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LENGTHY SHORTAGES

Experts convened by NJBIZ urge employers to overhaul their approach to work and hiring

BY DANIEL J. MUNOZ
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New Jersey employers should not expect the hiring shortage to end soon, and employees will likely have leverage for quite some time.

That assessment came from a group of experts gathered for a Nov. 30 NJBIZ panel discussion titled The Great Resignation: Recruit & Retain, which covered a variety of issues related to hiring in a difficult environment.

The worries come amid nationwide hiring shortages which threaten to place the retail, leisure, entertainment and hospitality sectors in major crunches during the high-demand holiday season. And their woes are worsened by global shipping delays and new uncertainties surrounding the omicron COVID-19 variant.

“We don’t see this as a temporary situation,” said Manisha Subramanian, the owner and strategic partner at the Edison recruiting firm PrideStaff & G.A. Rogers.

While COVID-19 had not been the “primary culprit of the hiring shortage” – the exact causes have been debated in academic, political and business circles – the hiring shortages will nonetheless “continue for the foreseeable future,” she said.

Initial expectations in the spring and early summer were that once the federal \$300 weekly supplemental unemployment

relief ended in early September, many people would simply return to the office, or to their retail, restaurant or hospitality jobs. But the effect was muted at best.

Things like “people opening up their own businesses or the remote work environment ... is making a little bit more of a challenge” for employers, explained David Pearson, a senior vice president at the Woodbridge human resources firm ExtensisHR.

A recent survey by the New Jersey Business & Industry Association found that 3 in 4 employers – 73% – have faced hiring shortages over the past year. Many reluctantly raised wages to attract workers. A majority of respondents – 57% – said some prospective workers simply did not show up for their interviews.

The talent pool shortages existed before the pandemic – particularly among technical and mid-level employees – but to a lesser degree, said Lynn Spence, a senior executive for human resources at the engineering consulting firm T&M Associates.

But now “we’re investing a lot more time and energy” which is “not always resulting in the hire,” Spence said.

Businesses warned over the summer that the shortages could be an obstacle to their recovery, especially during the lucrative tourism season which generates in billions of dollars for areas such as the Jersey Shore.

Preliminary figures from the New Jersey

Division of Travel and Tourism show that while hotel revenue this summer was up 74.8% from the summer 2020, it was 14.4% lower than in the summer of 2019.

Some short-term fixes have been proposed. In October, Gov. Phil Murphy rolled out a \$10 million pilot program which provides state subsidies for \$500 hiring bonuses, and up to \$40,000 of training wages for businesses hiring a worker entering a new industry. Many businesses NJBIZ interviewed reacted tepidly toward the program.

The NJBIZ panelists suggested that employers will have to work harder and adopt tactics that might have seemed unthinkable before the pandemic.

Some are obvious. Base pay is important and “you want to be competitive there,” Pearson added. But benefits – paid time off, holidays and health care – should be high-quality.

Smaller firms that can’t afford these more “generous compensation packages” can be creative with perks such as unlimited vacation time, Subramanian explained.

“A lot of times we’re seeing individuals who use our offers to really shop around or really remain with their existing companies and maybe just get a better compensation package,” Spence added.

And remote work offerings may be considered essential, according to Delores Murphy, who heads human resources at the information technology firm Integris.

“So many more candidates are looking to work from home as opposed to coming into the office, so we have to have that flexibility,” she said.

Subramanian said that this remote-work reality means that employers can recruit from outside their local areas, and even “reach across the country.”

But, Murphy warned, that is not always possible. “One of our premium services that we provide is being on site for the client, so there are certain positions where we do meet people that can actually work locally and see the clients,” she explained. And Integris’ operations are a mixture of fully remote workers, but others that need to be local hires so they can be on site.

In addition, employers should reach out to non-traditional communities. Spence suggested that that virtual career fairs, scholarship opportunities, participation through professional organizations such as the Society of Women Engineers all help to build “brand recognition.”

“Again, showing that it’s not just words, for us, in terms of waiting to diversify our population, but supporting and making changes in our process and the way we approach the relationships that we build to expand the diversity of our workforce,” she continued.

Murphy agreed, saying that employers will need to go beyond the higher education route for finding talent. That means working with community schools such as two-year colleges.

“We’re helping younger students branch into the IT world a little earlier than they would because they’re still in school, but getting that exposure,” Murphy said.

On job interviews and the recruiting process, Mazars USA Managing Partner Paula Ferreira said that employers need to conform more to the applicant’s timeframe, rather than the other way around. “It can’t be at the same pace that we did 18 months ago. We have to act a little bit quicker because there’s a lot of people out there looking for candidates,” Ferreira said.

“So where in the past, we may have taken a few days to a week to get back to somebody, I don’t think that time exists anymore.”

In addition, employers might need to be more “forgiving” in what constitutes grounds for rejection, amid the hiring shortage, Pearson said.

“Whether it’s in somebody’s home and the dog is barking in the background, rewind the clock a couple years ago, ‘no I am not working with this candidate,’” Pearson said. “If they have to hold the interview in their car, that’s OK because they’re trying to get out of a noisy environment.”

A recording of the entire panel discussion can be accessed at <https://njbiz.com/webinars/>.

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NJBIZ Editor Jeff Kanige moderates the discussion with panelists Paula Ferreira, managing partner, Mazars USA; Manisha Subramanian, owner/strategic-partner, PrideStaff & G.A. Rogers; Delores Murphy, director of human resources, Integris; David Pearson, SVP, People & Culture, ExtensioHR; and Lynn Spence, senior vice president, chief people officer, T&M Associates.

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