



INTRODUCTIONS

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10 Recruiting Tactics to Address Your Labor Needs

Best practices for finding, staffing and retaining key employees

Keith Gerson, CFE
President of Franchise Operations



Overview of Top 10 Discussion Points



1. Employer Branding (Culture Matters)
2. Job Boards & Applicant Tracking Systems
3. Social Media Prospecting
4. Hiring Incentives, Perks & Bonuses
5. Referral Programs
6. Additional Recruiting Channels
7. Hiring Events
8. Recast Employee Profiles & Job Descriptions
9. Employee Retention
10. Critical KPIS for Recruiting

Is the Current Situation all that Current?



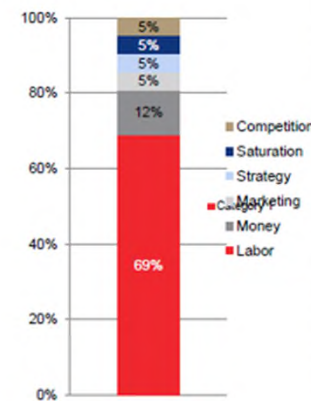
- 42% of Owners have job openings that can't be filled (National Federation of Independent Business)
- Service-based & fast-food categories (pre-pandemic) reported 100% of franchise owners could grow sales; 69% stated labor was holding them back from realizing growth
- Top 3 challenges:
 - Sourcing for hourly workers (57%)
 - Conducting in-person interviews (52%)
 - Scheduling interviews (48%)

Interviewees all thought they could continue to drive sales in their territories, but labor was holding them back

Could You Grow Sales In Your Existing Territory (If Franchisor) Or Geographic Market (If Independent) (n=27)



What Is Holding You Back From Realizing This Growth (n=21)



Note: ¹Six respondents did not comment on what was holding them back.

Labor Issues Are Prevalent Across The Country & Across Verticals...

"3 or 4 years ago we wanted a general carpenter and took an ad out on Monster – 100 people applied all qualified. Did the same thing a few months back for a similar job and got 1 response and he was not qualified. People are employed now, this is tough work that no one wants to do." – Independent (JMS Partners)

"Manpower is a huge issue, no one wants to get dirty. This has changed significantly over the last 8 to 10 years. I am member of the national association of landscapers and led the regional association for awhile. We have been trying to crack this code for awhile, e.g., use non violent cons, vets, etc. We can't figure it out - no one wants to go into the trades." –Independent (Distinctive Landscaping)

"Mike Rowe is the only person championing the trades. People simply don't do this work. It is going to get worse with the Trump administration and his policy on immigrants. Any issues I have - the answer to it probably has something to do with labor. You go to Fresh Coat meetings and there is someone up on stage giving you advice as to where to recruit people and how to hire people. They simply don't know what it is like to sit in my shoes – you want to tell them to shut up! Finding people is impossible!" – Franchisee (Fresh Coat)

What is the Current Situation?



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- Top 3 challenges:
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- A competitive labor market has driven hourly rates and salaries higher, beefed-up benefits & encouraged some companies to offer more flexibility to job candidates
- Some feel that the influx of PE acquisitions and an influx of cash means an influx of employees, creating more of an employee's market

Headlines: The Labor Market Outlook Gives Rise to Cautious Optimism



- Employers added 943,000 jobs in July (largest since 08/20) followed by 235,000 in August
- Indeed (job-search site) found 31.6% of respondents in mid-July were actively looking for paid employment, up from 24.4% in mid-June (but slowing in late-half of July)
- August '21 Unemployment rate fell to 5.2% (down from 5.9% in June) signaling a strong labor market ahead of the Delta variant threat

Is it possible that while business is roaring back to life, it is further exasperating the labor crisis?

What are Likely Contributing Factors?



It's a Labor Shortage - Health Shortage - Wage Shortage - Care Shortage

1. Weekly unemployment insurance benefits & stimulus which ended this month (September)
2. Potential workers may be unvaccinated; concerns around exposure; and renewed fears over the Delta variant
3. Lack of childcare, elder care & sick care responsibilities
4. Competitive pay
5. More Americans are starting their own businesses, and may not be picked up in employer surveys

Best Practices for Recruitment & Retention

Actionable insights for improving your chances of finding quality hires.

1. Employer Branding: Culture Matters



- More candidates are thinking about a mission they want to be a part of, or the culture of the company they work at, and that's a larger factor in the decision
- If someone doesn't know about your brand, how are they going to learn about you?
 - Your Website.
 - Does your "About" and Team page have photos of your actual team vs. stock photos?
 - Video snippets of company outings, volunteer days, or team meetings?
 - Personal blogs?
- Glass Door – current and ex-employees "telling their truths". When's the last time you monitored the site?

