

The New Talent Squeeze



How to win at retention
and attraction in 2021.

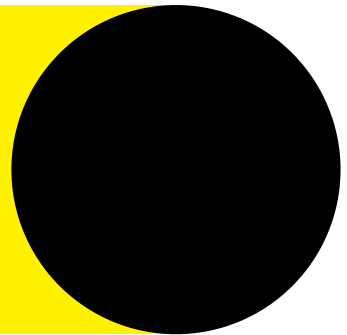


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**Look for our Leading the Future of Work
white paper coming out soon.**



Overview and note from our CEO

A tighter labour pool in Canada was always in our future. Smaller families, retiring baby boomers and the rise of entrepreneurship made futurists and government planning departments alarmed but not alarmists. The labour squeeze was predicted to hit a few sectors particularly hard, but a generous immigration policy was thought to mitigate most talent gaps. However, the global pandemic changed everything and our labour shortage, in addition to economic uncertainty and unprecedented debt, has businesses in North America, and Canada in particular, in an unenviable position of not having enough talent for open jobs.

At Agilus we see the future workforce as dynamic and global. Candidates with a growth mindset, who are naturally curious and passionate about their work will create a new standard in productivity and performance. When life hands you lemons you make lemonade. Curious? Read on.



HELP WANTED

A Statistics Canada report released in May 2021 said 22 per cent of Canadian businesses surveyed expect “retaining skilled employees” will be an obstacle over the next three months, while 23.8 per cent identified “shortage of labour force” as a looming issue.

<https://www.thestar.com/business/2021/07/07/i-quit-wave-of-resignations-prompts-concerns-over-labour-shortage.html>

“In the next decade, Canada’s nine-million-plus baby boomers – the country’s most prominent worker cohort – will all have reached retirement age. This reality, in combination with a low fertility rate, is placing increasing economic and fiscal pressure on the country, says Pedro Antunes, Chief Economist with the Conference Board of Canada. “We have never seen labour markets this tight, with gaping vacancies across all industries,” says Antunes, who points out the urgency of finding tangible solutions – such as immigration – to replenish those who are exiting the workforce.”

<https://www.theglobeandmail.com/business/adv/article-access-to-global-talent-pool-helping-canadian-companies-grow-and/>

The construction sector, for one, blames the stigma around skilled trades for the waning interest among newer generations of students, who are shunning apprenticeships and college trade-oriented courses in favour of university.

<https://financialpost.com/news/economy/canada-worker-shortage-problem>



OUR NOT-SO-NORMAL REALITY

“To have so many jobs unfilled at a time when so many are out of work — Canada’s unemployment rate was 8.2 per cent in May, with another 68,000 jobs lost, according to Statistics Canada on June 4 — wouldn’t normally make much sense. It’s a concept that economists refer to as the Beveridge curve, which charts the relationship between unemployment and job vacancy: high unemployment should coincide with low job vacancy — at least in a stable, efficient economy.”

<https://financialpost.com/news/economy/canada-worker-shortage-problem>

**agilus**
Work Solutions

How did we get here?

Although a smaller workforce was anticipated, COVID-19 created a perfect storm in Canada by creating and contributing to a number of new realities that pushed many Canadians over the precipice and out of the job market.

To begin, Boomers were always going to retire within the next ten years and with that take valuable experiences, knowledge, and skill sets that we were only beginning to replace. However, many Boomers took early retirement as a result of COVID-19 and the remote working technical requirements. Many questioned if it made sense to learn new skills when life is fleeting, COVID is raging and retirement was so close. With the absence of this critical knowledge base, companies that had succession plans in their future but were not in play were left wanting.

Further, the number one asset in the majority of Canadian's net worth is their home and the hot housing market was another incentive for Boomers to move out of the urban centers and start retirement early.

As the pandemic took hold, immigration was paused, and the perpetual workforce that always rescued Canadian labour shortages was unavailable. Immigration continues to be slow as Canadian borders remain closed to full international travel.

In our 2021 Salary Guide and Work+Covid Survey, our clients reported that their organizations see the graying of the workforce as an opportunity. "We welcome the knowledge transfer and mentoring prospects." Senior Advisor, HR – Recruitment, Midstream, Energy Sector



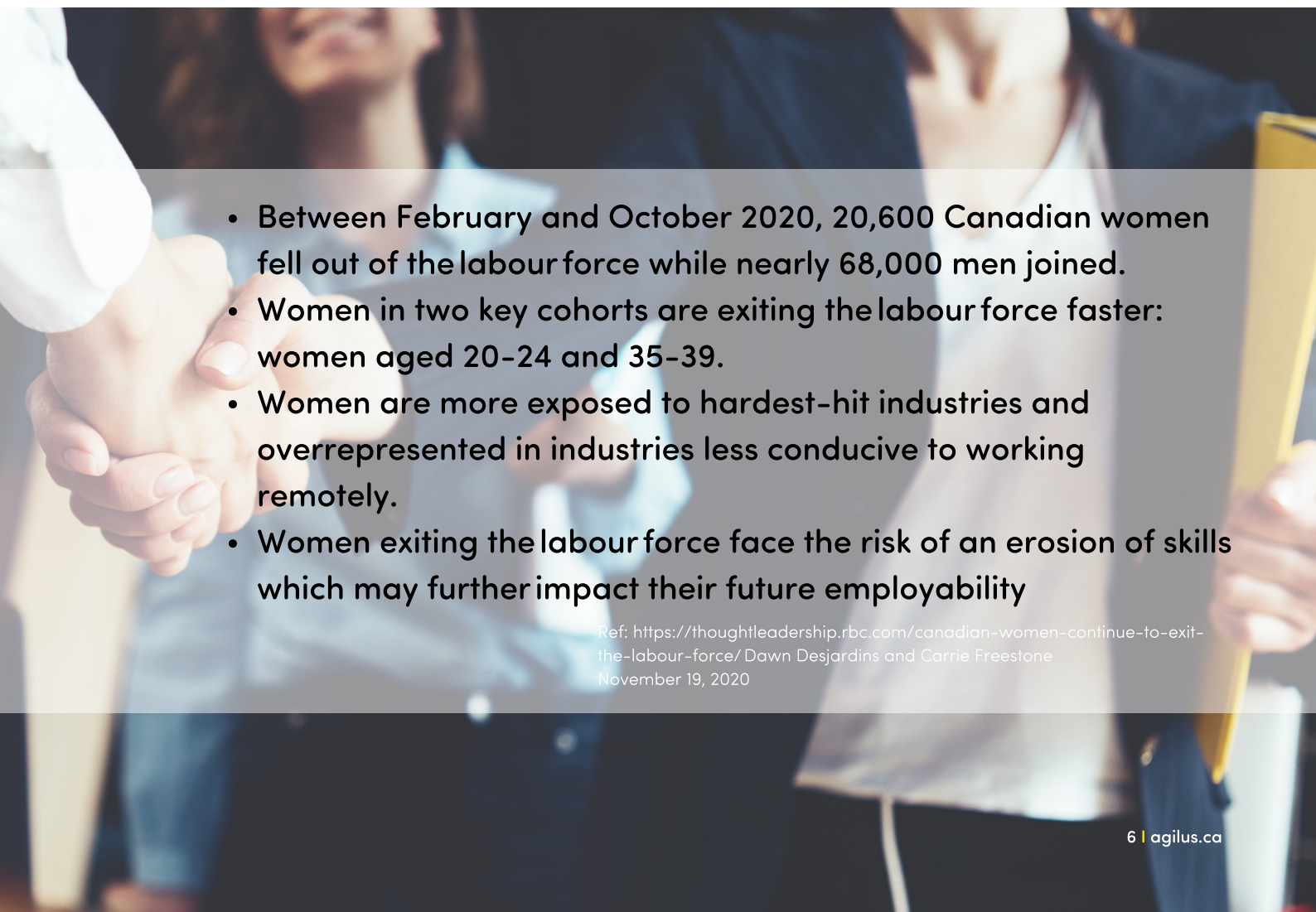
Another reason why businesses are feeling the labour shortage pinch is the exit of women from the workforce. There has been significant discussion and media coverage on the impact of the pandemic on working women in particular.

