexibility and a better chance of maintaining work-life balance.

For many start-ups, stock options need to be part of the compensation package. People are willing to work harder if they know that there is the chance of a huge payout at the end. Stocks can be accrued the longer an employee works for the company.

Bonus compensation can also be an option. Employees can be given a bonus if the company meets certain performance goals. A company can tell potential recruits about the bonus and let them know if a large bonus was awarded the previous year.

In the end, a company has to provide the type of compensation that employees' desire. A company does not want to offer something that employees see no real benefit. The goal is the make compensation an asset of working for the company.

Give workers advancement opportunities

Employees want to know that they are valued members of the team. Company officials and managers have to present advancement opportunities. Often, people will change jobs if they do not see the potential for advancement opportunities, but they also change jobs to receive greater compensation and a stronger cultural fit. According a report from ADP, full-time workers who switched jobs saw a 1% larger increase in pay when compared to those who did not switch jobs.

A company might identify some top talent and create a leadership program. The top talent could be recruited into the program and opportunities could be created for them to advance. A company must find ways to retain and advance talented people.

Match a job with a person's talents and interests

Employees want to be challenged but also allowed to follow their dreams and interests. If an employee has a natural curiosity in something or shows talent in an area, let him or her follow it. Employees are more likely to join or stay with a company when their natural abilities and interests are fostered. Something that starts as a side passion project within an organization could lead to larger things. Some of the wildest ideas become successful when allowed to foster and grow. One never knows where a little innovation and curiosity will lead.

Encourage learning and development

Business and technology are changing rapidly. Companies must invest in their employees to let them grow and develop. Conferences and online seminars are excellent places for employees to advance their careers and expand their knowledge. A few hundred dollars goes a long way toward making an employee feel appreciated. Plus, in the end, the employee can use the new skills to advance the company's success, as well as their own. It's a win-win situation.