

Unemployment Rate

5.9%

Up 1.72%

Hourly Wages

\$30.40

Up .08 cents

Labor Participation

61.6%

Flat

Non-Farm
Payroll Jobs Added

850K

599K were added
in May

JOBS REPORT
FOLLOW-UP WITH
JON NEFF

**EMPLOYERS MUST
BUILD THE WORKFORCE
OF THE FUTURE,
NOT THE PAST**

JUNE JOBS NUMBERS SHOW SLOWER THAN EXPECTED RECOVERY AND MANY WORKERS RELUCTANT TO RETURN TO THE WAY IT USED TO BE.

JON NEFF SHARES TIPS FOR EMPLOYERS.

At the outset of the pandemic, many believed that since the economy was fundamentally sound, the pandemic was just an intermission before business returned to an ongoing growth trajectory.

Now it's clear that we are reopening to a new era. Recovery is slower than expected and being shaped by a mix of factors – social, economic, political, logistical and more -- that emerged over the pandemic.

One of biggest observations at this point is that workers do not appear to share employers' desire to return to the way things were.

The June numbers from the U.S. Bureau of Labor and Statistics show that while the pandemic's direct impact may be lessening, its indirect effects endure.

Several statistics reveal the strengthening market:

- Fewer unemployed people (1.6 million in June as opposed to 2.5 million in May) cited COVID-19 factors as keeping them from looking for work
- Those working part-time who'd prefer FT dropped by 644,000 (to 4.6 million).
- 9.4 million job openings nationwide – a historic high that could indicate a bullish rebound of business.

AT THE SAME TIME,...

- Unemployment rose slightly (1.72%) to 5.9%
- 42.1% of the unemployed have been out of work more than 27 weeks (making them officially the “long-term unemployed”)
- “Rage quitting” is a thing. 942,000 workers quit in June to look for something better. The highest rate of quitting since the BLS started tracking this in 2000.
- Manufacturing added only added 15,000 jobs
- While hospitality added the most jobs (350,000 of the 850,000 total), employers are still finding them hard to fill
- Nearly half of small-business owners and managers say they cannot fill openings, according to National Federation of Independent Business survey.

TO SUCCEED IN THIS CHANGING ENVIRONMENT, EMPLOYERS NEED TO MOVE BEYOND THINKING ABOUT HOW WE CAN GET BACK TO WHERE WE WERE, AND INSTEAD FOCUS ON HOW TO BUILD A BETTER, MORE RESILIENT FUTURE OF WORK WITHIN THEIR ORGANIZATIONS.

WHAT ARE THE TOP THINGS EMPLOYERS CAN DO RIGHT NOW?

FOUR KEY POINTS STAND OUT.

1. Prepare for the era of the empowered worker

Realize the shift taking place in the attitudes of wage earners. The pandemic hit this group hard since essential workers in plants, warehouses, and manufacturing were not able to shift their work to remote or home settings. Wage earners' resulting greater exposure to risk -- along with loss of childcare, higher mortality rates in minority communities, and energized dialog on social justice and equity -- appear to have left many wage earners workers questioning the risks and benefits of their work.

Now it appears wage earners are re-evaluating their work and personal lives and becoming choosier. And there are no longer ten replacements ready to fill a role that goes vacant. It's more important than ever to find new ways to cost-effectively attract, retain, and build strong workforces.

This sea change has been building over time, but in June it began to crystallize. The phenomenon has been reported on widely. An ABC news report noted:

“There are also signs that people are re-evaluating their work and personal lives and aren't necessarily interested in returning to their old jobs, particularly those that offer low wages. The proportion of Americans who quit their jobs in April reached its highest level in more than 20 years.”

2. Offer opportunities – not just jobs.

To reduce churn and to attract and keep valued employees, think long term – for your organization and for your workers. Build loyalty among talent by offering training and upward mobility to workers that show aptitude and work ethic.

Habitually losing or replacing these valuable workers can drain resources into the continually finding and onboarding new talent just to keep the job force functional.

Conversely, by finding and developing the talent within, and investing resources in training and identifying management candidates that can be promoted from within, employers build authentic culture and morale and increase the diversity and loyalty of their teams.

HD does this for a majority of management roles and we believe it results in stronger culture, morale, and loyalty. Upward mobility matters; it changes lives in meaningful ways and brings companies fresh perspectives and innovation.

Wages matter, too. Despite the supply-and-demand gap between job vacancies and job seekers, wages have risen only nominally -- 3.6% over the year to date, and just .33% in June. As employers increasingly compete for talent to fill roles, competitive pay is essential. In fact, over the past year 40% of our clients have raised wages by an average of 15%, a difference that can help attract and retain talent.

It's not all monetary. Offering flexible shifts and, predictable hours, having a strong safety record and pleasant working conditions, and being transparent about fair pay systems are all factors that empower workers yet don't cost employers more in payroll.

3. Engage Workforces Holistically

Think big picture. How can you drive engagement and a positive worker experience across the full lifecycle of their work life – from recruiting to onboarding to overcoming obstacles to retention, to development and growth within roles, and eventually to retirement or other departure from the organization?

Technology can help, especially in establishing two-way communications that can build connections, drive new ideas and head off problems that may be brewing. Some tools we use include:

- Our proprietary Work4HD App can reach talent with openings, allow them to apply for jobs, track their hours, and more.
- We use the Sense app to send texts that support workers as they onboard (with welcome messages and information), with training tips and links to resources, and other messages that keep workers engaged.
- We like Review Tracker for seeing what talent is saying about their experience with us. It's just one of many ways of listening to understand how talent feels and what they want

4. Finally, employers can keep working to nurture the partnership between HR/talent acquisition and operations.

Keep connecting the dots between the teams that are driving innovation, marketing, the operational elements of your business. Tap staffing experts (like HD) who can provide context beyond your experience, with insights on payrates being offered, data on clients offering bonuses, etc.

ROOM TO GROW

WORKFORCES ARE VITAL TO EVERY BUSINESS AND AS THEIR WANTS AND NEEDS CHANGE, EMPLOYERS MUST AS WELL. IT'S TIME TO THINK ABOUT INVESTING IN THEM IN NEW WAYS. SAVVY EMPLOYERS THAT CAN ATTRACT, RETAIN, AND GROW FROM WITHIN WILL MANAGE COSTS, BUILD CULTURE, AND DRIVE SUCCESS – REALIZING THAT AN EMPOWERED WORKER CAN BE AN AMAZING ASSET.