Many cite that the pandemic has sent the women's movement back decades. Women are disproportionately represented in low-wage jobs and likely to work in the sectors most devastated by COVID which are slower to recover.

For example, customer-facing positions. The type of employment women occupied had limited work from home opportunities especially considering the larger role they played in hospitality, retail, and the arts.

Women's traditional role as primary family caregivers was made more complicated by limited childcare options and school-aged children in some or all e-learning classes. All while balancing an out-of-home role or working from home scenario.

Now as the vaccine rates climb, many women are hesitant to return to the workforce. Making do with one income and perhaps government benefits, savings, or a reprioritization of goals has taken a significant bite out of the returning candidate pool.

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- Between February and October 2020, 20,600 Canadian women fell out of the labour force while nearly 68,000 men joined.
 - Women in two key cohorts are exiting the labour force faster: women aged 20-24 and 35-39.
 - Women are more exposed to hardest-hit industries and overrepresented in industries less conducive to working remotely.
 - Women exiting the labour force face the risk of an erosion of skills which may further impact their future employability

Ref: <https://thoughtleadership.rbc.com/canadian-women-continue-to-exit-the-labour-force/> Dawn Desjardins and Carrie Freestone
November 19, 2020

As with any significant world event, men and women are reconsidering their work-life balance. The Canadian government benefits have provided a further rationale to delay returning to the workforce. As a result, many roles paying minimum wage are not attracting candidates who calculate their earnings as not worth the health risk, do not adequately cover the out-of-pocket expenses of working out of home or honestly do not see the upside of employment if they can make ends meet elsewhere.

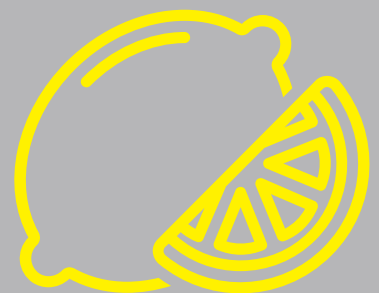
This may be seen as a blip to be quickly resolved when the economy restarts and the government subsidies are halted. However, there continues to be a call for a universal income in Canada or increases to minimum wages. This employee shortage may be a long-term reality for many employers if they can't offer a more generous hourly wage.

Finally, The Great Resignation, as it is being labeled, isn't limited to more experienced workers and professionals. Generation Y and Z are searching for purpose and greater flexibility and autonomy. The adoption of remote work means there are many more options for them that they never considered without giving up family, friends, neighborhoods, and lifestyles they prefer.

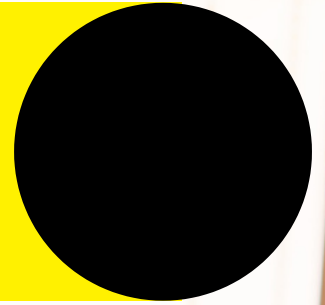
The Globe and Mail quoted a recent Canadian survey stating "33 per cent of employed Generation Z and Millennial professionals polled reported plans to pursue a new job. The survey revealed that Generation Z mostly wants a change so they can earn a higher salary (40 per cent) while Millennials are struggling with low morale (31 per cent)."

"Younger employees are empowered to strike out on their own if employers can't meet their expectations. With the rise of remote work, many people are also quitting right now because they have the option to work for companies that they never thought was possible", Yiorgos Boudouris, a self-employed career coach added. "As a result, employers are feeling the pressure to retain employees."

"Employers will need to be accommodating to employee needs. That's why I think if you're employed right now and there might be some things that you hope to see evolve in your workplace, that accommodation factor might be greater because it's going to be really hard to find replacements for all the folks who have thoughts about leaving. That retention piece is where I think employees have a lot of power," he added.



RETENTION



"Take care of your employees and they will take care of your business. It's as simple as that." -Richard Branson

Retention 911

Certainly, the easiest solution to a tight labour market is to hold on to who you have. Regardless of the replacement costs (recruiting, training, money lost from an empty position, and the impact on the overall team and morale) and time lost, employee retention is the best strategy.

According to several surveys, people are ready to leave both pandemic restrictions and their current jobs behind in 2021. "The Microsoft Work Trend Index found that 40% of people want to change jobs this year. A survey of workers in the U.K. and Ireland put the number at 38% and a similar U.S. survey found 26% of workers are planning to leave their current job over the next few months."

<https://www.techrepublic.com/article/the-great-resignation-of-2021-are-30-of-workers-really-going-to-quit/>

Let's look at some retention basics:

● Employee Engagement

When employees are not engaged at work there is little incentive to stay. When employees are disengaged, productivity, energy, and morale are eroded and can spread quickly. An SHRM/Globoforce Employee Recognition Survey (<https://go.globoforce.com/Q416-SHRM-Survey-LP.html?source=blog>) reported that the top three challenges for HR professionals are retention, engagement, and recruitment. Proactively monitoring employee engagement and developing plans to continuously improve those results can mitigate retention risks and improve recruitment.

The Great Resignation

"We're expecting to see a rise in attrition, really across all organizations," said Steve Knox, vice-president of global talent acquisition for human resources firm Ceridian.

Knox said employers are already encountering employees who are enjoying work-from-home and don't want to return to office life, as well as employees who are burned out after a stressful year. He said some employees seem to have used the past 15 months to re-evaluate their life choices, and are now saying "I quit."

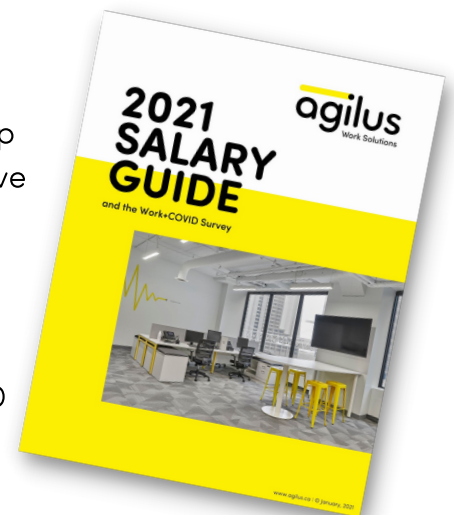
Ref: <https://www.thestar.com/business/2021/07/07/i-quit-wave-of-resignations-prompts-concerns-over-labour-shortage.html>



- **Competitive Salaries and Benefits**

There is no shortage of salary guides and online resources to keep you up to date on salaries. Most resources are very comprehensive and include variations for location and tenure. Understanding the current salaries is an important factor in retaining and attracting employees.