2. Job Boards & Applicant Tracking Systems



- Job boards are the “ante into the game” – ranging from general boards where any job can be posted to narrowly focused niche boards. Top 10:
 - 1) Indeed (biggest & most popular worldwide)
 - 2) Google for Jobs (embedded feature in normal Google search engine – curated list of jobs) – requires an Applicant Tracking System that supports the Google Schema)
 - 3) LinkedIn – Most popular network for professionals
 - 4) Zip Recruiter - includes an aggregator; competes with Indeed
 - 5) Career Builder (General posting site; pricing based on number of posts purchased)
 - 6) Monster (Includes a helpful resume database – more you buy, the cheaper the post)
 - 7) Facebook Passive recruits; Learn about candidates; post for free & paid options)
 - 8) Snagajob – Focused on work-per-hour US jobs; Over 60 million registered seekers
 - 9) Craigslist – Good for local jobs and freelance work; has begun charging for postings)
 - 10) Mashable – Large independent online news site with job board; 45 million visitors & 25 million social followers

2. Job Boards & Applicant Tracking Systems (continued)



The power of software, AI & advanced workflows allows you to automatically build lists of candidates based on specific roles and requirements, auto-screen candidates and book interviews.

- Mary Thompson, COO of Neighborly Brands was asked “what \$100 or less purchase (or monthly subscription) are your franchisees required to use that has had the biggest impact on their success in recent months? She answered:

“Without a doubt it’s our applicant tracking system, For less than \$42 a month it is the platform for all parts of our franchisees recruiting efforts. With the press of a button, they can send their job openings to 94% of all job seekers”

Find what you’re looking for on IFA’s supplier member listings and on Capterra (e.g. “recruiting software”)

