

Surviving the “Great Resignation”

A talent pipeline strategy to compete for talent and win

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The number of Americans quitting their jobs is the highest on record; employers must expand their search pools and increase the speed of hiring to effectively compete for talent.

More than 4.5 million people left their jobs in November according to the U.S. Labor Department. Currently there are 10.6 million active job openings in the US and a net labor shortage of 4.3 million workers. While much of the media coverage has concerned the office-based, white-collar workforce, in 2020 and 2021 the vast majority of turnover has occurred in hourly service sectors like hospitality, retail, and food service. The Omicron surge has generated continued uncertainty in how the COVID-19 pandemic will evolve. And business – especially those relying on hourly employees, must adapt to this new labor market reality.

As a stopgap to fill 2021 holiday demand, many employers offered signing-bonuses, increased their starting hourly wage, and offered additional PTO days to new hires. However, as the competition for hourly talent continues to intensify, employers need to build longer-term solutions.

Longer term, employers must consider a more holistic approach to solving the labor shortage and adopt an analytically robust pipeline management approach. In this post we discuss how companies can use real-world insights to attract more job applicants and improve application yield.

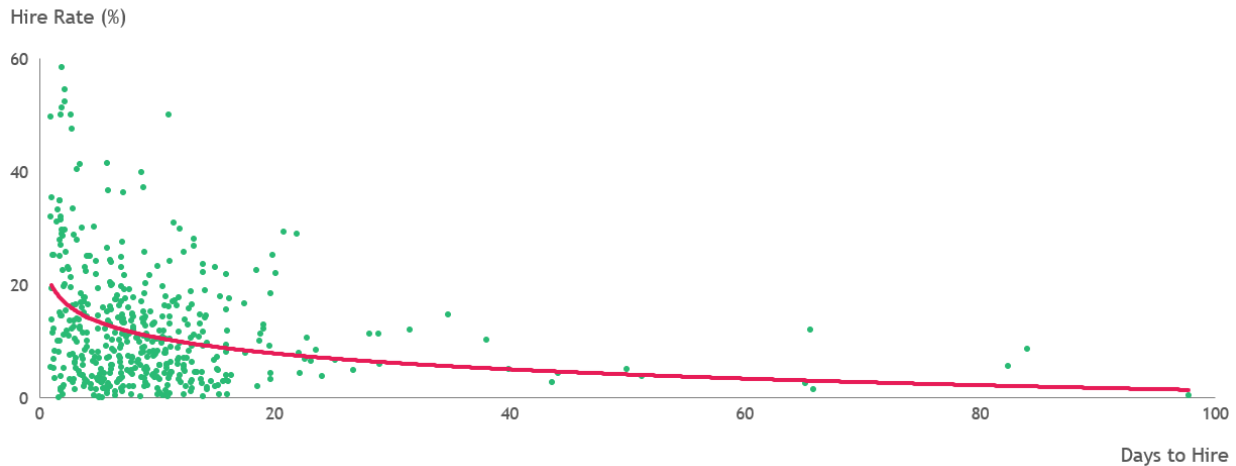
In partnership with [Fountain](#), a high-volume hiring platform focused on the hourly workforce, we examined 37M applications for hourly positions. Our analysis yielded four areas where high-value interventions can be deployed.