You can download the Agilus 2021 Salary Guide and Work+COVID Survey here: https://www.agilus.ca/salary_guide_download



- **What is Wage Inflation?**

Wage inflation is when nominal salaries go up. In theory, this is a good thing as an assumption can be made that workers are better off. However, is the increase in wages real? This depends on why the wages were increased in the first place. Often wage inflation accompanies price inflation. The impact of wage inflation depends on whether it is a real increase (higher than inflation) or just keeping pace with inflation (often called cost of living increase).

The effect also depends on labour productivity and whether the costs of goods sold actually have a reduction in costs contributing to the wage increase or whether the wage increase is more arbitrary or influenced by external factors (i.e. talent shortages). Since wages and salaries are major input costs for companies, rising wages should lead to higher prices for products and services in an economy, ultimately pushing the overall inflation rate higher.

● Workplace Culture

Technically a workplace culture is made up of Artifacts (tangible evidence), Values (demonstrated by employees), and Assumed Values (certain beliefs and facts which stay hidden but do affect the culture of the organization) according to Edgar Schein. (<https://www.managementstudyguide.com/edgar-schein-model.html>). While each company's work culture is unique, it is imperative that your culture encourages, supports, and motivates your employees to do their best work and resonates with their own sense of purpose.



How has your culture changed due to remote work? Will it return to "normal" when, and if your, employees return to the office full-time? How might a hybrid, remote, or in the office model influence your culture?

● Recognition Programs

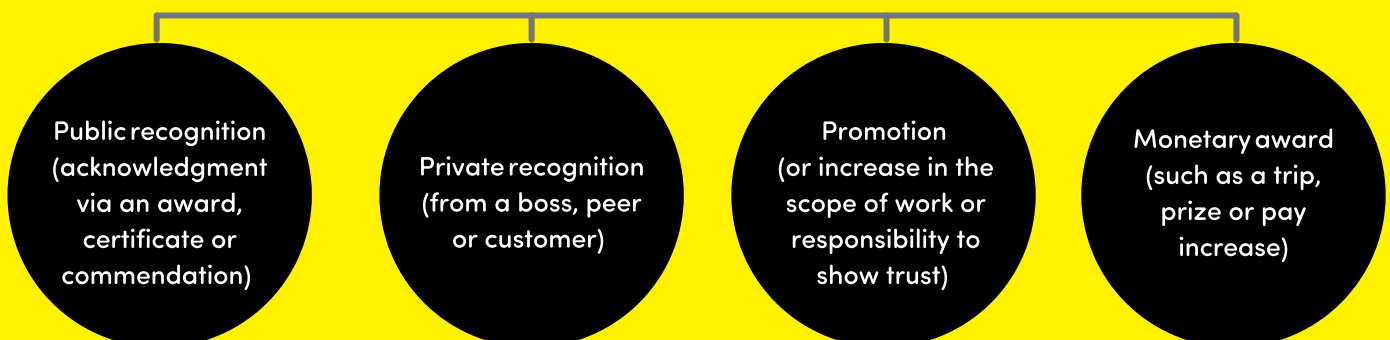
Don't underestimate the power of recognition. A recent study by Survey Monkey and Bonusly reported of the 1,500 respondents, 63% of those who were "always" or "usually" recognized said that they are "very unlikely" to job hunt in the next 3–6 months. In contrast, only 11% of those who are "never" or "rarely" recognized would agree.

A recognition plan not only supports retention but a lack of one can impede retention. In a 2020 survey by Achievers, surveying 1,700 respondents, 55% were planning to switch jobs, and the lack of recognition was the No.1 reason. 69% even said that better rewards and recognition would encourage them to stay on at the company.

<https://www.hrtechnologist.com/articles/rewards-and-recognition/employee-recognition-and-retention-statistics/>

In March 2020, the vast majority of businesses in Canada moved to remote working, and at the time did not see WFH lasting 16+ months. As a result, many internal programs were left to languish. Priority was given to immediate needs that impacted whether an organization was going to weather this global crisis or not. For example, postponing performance reviews instead of remodeling recognition programs for remote workers.

Types of Recognition Programs



Recognition does not have to mean expensive and comprehensive programs, in fact, according to a recent survey conducted by Officevibe, 82% of employees think it is better to give someone praise than a gift.

● Social Impact and Corporate Social Responsibility (CSR)

The new triple bottom line (people, planet, and profits) is an important consideration for both your existing and potential employees. Job seekers are increasingly looking at CSR programs not just as corporate philanthropy or marketing opportunities but are showing an increased interest with questions like “Does this align with my personal values?”, “Can I take pride in my work?”, “Am I making an impact for the greater good?” Companies should not underestimate the value of a relevant CSR. In fact, it may alleviate wage pressures.



A recent Harris Poll found that 75% of employees and job seekers expect their employers to support individuals and groups in need within the community and 76% of millennials regard business as a force for social impact.

Ref: <https://www.forbes.com/sites/jeannemeister/2012/06/07/the-future-of-work-corporate-social-responsibility-attracts-top-talent/?sh=3f2341353f95>

In a survey detailed below, by the nonprofit Net Impact, 53% of workers said that “a job where I can make an impact” was important to their happiness, and 72% of students about to enter the workforce agreed. Most would even take a pay cut to achieve that goal.

All other things being equal, I would take a 15% payout ...

35%

...to work for a
company
committed to
CSR

45%

...for a job that
makes a social or
environmental
impact

58%

...to work for an
organization
with values like
my own

● Counteroffers

Counteroffers are rarely a long-term success model. The vast majority of candidates who accept a counter-offer are looking to leave again within the next six months.

Traditionally counteroffers have been used to gain time to find a replacement. In this tight labour market, a counteroffer might be your best option if that employee will be difficult to replace. That might mean paying more but look deeper at the underlying issues so you can create an engaged high performing employee for the long term. Money alone is not going to re-engage an employee.

Why do companies extend counteroffers?

- ✓ Retain talent (57.1%)
- ✓ Retain an employee's job knowledge (49.1%)
- ✓ Save time hiring a replacement (43.4%)

Other reasons to give counteroffers are to save money from hiring a replacement, prevent an employee from working with a competitor, and avoid stress from hiring a replacement.

Signing bonuses

Once signing bonuses were almost exclusively used to attract senior executives and professionals who would lose significant bonuses with an early exit.

Signing bonuses are now being used in more levels of a business to sweeten the overall compensation offer, expedite the negotiation process, compete with another offer, or demonstrate a serious commitment to the preferred candidate.

In the short-term, they work well, but the onus is on the employer to create an ongoing EVP that engages and rewards that employee year after year to equate to that original signing bonus.