3. Social Media Prospecting

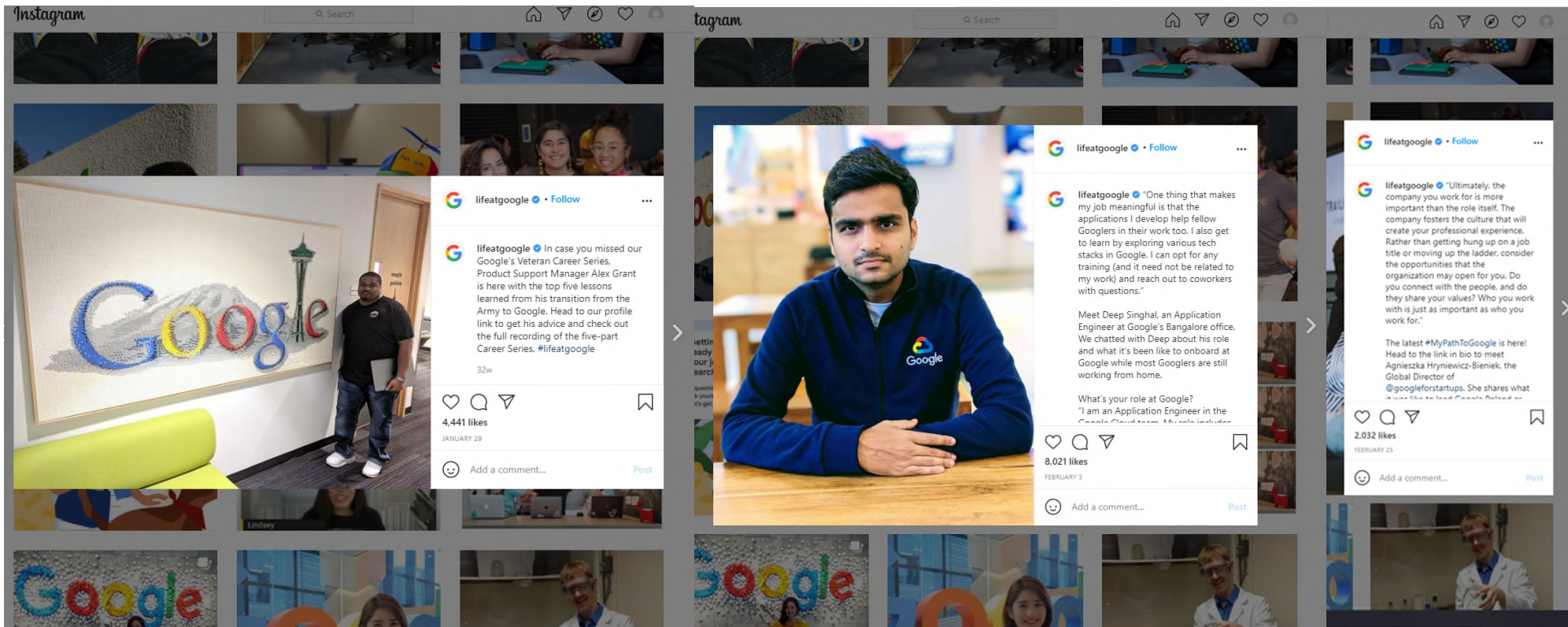


- Social Media Metrics:
 - Over 45% of the world population (roughly 3.48 billion) are using social media.
 - 62% of employers are turning to social media to recruit hourly employees. Are you?
- What is social media recruiting?
 - Social Media Recruiting is using social networks such as Instagram, Facebook, Twitter, LinkedIn, TikTok, Snapchat, etc.
 - It is not a substitute for job boards and advertising on your website – it supplements these activities
- What are the benefits?
 - Reaching passive candidates (those not actively looking for jobs or haven't hear of your brand)
 - Attracting those with potentially better culture fit
 - Saving a lot of money (less than traditional advertisements)
 - Getting more referrals
 - Being able to establish a more personal connection with potential candidates

3. Strategies for Social Media Prospecting



1. Build an online reputation for your company (e.g. lifeatgoogle on Instagram)



3. Strategies for Social Media Prospecting



1. Build an online reputation for your company (e.g. lifeatgoogle on Instagram)
2. Involve your employees in sharing posts on social media
3. Be active on multiple platforms (many younger individuals don't even have a LinkedIn Account):
 - o TikTok
 - o Instagram (highest user engagement)
 - o Facebook (multiple business tools for insights & advertising)
 - o Pinterest (if you're confident in your visuals)
 - o Twitter (for those of you with a strength in copywriting)
4. Be creative with your content (Visuals are the best ways to tell your stories)
5. Connect with the right people (Online community's for almost every topic – look for niche networks: Facebook, LinkedIn groups or Subreddits related to your field)

4. Hiring Incentives, Perks & Bonuses



- 77% of employers in survey indicate that they will be offering one or more perks including:
 - Increase in average hourly rates
 - Paid time off / Flextime
 - Training opportunities
 - Childcare
 - Tuition stipends
 - Health insurance
 - Transportation reimbursement
 - Free food to potential hires (fast food chains)
 - Free room nights; free meal at its restaurants or \$15 in bar credits per shift (hotel chains)
 - Gift cards, additional discounts & free products are being offered in lieu of sign-on bonuses
 - And for those desperate enough – Poaching Programs from rival businesses

5. Referral Programs



- Studies have shown that workers who are recruited from referrals produce 25% more profits for their employers than the old-fashioned ways
- Incentives – Cash or non-cash such as extra holidays or even just a simple thank you
- Don't waste any time. As soon as a new hire has made it through their first weeks, ask if they know anyone else who could be a good fit for your franchise
- Offer Recruitment Happy Hours, get-together where employees can invite the people they want to refer (great informal way to get acquainted with potential candidates)
- Emotional Reward (a) – based on the fact that referring people makes you feel good; either because you helped out a friend in getting him/her a job; Or because you helped find a brilliant new hire
- Emotional Reward (b) – Give your employees the possibility to donate a part of their referral bonus to charity of their choice – and match the amount.
- Referral Programs work best when allowed to apply via text messages

6. Additional Recruitment Channels



Look outside your traditional methods of recruitment:

- Your own website: Add a chat widget to your jobs page so visitors can immediately interact with the team – often even before sending in a resume
- Let your reps and suppliers know that you are looking for another team-member
- “Temp to Hire” agencies (bring temps in on a temporary basis)
- Local agencies and organizations like the Rotary, Chamber of Commerce or other businesses around you
- Local schools (University, high schools, private schools, Christian schools, Jr. Colleges & trade schools)
- Look for talent in other businesses such as food servers, retail clerks, teachers, firefighters, etc.
- Guerilla Recruiting 101: Go to where your candidates are!
- Buys ads for keywords your ideal candidates are searching for (& direct back to your job posting)

Note: As a franchisor, be careful to not open yourself to becoming liable as a “joint employer”

7. Hiring Events



- Many brands have announced hiring events such as at Yum Brands' Taco Bell which is renewing its hiring parties across the country
- Many have covered parking lots and patios into job fairs to keep applicants safe during the pandemic
- Hold a Lunch & Learn – Invite candidates to join you for a meal and use the time to host a quick education presentation at your company
- Sponsor a local event – such as a conference or club meeting. Doing so can bring in a larger, more diverse talent pool.
- Speed interview at a hiring fair – the key is to stand out from the competition
- Gamification Event – infuse your events with game theory to test on the job performance, & assess candidates on soft skills like creativity, time management & innovative thinking. Offer gift cards, electronics or cash.

