

Attracting Talent

A Research Study

April 25th, 2019

BUS 470

Introduction

Throughout the duration of the 2019 Winter semester, 12 Human Resource Management majors had the opportunity to partake in a faculty directed, experiential learning project using an active integration of knowledge, application, and reflection. The purpose of this Applied Business Solutions course was to gain real-world experience and apply what learned. The basis of knowledge to be applied will be obtained through reading, simulation, exercises and instruction.



Statement of The Problem

The presenting problem was offered by the Seidman College of Business Human Resources Advisory Board made up of eleven West Michigan based organizations. The representatives on the Advisory Board are all senior Human Resources managers and executives. In a meeting in October, 2018 the following problem was described:

“Over the past several years, Michigan unemployment rates have dropped to record lows, making it difficult for employers to fill open positions. In a recent study by Deloitte and the Manufacturing Institute, upwards of 2 million manufacturing jobs across the US are expected to be unfilled by 2025, up from 600,000 in 2011. The strength of the economy, baby boomers, and the attractiveness of the manufacturing industry are ranked among the leading factors impacting the talent shortage. Business and Human Resources leaders locally are citing talent attraction

and retention as the major issue keeping them up at night, expecting the problem to get worse.

The cost of unfilled positions, turnover, and low engagement is crippling to business operations.

The students of the Applied Business Solutions course narrowed in on the overall problem that most companies within the local area are facing, and conducted research based on the following: “What are the hiring practices used by some West Michigan based organizations and to what extent do those practices impact organizational performance?”

Purpose of The Study

When Dan Wiljanen and the Human Resources Advisory Board created this class, it was important to not only pick a problem statement that was relevant. As well as let the 12 students in this class learn something about it and hopefully apply it in their future jobs or help other companies in the area. The purpose of the study was to gather information through various different ways about the best practices of talent attraction and retention that was facing current west Michigan based companies. As a class, we wanted to gather what practices were working between different companies and which ones were not. We would then analyze the information that we got through our own research and through interviewing different human resources departments and through surveys.

It was important for us to get both types of helpful and unhelpful best practices because long term, we would hope this study could be looked at by other companies and they can then use this information to help in their talent search. We also wanted to gather a bigger understanding on research techniques as well as project management. Since this was an alternative human resources class offered at Grand Valley, the purpose was also to show different students another side of the business field and apply the knowledge that we were already learning in other classes.

Literature Review

Before conducting our study, we did an in-depth literature review to find prior findings of attraction best practices. We also conducted several in-person interviews with Human Resources professionals in the Grand Rapids, MI area to find what they have found to be good practices.

We found that the following bullet points are common practices that are used to attract talent:

- Competitive Benefits Package
- Bonus Opportunities
- Unique Facilities
- Offering a wellness program: Offering to pay for health club memberships, onsite yoga, Offering onsite counseling
- Work from Home Options
- Flex Time
- Loan Forgiveness
- Company Branding: Hiring is selling
- Promotion Opportunities/Succession Planning, Mentoring/Training

Offering competitive benefits packages is more crucial than ever when it comes to successfully attracting talent. New demographics of employees entering the workforce and a cultural shift in what makes an employer attractive have both caused benefits packages to become more dynamic, visible and competitive (Stonebraker, 1985). A benefits package is the total amount of pay and all other advantages that an employee may receive such as bonuses, loan forgiveness, health insurance, flex time, use of a company car etc. With so many benefit options it can be difficult for employers to know which benefits are preferred or can be used as incentives. Employers sole focus should not be what the big, “cutting-edge” companies are doing

but should look at what their peers are doing (Miller, 2017). To steer themselves in the right direction, benefits administrators should also investigate which benefits current employees value the most and take care to note variations in how different demographics reply (Stonebraker, 1985). By strategically catering your benefits programs to the type of employee you are trying to recruit and retain employers can establish attract the right kind of talent.

For example, a company in Grand Rapids that is currently looking to recruit seasonal help, offers sign on bonuses for those employees who successfully complete their 60-day probationary period. They also offer bonuses to those who complete the summer season with perfect attendance. This particular employer cannot offer the same wages as their closest competitors, but bonus opportunities help attract employees to companies that offer lower than average hourly wages (Miller, 2017).

Another way for companies to attract talent is to go beyond basic benefits and offer unique perks (Hines, 2016). A decline in traditional nuclear families, renewed interest in temporary and part-time employment with greater employee mobility have made employers who offer unique facilities more attractive to job candidates. When employees feel seen, attended to, and cared for they are more likely to be engaged with and passionate about employment opportunities (Hines, 2016). For instance, offering employees access to perks like death benefits, extended maternity leave, dry cleaning services, on-site medical staff and break rooms to destress. Many of the companies we interviewed found offering unique facilities such as these to be a successful strategy to attract employees.