Signing bonuses can be in the form of cash or more lately technology. Companies are not only lending laptops, phones, headphones, mics, and desks they are giving them to employees to help sweeten the deal and set up their own home office the way they would like.



The push for higher wages

There are several external factors exerting pressure on Canadian wages including:

- ✓ Inflation – everything is more expensive than before the pandemic and it is expected to continue
- ✓ Scarcity of qualified candidates
- ✓ The trend in salary transparency
- ✓ Awareness and attention to the gender pay gap
- ✓ Raises, performance bonuses, and promotions have been on hold for most businesses since late 2019
- ✓ Government benefits for lower hourly wage positions and contracts
- ✓ The social push for a Guaranteed Basic Income

**"Competition for workers is going to really put upward pressure on wages ...
Are businesses healthy enough to handle that?"**

–BRENDON BERNARD, SENIOR ECONOMIST, INDEED CANADA CORP.

Black women must work an additional 214 days to catch up to what white, non-Hispanic men made in 2020 alone. Black women are typically paid only 63 cents for every dollar paid to white men, and the wage gap persists regardless of industry. This adds up to a loss of \$2,009 each month, and \$964,400 over the course of a 40-year career, according to the National Women's Law Center.


www.forbes.com/sites/hollycorbett/2021/07/31/black-womens-equal-pay-day-equals-an-extra-214-days-of-work

● Training & Upskilling

Employees are looking for a long-term commitment from their employers. Training is a great way to show employees you're invested in their future while reaping the benefits of an engaged, qualified workforce. Companies are putting professional development front and center, proactively talking to employees and candidates about their desired career paths. They are shaping learning and development plans and budgets to keep more employees with the organization as long as possible. This is not only about retention. According to the Brookfield Institute at Ryerson University, 42% of Canadian jobs are at high risk of needing to be reskilled in the next two decades.

We see bigger professional development budgets coming into play as part of both retention and attraction strategies. Upskilling was a big trend for employees and the unemployed as a result of the lockdown and many online education providers took advantage of this “downtime” to market their wares to individuals and employers. In 2021 there are more online learning options and the online experience is more sophisticated and engaging than previous attempts. These learning outcomes are measurable and aligned with on-the-job requirements.

The democratization of online learning has increased access and reduced the overall price compared to instructor-led programs.



PwC is spending \$3 billion to upskill all of its 275,000 employees over the next three to four years; the mantra of the program is “New World, New Skills.” The pandemic accelerated this need for companies of all sizes, as many needed to retool their employees quickly to fulfill changed business priorities.



First, provide professional and career developmental opportunities that are fitted to each individual,” says Nancy Parsons, president and CEO of CDR Companies. “This should begin with assessment, coaching feedback, and an understanding of one’s specific in-depth strengths, risk factors, and intrinsic motivators. Once IT learning and development specialists are clear on these, and the individual is self-aware through coaching, then the development should be molded to fit the needs, profiles, and goals of each individual.”

She says studies show that Millennials and GenZers crave career and professional development, with several studies suggesting that 80% or more of them would leave a company that doesn’t offer personal development opportunities.

“Learning cannot just be an afterthought — it must be a core focus of any strong organization,” adds Kevin Griffin, an IT advisor at Falco Enterprises and former CIO of GE Capital. “When learning is part of your culture, it doesn’t stand out as something outside the norm.”

More than one-third of global learning and development professionals say they will increase their budget this year for the third year in a row, according to a newly released report by LinkedIn. As budgets continue to grow, there is a shift from instructor-led training (ILT) to online learning. 57% of learning and development professionals say they are planning to spend more on online learning this year, while 38% said they expect to spend less on ILT, the 2020 Workplace Learning Report said.



No longer is cross-training a nice to have for vacation coverages and leaves but part of a bigger talent strategy to identify new interests and career paths. Many businesses have mandated cross-training across their organization. For bigger companies and multinationals, a version of this has always been part of the development plans for high potentials but the tactic is taking on a more universal trend and grassroots approach regardless of the size of the business.

● The untapped value of your second line

So often businesses focus on retaining high potentials and leave the rest of their workforce to manage on their own. The reality in this talent squeeze is everyone is invaluable to the team and focus needs to be placed on your "B" players as well. They may not be destined for the C-suite but they deliver consistently and are the backbone of an organization. They are usually tenured and loyal to the organization. They tend to know how the business gets work done and whom to speak to regardless of the issue.

B-team members are motivated differently from your first string. They are hardworking but often get overshadowed by high potentials. Businesses should proactively seek them out to learn what hidden strengths they have. Successful businesses will ensure recognition and rewards programs do not overlook these employees.

Some best practices for B-players:

- Reassess their roles for opportunities to expand or grow their responsibilities
- Keep them engaged by asking for their input
- Look for cross-training opportunities
- Give them permission to lead. While A-players don't wait for permission, B's often do — but they can be just as effective once they know they have your support.



"According to a recent Upwork survey, about 1 in 4 Americans (26.7%) will be working remotely in 2021. This is a significant change from 2018, when only 7% of civilian employees in the U.S. had an option to work from home." Forbes.com

● Flexibility

Suddenly businesses that were staunchly against working from home had moved everyone to remote work and for the most part, it was not the end of the world, and business continued. With the vaccine rollout nearing its target in Canada, many businesses are looking at returning to the office either 100 percent of the time or a hybrid, and most employees are pushing back.

At Agilus, our recruiting consultants confirm that one of the first questions candidates ask us when we are discussing a new role is if the job allows for remote work – regardless of whether they are active or passive candidates and before we talk about the job responsibilities or compensation. Candidates are looking for flexibility in where they work and most often this is a non-negotiable. Businesses that can accommodate or proactively support a WFH or hybrid model are going to retain more employees.

3x

The number of job ads that mention a four-day workweek has tripled in the past three years, ZipRecruiters says.

Most recently, Iceland participated in the largest public sector trial of a 4 day work week reducing a 40-hour workweek down to a 35, 36 hour week. As a result, 86% of Iceland's workforce have either moved to shorter hours for the same pay or will have the option to participate.

Can your business succeed in a four-day week? What would it take to make that happen? 18 months ago businesses never thought they could survive employees working exclusively remotely.