OPPORTUNITY AREA #1: Speed up your hiring process

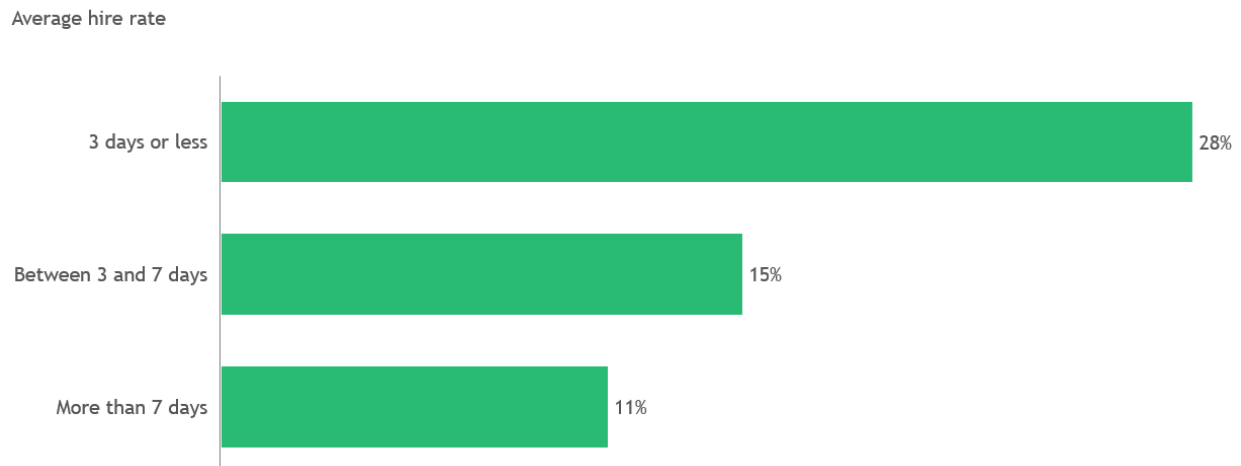
Employers need to get applicants through the hiring process as quickly as possible. The labor shortage has provided job seekers with greater leverage in the job market. The best candidates looking for work are applying to multiple positions, and the employer who provides that job seeker with their first offer will more than likely hire them. Our analysis shows that employers

who provide applicants offers in less than seven-days yield 80% more hires on average than those with longer timelines.

Employers should reduce their time to hire to improve their hiring rate



Each day you can remove from your hiring process is valuable to improving your hire rate



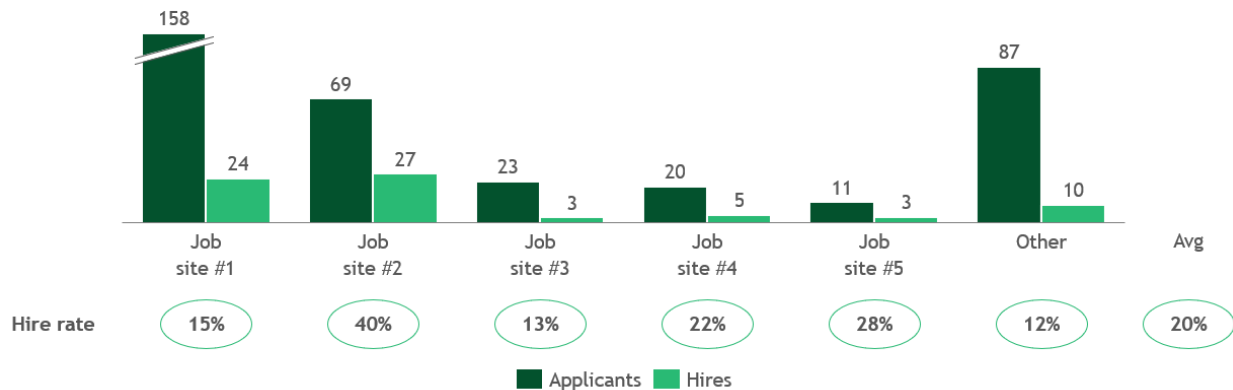
OPPORTUNITY AREA #2: Apply a rigorous ROI lens to candidate targeting

Not all online job boards are created equal: Some may have broad reach; others may serve a narrower niche. Candidate quality can vary greatly from one site to another. With a myriad of options to choose from, employers who adopt an analytically driven approach to explicitly

balance the hiring quantity and yield will see improved business outcomes. Our analysis suggests that assessing the performance across different job sites offers just such an opportunity.

Employers need to pursue a tailored approach to select the right mix of highly variable job sites

Number of applicants applied using specific job site (K)



In our sample, for example, the top two online job boards generated the vast majority of both applications and new hires. But, the hiring yield from these two industry leaders differed by over 2.5x. Different variances can be seen when looking at specific regions or industries.

A systematic understanding of the variations in application volume and yield is essential to maximizing the effectiveness of most companies' limited hiring resources. It requires easily accessed robust systems and digestible insights to guide action. Single-platform hiring solutions (like Fountain) provide one opportunity to manage hiring complexity while collecting and collating the data needed to guide effective decision making.

Location dictates quantity, not quality: While 70% of applicants seek jobs less than 15 miles from their home address, our data shows a long tail of applicants that are willing to travel farther. And, this long tail of applicants proved to be equal-or-better than their more proximate peers, as measured by hire rate. So, while companies may be able to modestly increase the pool of qualified applicants by expanding geographic reach, they should consider total cost per hire from more distant areas.

