

Face Labor Shortages With **Confidence**



**Explore current labor shortages,
future trends and 4 ways you
can come out ahead!**



Introduction

What are your recruitment strategies in 2022? You've probably evolved your hiring solutions to include working with staffing and recruiting agencies—and if you haven't yet—you probably will. The chances are that you've increased your wages to attract talent, as well. But it's also likely that even with these strategic measures in place you simply can't find the talent you need.

You're not alone.

The U.S. is undergoing the biggest labor shortage in history that's being termed a demographic drought or a "sansdemic"—where there simply aren't enough able bodies to fill the seats on your bus. What's causing this and how can your company develop strategic approaches to hiring that bring water to your parched employment landscape?

What is a Demographic Drought?

Definition of a Demographic Drought

If you're comparing today's labor shortage to weather-related drought conditions, there are only about two inches of water left in the well. EMSI, a respected global market analytics firm, released a report called "The Demographic Drought," which highlights the myriad complex factors that have created millions of unfilled jobs with no end in sight.

These trends are negatively affecting recruitment strategies in 2022 for literally every company in every market sector.

Ironically, it's not just one demographic population that we're missing in our search for talent—it's an entire demographic population. What is going on?





The Perfect Storm

The issue is a complex one. EMSI reports the perfect storm forming, first due to one million more baby boomers retiring in 2020 than in the prior year. So, during COVID, the workforce lost not only the normal two million people to retirement which is standard, but also one million additional employees from the baby boomer population. Couple that with a U.S. fertility rate that declined below the usual replacement rate. One analysis stated, “There are simply not enough members of Generation X and millennials to make up for the loss of boomers in the workforce.” Then there was COVID, with even more people (particularly women) exiting the workforce to care for their children when pandemic lockdowns force remote daycare and schooling. And yes, there were even employees in the U.S. that left their jobs to live on the stimulus money thrown out by the government. (However, despite the myth, employees could not quit and still receive the increased unemployment benefit during COVID.)

These trends are called a demographic drought because it stretches across age, race, and income to create a situation where we do not and will not have enough employees available to fill available jobs in the years to come. By 2028 there will be a U.S. worker deficit of six million.

The irony is that this perfect storm produces no rain in the form of employees at all isn't lost on the Federal Reserve Bank that states, “The labor force participation rate has been falling in this country for nearly two decades.” This has all led us toward what EMSI calls a “sansdemic.”

What is the Sansdemic?

EMSI defines a sansdemic as, “Without people, or in our case ‘without enough people’—a demographic drought that is projected to worsen throughout the century and will impact every business, college, and region. This is no COVID paradox. This is history catching up with us.”

What is Causing the Labor Shortage?

What are the causes of the U.S. labor shortage? EMSI cites more than seven million open jobs in 2021 and a declining labor force participation rate (LFPR), which is the lowest it’s been since the 1970s. EMSI says, “COVID didn’t create these problems, for these problems existed well before last year...All 2020 did was act as an accelerant.” They cite three primary causes of what seems to be a sudden shortage of talent (but that has been building for decades):

- 1) The increase in baby boomers leaving the workforce. EMSI says, “Their sudden departure from the labor force will gut the economy of crucial positions and decades of experience that will be hard to fill en masse.”
- 2) Record low levels of LFPR of Americans who are of primary working age.
- 3) The lowest birthrate in history By 2062, the national U.S. population is predicted to shrink and EMSI say, "This means that over the next generation, talent shortages will only compound

How is the labor shortage impacting your recruitment strategies in 2022? How are businesses coping with the decline in the workforce?



[Read the full report from EMSI](#)



How is the Labor Shortage Impacting Businesses?



Barron's reports on the economic ironies employers and employees faced during COVID, "Less than two years after 20 million people lost their jobs in one month, those same people are facing a job market that values them more highly than ever."

What does that mean for your business?

During the pandemic, many companies converted some or all of their in-person training to virtual training. This approach was often reactive rather than proactive and may not have followed best practices. Discuss pros and cons to determine how to move forward.

It means that the employees you're trying to attract know they can probably get better pay at your competitors, not to mention better working conditions. The point is that the crazy labor market today benefits employees by driving up salaries, increasing remote work and flexible scheduling, and driving up the propensity for your current employees to leave.

So, in addition to having trouble finding talent, the employees you do have are struggling under a heavier workload because your time to hire is so long. This increases attrition, which has led us to an extended Great Resignation, where four million people have quit their jobs each month for the past six months. Of course, this impacts corporate productivity, profitability, and customer services.