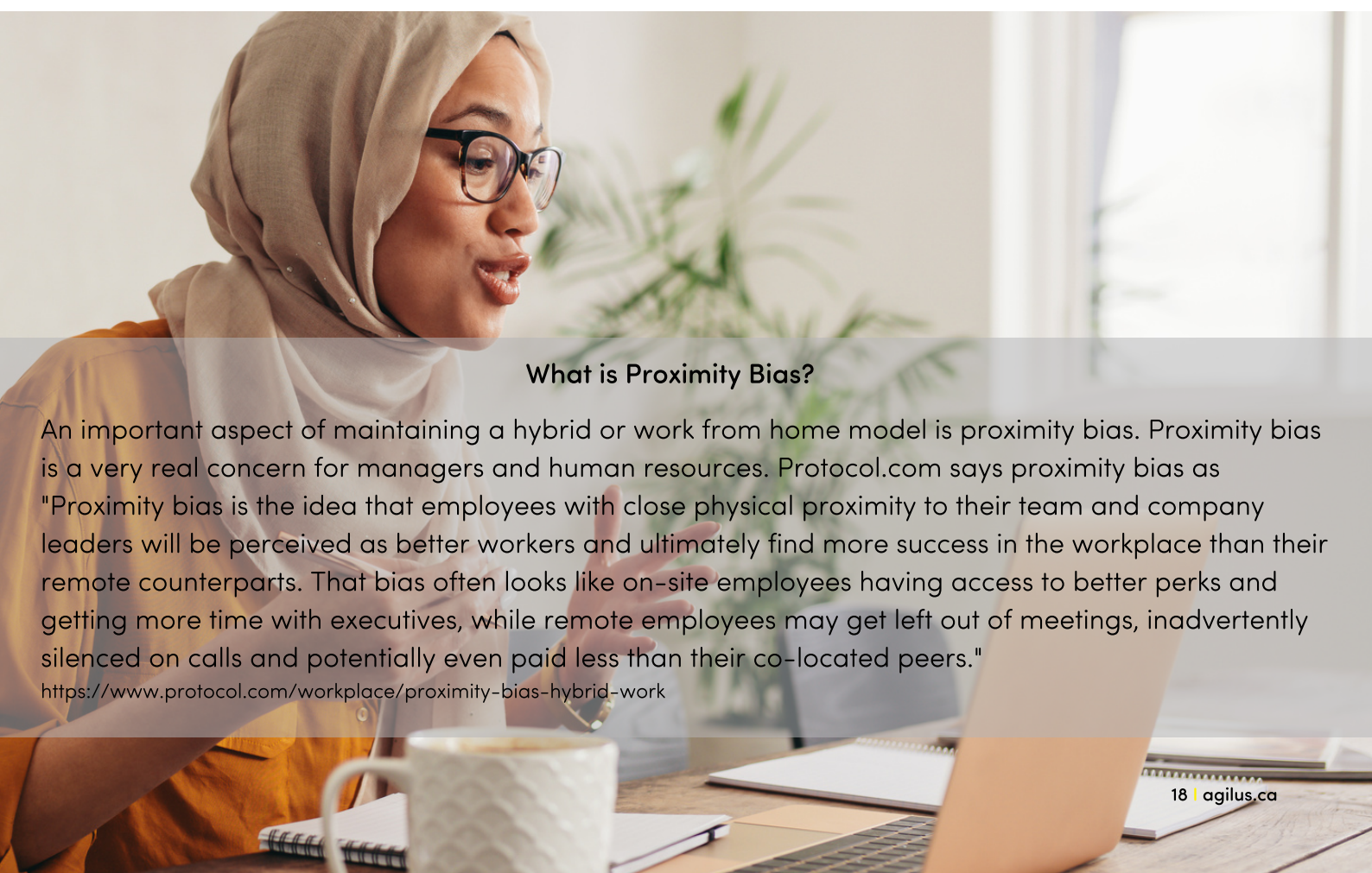
● Work from Home or Anywhere

Juxtaposed against the upward pressure for higher wages is this idea that some workers would consider a voluntary pay cut. According to the University of Chicago's Becker Friedman Institute for Economics, many workers would be willing to take an average pay cut of 7% to work from home two or three days a week. This is reinforced by the news from Facebook that they will likely reduce salaries.

"About 62% of Amazon.com Inc., employees said it was right to cut pay in exchange for remote work, while 63% of Microsoft employees and 71% of Google employees agreed. 69% of VMware, 60% of Twitter, and 67% of ServiceNow employees also answered Facebook is right to cut pay for workers relocating to lower-cost areas. Bloomberg reported in August 2021, Google and Twitter also cut pay for remote employees who move to less expensive areas, while smaller companies including Reddit and Zillow have shifted to location-agnostic pay models, citing advantages when it comes to hiring, retention and diversity."

Bloomberg <https://www.bloomberg.com/news/storythreads/2021-04-28/what-will-the-world-of-work-look-like-after-covid-19>

Employers and employees appear to be taking sides. Employers want teams back in the office and employees want to work from home. The problem is not black and white - we cannot solve this problem with extreme positions. There are advantages and disadvantages to both models for both employers and employees. The solution is a two-way dialogue that identifies the pros and cons and looks for the solution that makes the most sense. As always, when considering making a change to an employee's terms and conditions of employment businesses should review local employment legislation and obtain legal advice.



What is Proximity Bias?

An important aspect of maintaining a hybrid or work from home model is proximity bias. Proximity bias is a very real concern for managers and human resources. Protocol.com says proximity bias as "Proximity bias is the idea that employees with close physical proximity to their team and company leaders will be perceived as better workers and ultimately find more success in the workplace than their remote counterparts. That bias often looks like on-site employees having access to better perks and getting more time with executives, while remote employees may get left out of meetings, inadvertently silenced on calls and potentially even paid less than their co-located peers."

<https://www.protocol.com/workplace/proximity-bias-hybrid-work>

● Proximity Bias

Consideration in any retention plan, is how do you level the playing field and eliminate real or perceived inequities between those in the office and those working from home? Where is the perceived power? Where are the executives and how can you give more exposure to your staff who work from home?

It is important to put systems in place to monitor who gets promoted and why. Look out for patterns that suggest favoritism of one group over another and fix any inequities. This isn't just about promotions, bias could lie in who gets the plum, high-profile assignments, and why? Who hears corporate information first - does being in the office give access to uncensored information before the company-wide email. Do those that work in the office have better technology? Easier access to tech help? Free coffee? Create some checks and balances and monitor closely and frequently.

Employers need to demonstrate fairness, accessibility to opportunities, and equity to both groups to avoid ostracizing those that chose to work from home.

● Health & Safety

When businesses ask employees to come back to work in a physical common space or ask them to travel or meet with clients, employees want to know their employers care about their health and are proactively keeping them safe.

There are many things that businesses need to consider as they continue to keep employees' health and safety a priority. The list on the next page can help you identify gaps in your Return to Office plans.

According to a recent HBR article, "More than 40% of U.S. workers would start looking for another job if forced to return to the office five days a week.

Employees want to work from home 2.5 days a week on average, according to a monthly survey of 5,000 Americans. The rapid spread of the Delta variant is also undercutting the drive for a full-time return to the office any time soon. Tight labor markets are also a challenge for firms that want a full-time return."