Employers geographically restricting their candidate search miss out on quality applicants

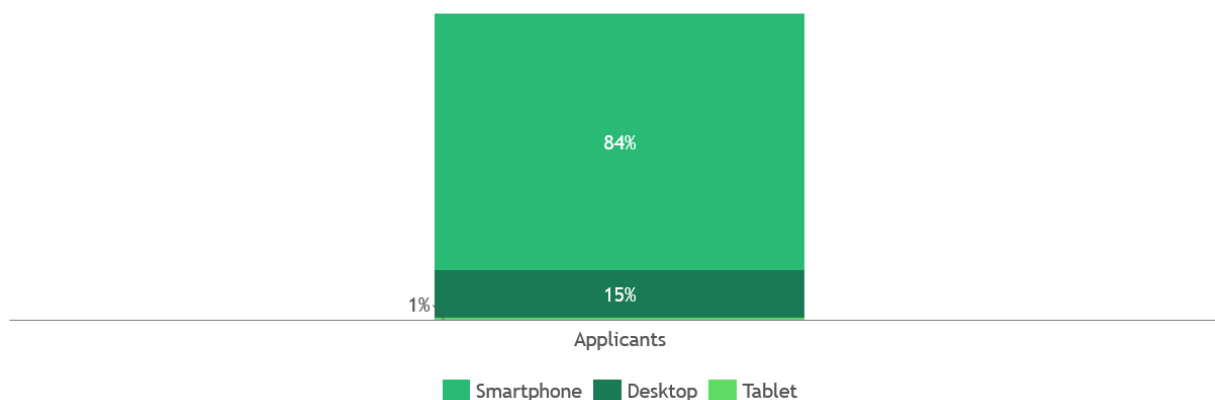
Number of applicants and hire rate for positions by distance from their home address



Mobilize your application: Employers need to engage potential applicants on their terms; when, where and how they choose to interact. In 2021, 28% of American’s ages 18-29 used their smartphone as their sole connection to the internet. Therefore, successful employers must provide job seekers the ability to apply for their position using their smartphone. In our sample, 84% of applicants applied for a position using their smartphone, a 200% increase vs. 2015 data.

Employers need a mobile-friendly application process to reach the vast majority of job seekers

% of applicants by device



However, simply posting a position to an online job board is not enough. Job seekers have limited time to search for and apply to jobs. The antiquated process of an applicant applying to a position on a job site, receiving an email from the employer with applications and documents, filling out those documents and returning them via email, takes valuable time. Implementing a fully smartphone-enabled application interface (like Fountain’s) provides job seekers an end-to-

end experience using their smartphone. This one stop shop drives more applicants deeper into your funnel and improves ROI.

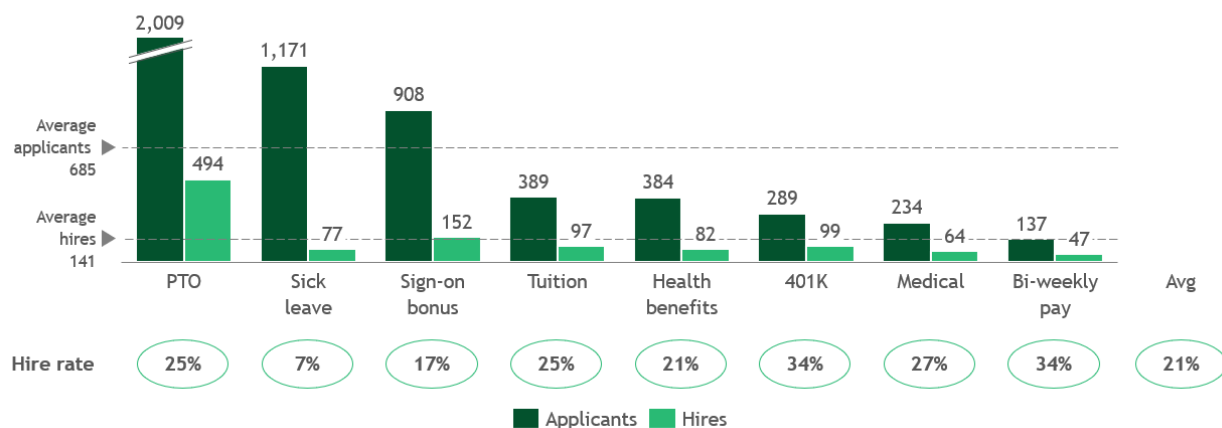
OPPORTUNITY AREA #3: Differentiate your benefits

Specific benefits yield more candidates and hires: Employers are increasing benefits to entice job seekers to apply to their positions during the labor shortage. A haphazard benefits arms race not backed by data can, for many, result in negative ROI. In our analysis we saw that offering certain benefits improved applicant yields and resulted in higher quality applicants.

