

Engage Employers to Address Tight Labor Markets

Low unemployment coupled with increased employer demand is creating recruiting challenges for industrial staffing suppliers, and alternative staffing organizations (ASOs) can offer employers unique solutions to source qualified candidates. Consider three ways to improve businesses' access to talent and expand opportunities for entry-level job seekers:

Negotiate higher wages (and bill rates!)

Crate and Barrel operates a regional distribution facility in Lincolnton, North Carolina and is a four-year client of [GoodWork Staffing](#) which supplies 65 entry-level temp-to-hire warehouse workers on a steady basis. The positions are subject to a strict attendance policy and a cap of 1,000 hours (about eight months) before individuals must either convert to hire or be let go. The work is very physical – loading and unloading trucks – and the warehouse location is rural, involving a one-way commute of 30 to 45 minutes.

The company's attendance and hiring policies, along with temporary workers' wage rate, are set by Crate and Barrel's corporate office in Illinois, and wages had been fixed at \$9 per hour for a number of years. As job prospects in GoodWork's market improved, though, the ASO experienced increasing difficulties with temporary workers' attendance, performance and turnover at this job site. While GoodWork had sought a wage increase and the on-site HR manager agreed this was appropriate, the corporate office initially would not budge.

To strengthen its case, GoodWork turned to [The Employers Association](#) in Charlotte, which provides HR services to small and mid-sized companies, engaging them to do a wage study of comparable occupations in its region. The study showed that local compensation for similar jobs was \$11.50 per hour, and Lincolnton's HR manager shared this data with corporate executives. Based on the wage study, Crate and Barrel reconsidered its position and approved an increase from \$9 to \$11 per hour for temporary workers in *all* of its distribution facilities across the country, effective in late June. The new rate has had an immediate positive effect, with noticeable improvement in recruitment and retention.

GoodWork's Sales Manager Jim Fuller credits this "win" to two factors, the credibility of The Employers Association as an *independent, third party data* source, and the *relationship of trust* built with Crate and Barrel's on-site HR manager, seen in her willingness to accept and internally champion the market data.

Develop customized training to address skills gaps in specific industries

Listening to local employers is fundamental to successful staffing sales, and in the tightening labor market of Central Texas, [Goodwill Staffing Group](#) increasingly heard from area businesses, “We need people with basic skills who are dependable.”

In response, Goodwill has begun developing Just in Time trainings, free, one-to-three week courses that give job seekers trade-specific skills for entry to mid-level positions in high demand industries. As Goodwill Staffing Group President Robyn Householder explains, the idea is to fill gaps in the local labor pool and get people into work quickly.

The first three courses focus on facilities maintenance (handyman), construction and low-voltage cabling with *short-term, customized curriculum developed with employers’ input*. Goodwill has partnered directly with industry associations to design the coursework, and some employers have also contributed tools to support hands-on training or participate as guest instructors.

Besides access to job opportunities, graduates receive career guidance for a minimum of 90 days after completing the program. Some employers sponsor continued training to help workers advance, and participants may also pursue career certifications through the Goodwill Career and Technical Academy (GCTA).

After just six months, Goodwill is seeing very positive results, completing six classes with an average of 14 graduates per class. GCTA has added the Just in Time courses to its regular catalog, with plans to develop additional courses over the next two years.

Given the success of the Just in Time trainings and high employer demand for low-voltage cable installation, Goodwill will launch [BICSI](#) certification trainings in 2017. As the only staffing agency in Texas that provides both the training and talent under one roof, Goodwill expects this program to generate about a half million dollars in additional staffing revenue.

Communicate the benefits of hiring individuals with criminal records

ASOs know firsthand that workers with criminal records often work harder to prove that they are better than their past behavior, and are intensely loyal to employers that give them a chance. Indeed, a [growing base of evidence](#) shows that employees with criminal backgrounds have higher rates of job retention and are more productive than their counterparts who don’t have criminal records. In Tarrant County (Fort Worth), Texas, the improving economy created an opening for [Workforce Solutions](#) to make this case to local employers.

From 2012 to 2015, Workforce Solutions managed a transitional jobs program that exclusively placed formerly incarcerated job seekers with private sector companies, providing short-term

(8-week) wage subsidies on the condition that workers could convert to hire at the end of the subsidy period. One prospective employer was a large (200-employee) food products distribution center seeking workers who could handle the physical demands of the work, loading and unloading pallets, and tolerate hot and cold temperature extremes. As the labor market grew more competitive, the business was seeing its turnover rates soar.

Workforce Solutions offered to supply workers, pointing out that its candidates were well-matched, in part because of their exposure to unairconditioned prison facilities and their attention to staying fit while incarcerated. These individuals had also demonstrated their motivation to work through completing multiple pre-employment assessments and undergoing the rigors of an 80-hour job readiness boot camp. The company initially agreed to try a single candidate who showed up every day, excelled on-the-job and was promoted within six months. Additional placements steadily followed and over time, ex-offenders came to comprise 20% of the company's workforce due to these candidates' tremendous work ethic and low turnover rate (10% compared to 40% of other workers).

Debby Kratky, Workforce Solutions' Director of Capacity Building and Training, notes that as with ASOs, their approach to *making good temp-to-hire matches is multi-layered*, and the pre-placement screening activities, along with the prospect for long-term employment with benefits were key factors in making successful matches. While the wage subsidy offered an additional incentive, this became inconsequential and she believes that at the end of the day, *employers care more about the quality of the candidate than the use of a wage subsidy*. Low unemployment, though, created the critical opportunity to present this employer with a staffing solution and dramatically change their perceptions and practices related to "fair chance" hiring.