hbr.org/2021/08/dont-force-people-to-come-back-to-the-office-full-time



Agilus' Employer Guide for Safely Returning to the Workplace - Best Practices

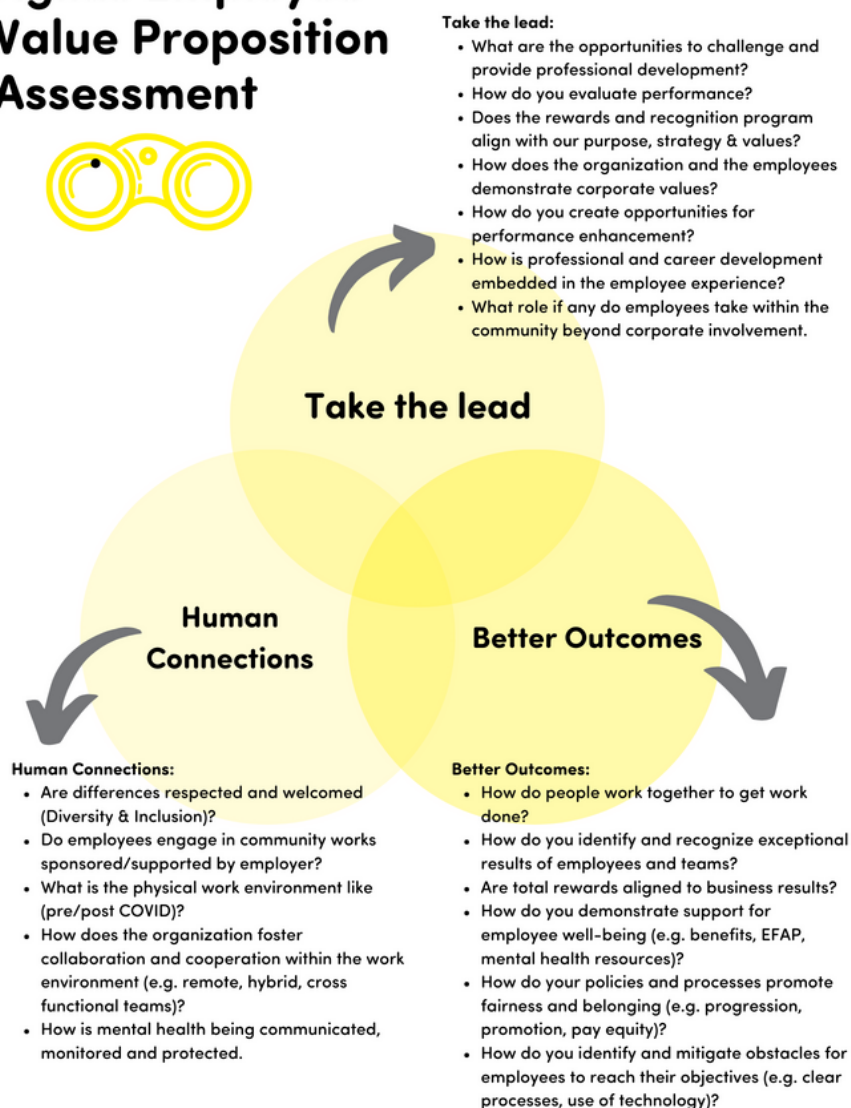
- Communicate the return to the workplace plan prior to employees returning. This will help address any concerns and questions that may be raised.
- Provide orientation of all new expectations, protocols, and processes that employees will experience upon returning.
- Encourage open dialogue about how people are feeling and seek to understand individual struggles.
- Encourage employees to share any health issues that may put them at risk if they return to the workplace.
- Continue to enforce good personal hygiene rules.
- Ensure the Sick/Illness policy includes staying home when ill, when to seek a COVID-19 test, isolating, and the process for returning to work following an illness.
- Communicate expectations for any daily health assessments such as temperature screening, or other symptom checks and the frequency of those requirements.
- Provide ongoing training as processes and procedures change in response to the lifting of restrictions and legislation.
- Provide transparency on the decision-making process to enforce a vaccine policy or not.

● Employee Value Proposition

The Employee Value Proposition (EVP) is the culmination of all benefits that an employee receives in return for the skills, capabilities, and experience they bring to a company. When integrated into all aspects of a business, a strong EVP will help retain top performers and attract the best external talent. This can include financial compensation, benefits as well as perks like work flexibility, upward mobility, professional development, and access to mentors/sponsors. Your EVP is key for retaining the best talent in your company, and it is critical for attracting the candidates you need.

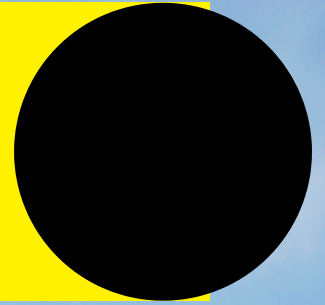
An EVP must be unique, relevant, and compelling in order for it to be an effective driver of talent attraction, engagement, and retention.

Agilus Employee Value Proposition Assessment



Retention is going to be a necessary strategy within your HR strategy. The more you can keep your employees engaged, the more immune you will be to the current labour shortage. However, the reality is that there will be attrition for a number of the reasons listed above. Also, businesses should expect business growth which means more employees and new roles to fill, and growth is good for everyone.

ATTRACTION



“All surveys have shown that finding qualified workers, or any workers, is one of the biggest problems businesses face”

- JENNIFER LEE, SENIOR ECONOMIST, BMO CAPITAL MARKETS ECONOMICS

<https://financialpost.com/news/economy/canada-worker-shortage-problem>

Attraction 411

Look at the current talent squeeze as a glass half full, not half empty. While there is the risk of involuntary turnover, almost 50% of the workforce is looking to make a change for the better.



Tapping into the hidden workforce

The preceding section discussed how to retain your employees and protect against competitors poaching your best. Despite your best intentions, the reality is that you will need to hire. The above tactics will also help you be competitive in the market and attract better talent in the long run.

Experts, including Agilus, talk about the future of work and a paradigm shift that is happening as the current market conditions align to remove any opportunity to return to the pre-pandemic workforce. That means businesses no longer have the luxury of waiting to find the perfect employee. However, there are great candidates if you know where to look...



● Skills-based approach

While some jobs will not return after the global pandemic, there are other sectors that can't hire fast enough, for example, logistics, information technology, engineering, skilled trades, and manufacturing. Shifting to a skills-focused approach is a viable solution to an evolving workforce dilemma. Evaluating employees and new hires based on their transferable skills instead of their work history can help level the playing field — and help companies realize the talent they already have. It also makes talent pools more diverse and often makes hiring and progression more effective.

Focusing on the skill sets and not the work history of current employees, new hires and candidates will help businesses realize that their available talent can address many hiring gaps and as an additional perk, create career progression as well as a more diverse talent pool.

"This is the future of hiring and development. To get ahead of it, companies need to start weaving learning into their company cultures. Organizations slow on the uptake will be left behind and forced to deal with unsatisfied and unmotivated employees and significantly less innovation overall. At a time when talent is the number-one commodity in business, companies can't afford to remain stuck in old mindsets."

Ref: hbr.org/2021/06/you-need-a-skills-based-approach-to-hiring-and-developing-talent

In-demands skills for 2021

Hard skills

- Analytical Skills
- Computer Skills (very specific depending on role)
- Presentation Skills/Public Speaking
- Communications Skills (writing)
- Critical Thinking
- Numeracy
- Online Competencies

Soft Skills

- Growth Mindset
- Curiosity
- Adaptability
- Collaboration
- Work ethic
- Thrive in a virtual environment
- Emotional Intelligence
- Time Management

Talent assessment is an excellent tool to evaluate top candidates for any role. It can provide insights about a job applicant beyond the traditional academic and experience information mentioned in their CV. Talent assessment can help identify if a candidate is a good match to a particular role, team, and organizational culture by providing in-depth information such as a candidate's working style, personality traits, technical acumen, attitude, etc. Further, it can help you create a professional development plan, identify high potentials, learning capability, leadership traits, and proactively mitigate performance inhibitors.