Of the job postings analyzed, 46% did not mention the benefits the position provided. At a minimum, these companies should make job seekers aware of what benefits the job provides in the job posting.

Offering specific benefits yields more qualified and motivated candidates

Number of applicants and hires by benefit offered



Obviously, there is a cost to providing employees with additional benefits and you cannot expect to only provide the additional benefits to new hire. Successful companies will perform a cost benefit analysis of any additional benefit options and make an ROI conscious decision.

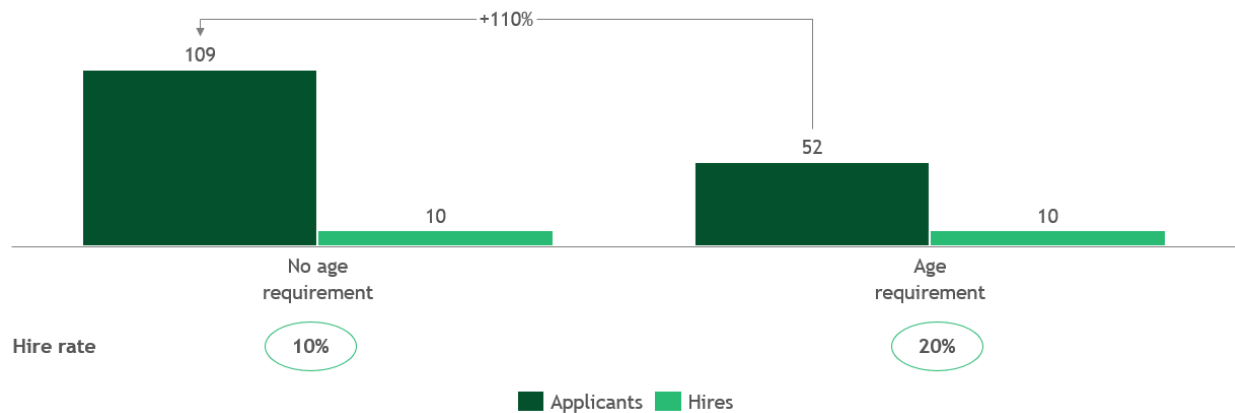
OPPORTUNITY AREA #4: Reevaluate and/or revise job requirements

Minimum Age: In our sample, positions without explicit age requirements generated more applicants, but with lower yield than positions with age requirements. While younger applicants

may thus represent a valuable incremental increase in applicants, companies will need to ensure their hiring systems and processes can scale efficiently to accommodate a potentially lower yield applicant pool.

To improve top of funnel results, employers should consider removing age requirements from their job posting

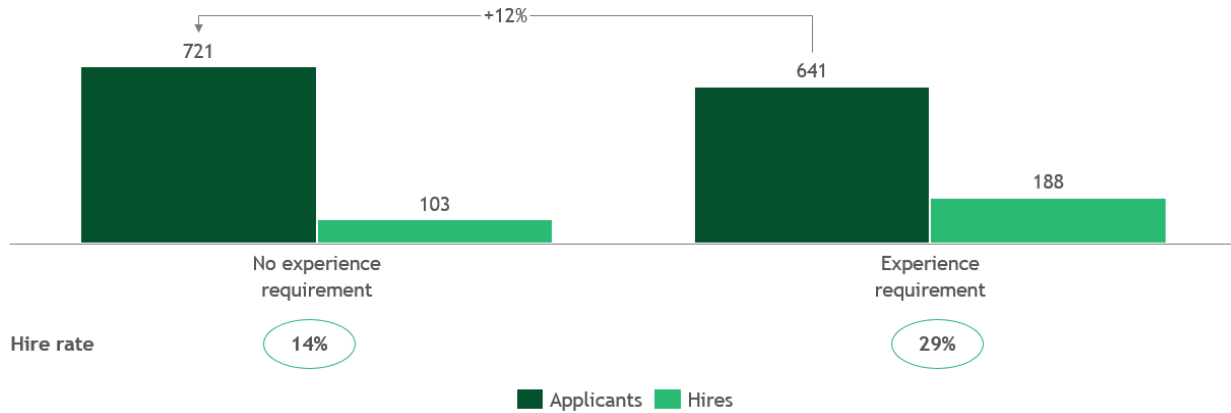
Average applicants and hires per job opening