Though it may be hard for some employers to believe at first, there are many benefits that come with allowing your employees to work at home. First off, employees will cut out their commute, allowing them more time to work (Johnson, 2015). Additionally, you can hire the best

employees no matter where they are in the world (Johnson, 2015). Finally, one Stanford study stated that employees who work from home are 13% more productive than their in-office colleagues (Johnson, 2015). Seeing as employees also value a strong work/life balance, enabling them to work from home gives them the opportunity to be closer to their children and spouses if they have them. They may also complete common household tasks such as laundry, cleaning, and cooking while on their lunch break if they desire. Many Americans value family over many other aspects of life, including work. Ensuring they are closer to their families will increase loyalty, decrease need for vacation time, and boost overall employee satisfaction (Johnson, 2015).

If a company does not have the ability to offer telecommuting options due to an employee's job tasks requiring them to be on company premises, flex time is another trust-creating option that could attract talent. Flex time allows employees to start their work day earlier or later and end their work day as soon as they hit the required hours. According to a SHRM survey from 2015, 61% of companies found flextime to be a successful way to attract candidates. There is more and more of a demand for flexible work hours. This is attractive for any individual who does not find a 9-5 position convenient. If it is possible for the company, they should take advantage of this attractive option.

For companies looking to add more millennials to their workforce, loan forgiveness is an up and coming benefit that many companies have found attractive to their candidates. With the rising costs of obtaining an college degree, our generation is feeling the pressure of loan debt. From 2006 until 2016, there was a 63% increase in tuition costs and a 51% increase in housing costs (Marquit, 2017). Many college students live in dorms or off-campus apartments, further extending the depth of their debt. The average cost for a four-year, public university education is

currently around \$20,000 per year, including fees as well as room and board (Marquit, 2017). At the end of four years, assuming students are completely loan-dependent, this adds up to approximately \$80,000 plus interest. Millennials have cited student loan debt to be their second most stressful financial stress, right after credit card debt (Marquit, 2017). Currently, only about 4% of employers offer loan forgiveness as a benefit (Marquit, 2017). For a company to take advantage of this low margin would give them a leg up in attracting young, professional talent.

Another unique benefit that may attract talent is providing a wellness program to employees. A wellness program is an organizational policy designed to support healthy behavior in the workplace to improve health outcomes (Wein, 2018). They provide the tools and social support to become an overall healthier person. This may include providing workout incentives, discounted or free gym memberships, healthy meal tutorials, etc. According to a 2018 study by Forbes Magazine, 87% of employees consider health and wellness packages when choosing an employer. Not only is offering a wellness plan a great benefit, but it also provides the message that the company cares about its employees and wants them to be happy and healthy. Despite the high demand for wellness plans, only 25% of organizations leverage their wellness programs to recruit employees (Weign, 2018). Taking advantage of this desire from candidates may be the difference between signing an employee or sending them in the direction of a competitor.

According to a Forbes article, the key to attracting top talent is to focus on your company's brand by differentiating from the competition. Showing candidates how joining your company can help them reach their career goals is an attractive quality (Mallen, 2018). To identify and articulate your purpose as a company shows the "why" of the company (Mallen, 2018). Authenticity helps the employee understand exactly what they are getting into when joining a company (Whitman, 2018). If an employee knows what is expected of them and what

the company culture is like before accepting a position, they are far more likely to remain with the company for a long time. Communicating your mission and vision for what the company stands for and what the company has in store will attract the proper talent to drive the company forward.

Another key factor that attracts candidates to join a company is if their growth potential is in sight. Humans have a natural desire to improve and be challenged as individuals, so this is something they will look for in a career. Two factors that may attract candidates through growth potential is to offer training and development programs and succession planning. If offered, these factors should be advertised to the candidate so they understand that if they join the company, they will not just work and be paid, but also grow in their career.

According to HR Director of Ceridian, Lisa Sterling, the company has found that high-performing people see learning opportunities as an important component that contributes to their workplace engagement. Implementing training and development programs could attract these top talent candidates by showing them that they could grow in their career and will be personally valued if they join the team.

In addition to training and development programs, a key factor to attracting talent is to highlight growth opportunities, as well as strategies for success and career development. Showing candidates that they have the potential to move up in a company allows them to see that if they join the company, they will not be stagnant in the same position for years. This allows for a vision to be put in the candidates head for their future years with the company. Talented individuals strive for excellence and will be more attracted to join a company if they are shown their potential.

Methodology

In order to attest to our findings above, we reached out to hundreds of Human Resources professionals in the West Michigan area by sending them a survey to be filled out.

A. Subject: Target Population & Survey Sample Size

In order to gain the most accurate insight, we focused the target population of our survey recipients to HR Professionals who operated within the greater Grand Rapids area and had a direct role in their company's talent acquisition or employee relations. In the end, the survey found itself in the inboxes of 192 HR professionals from which 17 responded giving us an 8.9% response rate. Further statistics are below:

192 survey recipients

46.87% opened the email

15.62% clicked the link

8.9% responded

B. Procedure

During our initial brainstorming stage, we had decided to divide our class into two groups; talent attraction and talent retention. We soon found due to the complexities of these topics we would be able to accurately express valid findings for one subject given our time window. After this realization we chose to primarily focus on figuring out what are the most commonly used and most effective talent attraction methods west Michigan companies use.