Check out Agilus' Talent Assessments services at www.agilus.ca/talent-assessment.

According to research, organizations that use pre-hire assessments are 24% more likely to have employees who exceed performance goals.
-Medium.com

Another facet of this work trend is looking at your candidate pool with the lens of reskilling rather than who can do the job.


As an added advantage, reskilling and upskilling not only benefit the business, but employees who engage in cross-training and reskilling feel more protected against another economic downturn and more resilient in their careers. Employees and candidates are looking for opportunities to learn more. Discussing reskilling and career paths as part of your Employee Value Proposition (EVP) is a real differentiator for candidates.

For example, hospitality workers and especially frontline wait staff and reception have already honed that customer service muscle and could make the transition to customer service reps in call centers quite easily.

Looking at a candidate's ability to learn through talent assessments and behavioral questioning opens up a new pool of candidates that you may not have considered. Talent assessments can offer insight into a candidate's ability to learn new skills, how they learn, and their speed in integrating new information and skills.

Considering an IT candidate's ability to learn new programming languages quickly, might be a better hiring strategy than waiting for a candidate that excels exclusively in Java, for example. Not only can you train this candidate to your needs, but they have also demonstrated they can quickly adapt to other languages as your systems and demands require.

Finally, consider where that candidate can be in 6-12 months and push your expectations back that same period. Is there someone internal or in your candidate pool whom you can hire now (perhaps less expensive) and invest in their learning? This can increase the number of qualified candidates available and also impact your EVP through recognizing and progressing current employees.



According to a June 2020 survey, an overwhelming number of employees — 97% — want to expand or at least continue the amount of time they spend learning. In fact, opportunities to learn and grow have emerged as the strongest driver of work culture.

glintinc.com



● Diversity & Inclusion

One of the most untapped talent communities is the underrepresented groups of women, BIPOC, LGBTQ+, and Indigenous peoples. Repeatedly, these groups have remained invisible through unconscious bias, gender-based job descriptions, and racial profiling. These candidates remain unseen and that's a tragedy for businesses, for diverse candidates, and for Canada.

While D&I is a hot topic and one that deserves attention, there is another group often overlooked by the hiring teams – older workers. There is a large group of workers who for a variety of reasons intend to not only work to traditional retirement age but also beyond. In a tight job market, there is gold to be found in this talent pool. Experienced, resilient, and looking to contribute meaningfully, they are ready to work but get pushed aside as “over-experienced”, “expensive”, “not a culture fit” and “not digital”. These are often recruiting codes for older workers who may or may not be intentionally left out.

Multigenerational workforces are more innovative, productive and tend to have less turnover. They can relate to clients and customers of every demographic and provide more insights and solve problems faster than others. Interestingly, growing old is one demographic no one is immune to, and we will all eventually face old age and potentially ageism.

Rather than thinking of generations, a more thoughtful approach is looking at life stages. Those who are at similar life stages actually have more in common with each other than age.

Employers who make D&I a priority authentically and take genuine steps to create a more diverse workplace will attract more engaged and qualified talent. According to the 2021 Impact Report "Wage Inequality in the Workplace", over 83% of survey respondents said that it is important that their employer takes steps to promote diversity and inclusion.

How to Remove Gender Bias in Job Descriptions

Use gender-neutral titles in job description

Male-oriented titles can inadvertently prevent women from clicking on your job in a list of search results. Avoid including words in your titles like "hacker," "rockstar," "superhero," "guru," and "ninja," and use neutral, descriptive titles like "engineer," "project manager," or "developer."

Check pronouns

When describing the tasks of the ideal candidate, use "S/he" or "you." or better yet, remove all references to pronouns. Example: "As Product Manager for XYZ, you will be responsible for setting the product vision and strategy."

Avoid (or balance) use of gender-charged words

Analysis from language tool Textio found that the gender language bias in job postings predicts the gender of the person you're going to hire. Use a tool like Textio or free Gender Decoder to identify problem spots in your word choices. Examples: "analyze" and "determine" are typically associated with male traits, while "collaborate" and "support" are considered female. Avoid aggressive language like "crush it" or sports-related terms like "touch down."

Limit the number of requirements

Identify which requirements are "nice to have" versus "must-have", and eliminate the "nice-to-haves." Research shows that women are unlikely to apply for a position unless they meet 100 percent of the requirements, while men will apply if they meet 60 percent of the requirements.

Avoid superlatives and idioms

Excessive use of superlatives such as "expert," "superior," "world-class" can turn off female candidates who are more collaborative than competitive in nature. Research also shows that women are less likely than men to brag about their accomplishments. In addition, superlatives related to a candidate's background can limit the pool of female applicants because there may be very few females currently in leading positions at "world-class" firms.

Avoid references to sports and military jargon. For example, we need someone who will "hit it out of the park", "we need a quarterback to lead this project" or "we need someone who can set up a war room".

Adapted from: www.glassdoor.com/employers/blog/10-ways-remove-gender-bias-job-listings/



Reconsider your major requirements

Stating a particular major within a degree as a mandatory requirement for your job can greatly limit the number of applicants to one gender or the other. You may be discouraging some highly skilled candidates from applying to your job. In fact, Glassdoor Economic Research found that the choice of college major can vary by gender, and by making specific majors mandatory you may be limiting your candidate pool.

Express your commitment to diversity and inclusion

Candidates want to know they'll be welcome in your culture before they make the effort to apply. A simple statement toward the end of your job description lets candidates know that you intend to make the workplace a friendly one.

Let your values shine

If your company values are well-defined and promote diversity, infuse the concepts into your job descriptions, or list them out.

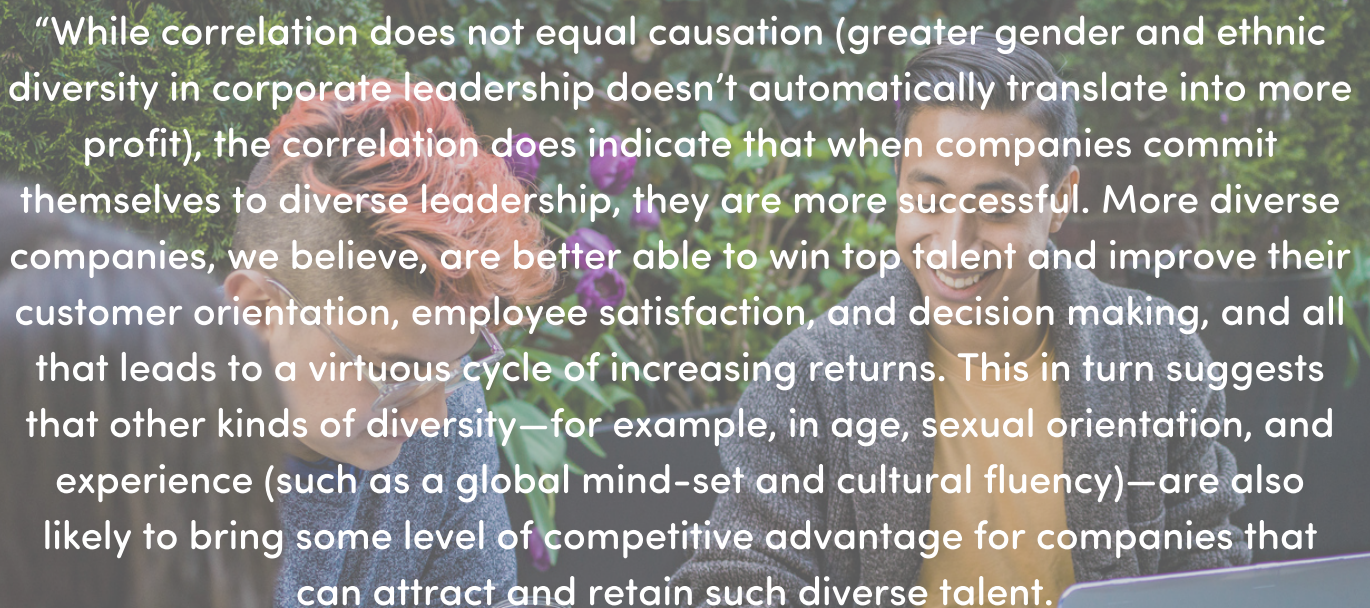
Promote volunteer and employee activities