No matter your industry, the effect of all of these trends has led us down a slippery slope toward an unforeseen future for the U.S. labor force and their corporate employers. The real question now is—what strategies will you employ to overcome the demographic drought?



How Can Employers Combat the Labor Shortage ?

Your 2022 recruitment strategies can provide labor shortage solutions to overcome these trends. There are five key strategies that can have an impact on your business and help you avoid the pandemic in the coming years:

1. Get creative with recruiting;



2. Offer flexible schedules;

3. Increase benefits, and;



4. Strengthen the onboarding process.



1. Get Creative with Recruiting

Barron's says, "One of the emerging tools is proactive recruiting: the ability to find well-matched candidates and reach out before they've even applied for a job." This is standard practice for The Panther Group. As we get to know your business we build out a bench of talent so that you have access to employees who fit the technical skills you're looking for and the culture of your business.

Organizations like The Panther Group have been doing this work for years and it's benefitted their clients by helping them weather the period storms that come with a fluctuating economy.

With that said, doing this work takes a massive amount of time, which is why many companies fail to leverage this strategy as part of their hiring solutions. Today, it is far easier to hire staffing and recruiting agencies like The Panther Group because your overburdened HR team (who is also short-staffed) simply does not have this kind of time.



2. Offer Flexible Schedules

Today, more than 80% of the workforce say they want a job that offers a flexible schedule. For employers, offering a flex schedule, including remote or hybrid work options, offers a strategic labor shortage solution for the demographic drought that we're in.

These solutions can include:

- Allowing the employee to choose where they want to work.
- Creating schedules that fit the employee.
- Scheduling work whenever they want to do it.

Whether the work is part-time or full-time, contract or W2, flexible schedules are now a part of the new normal, making it an essential part of your recruitment strategies in 2022.

3. Increase Benefits

Glassdoor says there are five types of benefits that can attract candidates to your business.

They include:

1. As we mentioned, flexible work hours remain a strong benefit, attracting up to 88% of the job candidates to your business even over higher pay.
2. Medical, dental, and vision insurance is in demand for job seekers. Given the high costs of healthcare in the U.S., employers that can pay even a portion of these costs are more attractive than those that can't or won't.
3. Retirement plans are also a key recruitment strategy in 2022. One study showed 90% of companies offer a traditional 401(k) plan with some kind of company match. While benefits are often an afterthought during the recruiting process, the data tells us that this is a key negotiating point for employers to use.
4. Life insurance is a potentially low-cost benefit that yields a big return for employers. Six out of 10 workers say a life insurance benefit is an attractant to a new company.
5. ***Wellness programs are increasingly important to job candidates. One survey showed 42% of job seekers say wellness programs are "important" and 27% say they are "very important" to their job satisfaction.***



4. Strengthen Onboarding Process

The first 90-days on the job are critically important to candidate satisfaction and new employee retention.

Onboarding can reduce your turnover costs and set up your new employees for success, which equals higher productivity, better customer care, and even, improved employee engagement. It can even help your organization improve compliance.

If you're searching for ways to improve your recruitment strategies in 2022, make sure you pay attention to the first 90-days of the new employee—to avoid losing them.



Asking for feedback during the onboarding process improves your relationship with them by 91%



Better employee onboarding can improve Employee Retention by 82%



Highly engaged teams show 21% greater profitability



Why Do Companies Across the Nation Choose The Panther Group?

With three decades of experience as experts in human capital, Panther delivers superior service delivery for our clients, including strategies to adapt in all hiring environments, in the local Boston and national markets.

We specialize in these industries:

- Professional
- Federal
- Engineering
- Accounting & Finance
- Life Sciences
- Information Technology



Diversity Equity and Inclusion Is Part Of Our Mission

The strongest workforce is one built on a foundation of diversity, equity, and inclusion. The Panther Group works closely with employers to develop a proactive diversity recruitment strategy to help ensure you cast a wide net to find the best possible candidates for each open role. While many companies hire for fit to the exclusion of divergent thought, we help you recruit candidates with fresh ideas, unique life experiences, and varying perspectives



Our Services

We provide a wide range of professional staffing services and customizable recruiting and workforce solutions, including:

- Temporary Staffing
- Contract Staffing
- Contract-to-Hire
- Direct Hire
- Executive Search
- Managed Service Provider
- Vendor-on-Premise
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