Survey- Likert Questions

Enclosed in this section were common HR practices that are used to attract talent. We asked participants to please review the practices below and rate them on a scale of which ones they've found to be the most effective.

- Telecommuting offered
- Flex time offered
- Training and development opportunities offered (conferences, mentorship, team building)
- Clear job description (EX: salary included, clear job description)
- Corporate Culture advertised (mission statement, etc.)
- Employee branding and referrals (happy employees may attract future)
- Unique facilities
- Promotion opportunities advertised/clear succession planning
- Bonus and incentive potential
- Candidate experience
- Competitive compensation
- Tuition reimbursement
- Wellness program
- Social media presence
- Creative license: ability to work on own projects

Open-Ended Survey Questions

In addition to Likert-scale questions, we also included open-ended questions for participants to expand on their personal experience. This section was intended to provide room for personal feedback with certain metrics, processes, and/or methods that was found beneficial throughout years of experience within the HR industry. The following three questioned were:

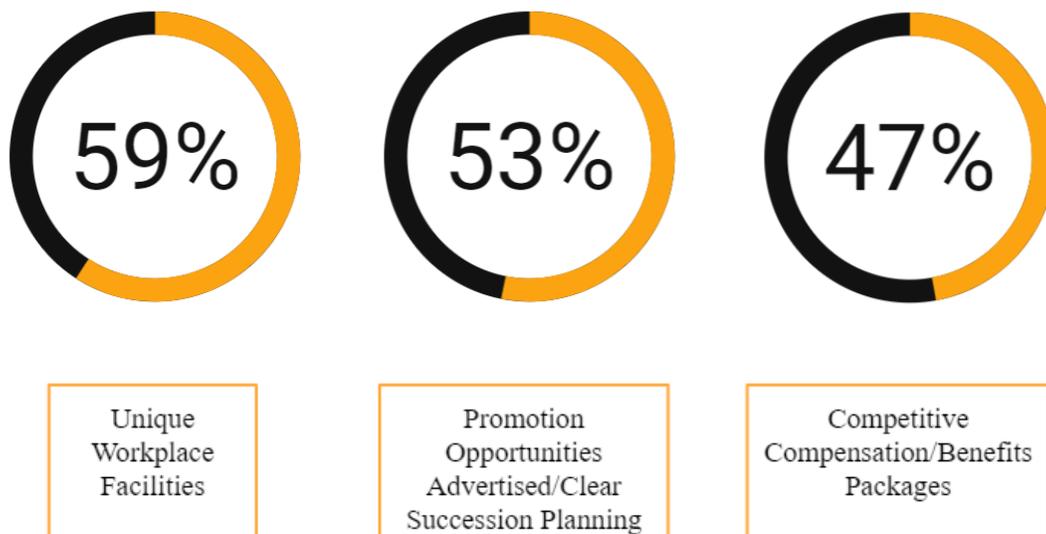
1. Please list -if applicable- some additional practices for attracting talent that have not been expressed:
2. Are you satisfied with the current HR practices used within your organization? Why or

why not?

3. If any, what methods, practices, and/or strategies would you like to see implemented within your organization?

Findings

Based on our survey research, we found that the three top contributing factors towards enhancing employee attraction are: Unique workplace facilities, promotional opportunities, and expanded compensation/benefits packages.



To dive into the main points that embody each effective HR practice, obtaining a unique workplace facility scored the highest out of each practice listed. Creating a unique workforce facility is more than just having comfy chairs at each cubicle-it goes a lot deeper than that. Employees have expressed interest in workplace benefits such as having access to an on-site gym, being able to bring pets to work, open-collaboration spaces, and healthy meal plans.

Promotional opportunities ranked second on the most effective HR practice listed to acquire talent. Promotional opportunities encompass succession planning as well as mentoring, and training opportunities to guide employees towards workplace advancement. Given the

opportunity to have a mentor to help assist, guide, and teach serves as a great tool to help boost employee morale and provide a sense of purpose, meaning, and drive behind their work.

Lastly, obtaining expanded compensation and benefits packages also contribute highly towards acquiring workplace talent. Many employers believe that an excellent compensation and benefits package holds the key to employee engagement and motivation. According to studies from HRSoft, compensation packages have a huge impact on an employees' level of engagement. High compensation provides employees with a sense of satisfaction from their job and incentivizes them to perform better. On the contrary, studies have also shown that low compensation hinders employee motivation and performance (Brian Sharp). Overall, compensation/benefits packages can positively affect employees in one or more of the following ways:

- Job satisfaction
- Retention
- Prospective recruitment
- Work productivity

Recommendations

We have found that a lot of a company's best retention solutions closely tie to their attraction success.

- Emphasize availability of development and advancement opportunities from the first interaction with the candidate
- Give interviewees a tour of office facilities after their first interview session (if facilities are considered a selling point of the organization)

- Maintain transparency regarding compensation. Disclose salary/hourly rate as early as possible in the hiring process
- The culture of the work environment is attractive to candidates, if candidates feel they will fit in as well as grow, they are likely to stay, it is all about the entire experience with the company. Make sure their experience is what you focus on



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