8. Recast your Employee Profiles & Job Descriptions



- Many solid candidates have what it takes to be great employees, but not the exact background you are looking for. It is time to get creative with the applicants that you do have.
- When seeking more entry level employees, many are offering employment opportunities to younger people who do not have prior experience
- Invest in skills and development training that will help them in the position and beyond – which also boosts retention and recruitment efforts
- Be open to flexible hourly work (80% of hourly workers are willing to work multiple jobs to get the hours they need)

Including a wage range can increase applicants by 30%!^[3]

Cashier

Marco's Pizza
\$10-12/hour

We are searching for a friendly and reliable Cashier to join our **close-knit staff**. As the first impression for customers, you will greet and assist customers as they enter our restaurant. We are hiring for **morning, evening, and night shifts**.

Responsibilities:

- Greet customers with a friendly welcome
- Assist customers in choosing their order
- Process customer orders and record them in the restaurant database
- Relay customers' orders to the kitchen staff
- Ring up purchases, operate credit card machine, and provide exact change
- Respond to customer inquiries and issue receipts
- Record customer suggestions
- Ensure all orders are delivered to the customers in a timely manner

Requirements:

- Must be able to work a flexible schedule, including evenings, weekends, and holidays
- Good mathematical skills
- Must be able to stand for long periods

Perks:

- Free meal during shift
- Discounted food
- PTO after 60 days
- Tuition reimbursement

Job postings with 100-300 words receive 8.4% more applicants per view, on average.^[2]

Sample of an effective job description

*Sample provided by Sprockets

9. Employee Retention



The easiest employee to hire is the one you already have!

- Happiness counts: Data from a previous Eagle Hill survey revealed 94% of happy workers would stay at their current company if offered a comparable position. Only 40% of those who are unhappy would do the same, the survey revealed.
- Don't neglect the talent you already have:
- Invest in education and training to give your team new skills and the ability to advance in their careers

What are you doing to control Employee Turnover?

(A Case for Recognition)



**“I receive the recognition I deserve
for a job well done.”**

FBR

YES (70%)

66% More Likely to Recommend

37% More Job Satisfaction

28% Feel Under Compensated
But of those, the majority say a
10% salary bump is all that is needed.

NO (30%)

45% Do NOT Feel Positive @ Work

60% Plan to Leave within 2 Years

94% Feel Under Compensated
And of those, the majority say a
20% - 25% salary bump is needed.

10. Critical KPI's for Recruiting

1. Time to Hire

Date you find candidate – # of days until they accept offer

Goal: 40 days

2. Sourcing Channel Efficiency

of qualified candidates from a specific source – average # of applicants

Goal: Use to reduce cost to hire

3. Number of Qualified Candidates

of candidates identified / # of those qualified moving to next stage

Goal: Use to measure effectiveness of recruitment

4. Submit to Interview Ratio

of candidates submitted to hiring manager after screening processes / # of those interviewed

Goal: 1:1 Ratio

5. Interview to Offer Ratio

of interviews / # of offers

Goal: 3:1 Ratio

6. Offer Acceptance Rate

of job offers / # of accepted offers

Benchmark: 94% across industries



11. Candidate NPS

% of promoters - % of detractors

Goal: Score of 50% or more

10. Adverse Impact Ratio

(% hired by EEO group / % hired of highest selection rate) x 100

Benchmark: 4/5 Rule

9. Hires to Goal

(# of new hires in period / hiring goal for that period) x 100

Goal: On par with company hiring objectives

8. Quality of Hire

(pre-hire metric #1) + (pre-hire metric #2) + (pre-hire metric #3) / total # of pre-hire metrics

Goal: Key metric for recruiting in the next 5 years

7. Cost Per Hire

Total recruiting cost / # of hires

Average cost in U.S.: Approximately \$4,000

Q&A

Please submit your questions in the Q&A tab of Zoom



Thank You for Attending:

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Best practices for finding, staffing and retaining key employees

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President of Franchise Operations