Experience Matters: The staffing shortages in many sectors are so severe right now that companies are hiring and training inexperienced applicants rather than waiting for someone with the “right” experience. In this market, many more job seekers can (and are!) exploring new industries. Employers can expand their pool of potential applicants by relaxing potentially unnecessary criteria related to previous work experience. Attracting this pool and evaluating them as a potential hire needs to be balanced with a potential reduction in candidate fit: experience requirements yield a 2x better yield rate. Employers should evaluate the importance industry experience has for the position they are trying to fill to best maximize the tradeoff between applicant volume and quality.

Relax experience requirements to boost applicant interest

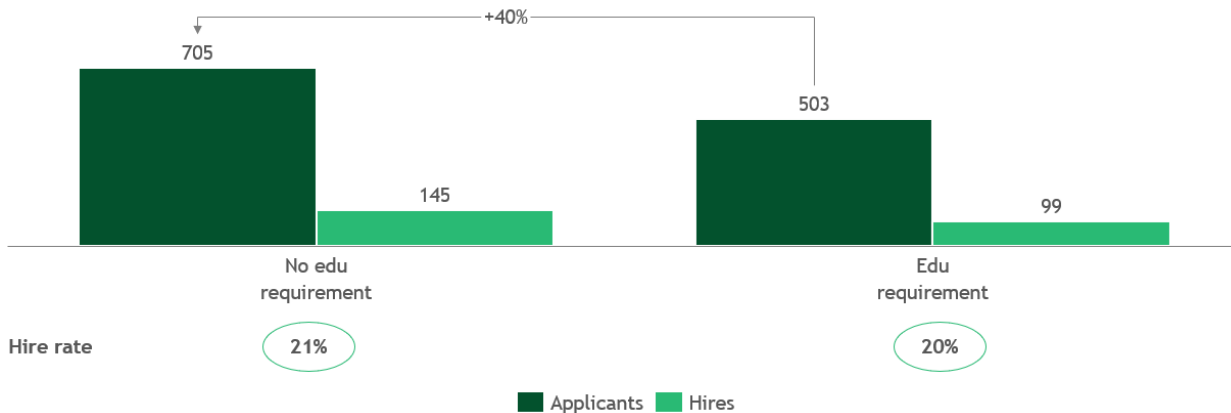
Average applicants and hires per job opening



Education excludes quality applicants: In our sample, job postings that had explicit educational requirements generated fewer applicants than those without them. The rise in alternatives to traditional primary education has made it much more common for students to achieve their GED or equivalent high school diploma beyond the age of 18. Educational requirements, like a high-school diploma, can be a barrier to this demographic despite their potentially limited relevance to the actual job.

Education requirements decrease the applicant pool without improving the quality of candidates

Average applicants and hires per job opening



Opening job postings to a wider breadth of education levels may also provide an opportunity for employers to differentiate their positions by offering additional education benefits. Many

employers are providing funds and grants for employees to pursue secondary-level education, a similar benefit could be provided to employees seeking to achieve their GED.

Our analysis suggests several potential strategies for increasing applicant volume or improving hiring yield, but no single "silver bullet" approach. Of course, companies must assess the specific needs and opportunities of every job. In our experience, the most successful companies employ a "test-and-learn" approach on these requirements, measuring volume, quality, yield, and (eventually) retention to continuously fine tune their requirements. Doing so requires a data and management platform to make real-time changes and generate rapid insights. High-volume hiring platforms (like Fountain's) can be an invaluable enabler to build use cases, make changes and analyze outcomes.

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Employers can utilize these opportunities to improve the ROI of their hiring process, but none of them are the answer on their own. Ultimately, the answer lies in your data and using that information to implement the right tools and processes to hire the right people. The labor shortage is not a short-term issue. Expect to continue to deal with similar hiring trends well beyond the pandemic. The winners in the competition for talent will be those who employ a "test-and-learn" strategy and using a rigorous ROI lens when evaluating ways to improve their hiring process.

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