If your company offers volunteer opportunities with organizations like Girls Who Code, female-friendly employee resource groups, or a mentorship program, let candidates know in your job description.

State your family-friendly benefits

Benefits such as flextime, adoption leave, and family event leave benefits families and your future base of employees. Let candidates know what you offer.

Adapted from: www.glassdoor.com/employers/blog/10-ways-remove-gender-bias-job-listings/



“While correlation does not equal causation (greater gender and ethnic diversity in corporate leadership doesn’t automatically translate into more profit), the correlation does indicate that when companies commit themselves to diverse leadership, they are more successful. More diverse companies, we believe, are better able to win top talent and improve their customer orientation, employee satisfaction, and decision making, and all that leads to a virtuous cycle of increasing returns. This in turn suggests that other kinds of diversity—for example, in age, sexual orientation, and experience (such as a global mind-set and cultural fluency)—are also likely to bring some level of competitive advantage for companies that can attract and retain such diverse talent.

<https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

Avoid Ageism

Words to watch

Why they matter

Digital native



May discourage qualified applicants who didn't come of age with digital and mobile tech—even some as young as their 30s.

High-energy



Often a euphemism for young.

Ninja or guru



These trendy buzzwords are likely unfamiliar—or unappealing—to older candidates.

GPA of 3.5 or higher



Sends the message that you're looking for employees at a life stage where these assessments remain relevant.

Overqualified



Since experience often correlates with age, this term can be used to mask age bias.

Meals included



Implies an expectation that workers don't have a family waiting for them to come home for dinner. Be similarly cautious when speaking about travel.

Bad cultural fit



Can be problematic if your culture is overtly youth-oriented.

Keen to learn



Send the message that they are looking for youthful candidates with little experience.

www.shrm.org/hr-today/news/hr-magazine/0218/pages/hiring-in-the-age-of-ageism.aspx



● Global Workforce

The sudden and unexpected migration to remote work last March 2020 proved to be a game-changer for recruiting. Traditional roles that were labeled as 100% onsite have proven to be effectively performed remotely. Once only freelancers or contractors held this ground, but now permanent placements can be made across the country or around the world - both candidates and employers have access to a global workforce. Assessing the global community requires expert help and that's where recruitment partners like Agilus can help.

Understanding and planning for new hires who might work "off hours" asynchronously and autonomously is critical to leverage this new talent pool. Remote workers may only check in a few times a week and upload their work to the cloud for their supervisor to assess when they "get to the office".

It's not a matter of if you need global workers, as COVID has made remote work a business reality, and the labour market has made it a business necessity. The technology is here. The question is how will employers make this work? How will they work with others on their team? How will you encourage collaboration? How will you support and mentor?



Although businesses in Canada have experience with a global workforce, more frequently it has been an outsourcing model, where the business has transferred the deliverables, training, and outputs to an overseas vendor. For example, manufacturing, call centres and technology sectors all leveraged global partners to:

- Reduce costs
- Have a greater focus on core business
- Address capacity issue
- Improve quality
- Access pool of talents and skills
- Have closer access to raw materials

What we are seeing now is the hiring of individuals outside of Canada rather than vendors. Businesses must adapt from vendor management solutions to human resources solutions. The pandemic has expedited the ease of and need to access a global workforce. However, the primary advantage is no longer reducing costs. The upside to a global workforce is:

- Skilled talent
- Diversity/Cultural expansion
- Innovation
- Measuring output not hours
- Network before business expansion
- Competitive advantages (labour laws, pension rules, taxation systems, holiday calendars, immigration policies)

Despite these advantages, a global workforce may prove more expensive as businesses potentially are responsible for the entire "employee" - benefits, training, management, engagement and salary. Managers also need to be more skilled in managing employees from different cultural backgrounds. Finally, proximity bias may be a concern, creating a separate workforce will undermine a business' EVP if the business case is solely centred on exploitation.

Obviously managing a global workforce is not without its own risks.

Whether large or small, your business can benefit from global talent. Engaging smart thinkers around the world can significantly increase your company's potential. Below are the three principles from William Kerr's new book, *The Gift of Global Talent: How Migration Shapes Business, Economy & Society*. Kerr is a professor at Harvard Business School.

1. Understand the power of place

Innovation is concentrating in clusters - think New York, Shanghai, or Boston, where the most talented workers come together to produce greater innovation than if they worked in isolation.

2. Enhance knowledge transfer through your organization

However you access talent clusters, the benefits will be severely limited if the ideas don't flow through the rest of your organization. Technology alone doesn't communicate. Businesses need to integrate people across locations.

3. Tap into brilliant thinkers outside your organization

Think about how you can take advantage of the talent that exists outside your company. The opportunity isn't just in data crunching. How can businesses engage thinkers to creatively problem-solve for them? For example, P&G created Connect + Develop, a website where innovators around the world can submit concepts to meet P&G's new product needs.

● Learning

Many sectors and professions have experienced stagnation or little growth over the years since a university degree was promoted as the preferred career path. Skilled trades, blue-collar roles, and many mom-and-pop small businesses were seen as lesser alternatives if you could not get into a post-secondary institute. This too is changing. A degree is no longer seen as a guarantee to a well-paying career despite the rising costs of tuition.

Universities in many first-world countries are experiencing first-year attendance fall. Careers in skilled trades and entrepreneurship are more popular with ample opportunities for rewarding, well-paid employment and without the burden of large student debt or four years of school.

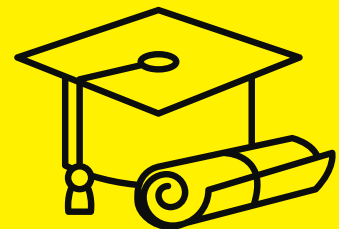
Academia is being looked at with more scrutiny and with a lens of privilege and out of touch with the real world. Recently the US administration has started forgiving many student loans as the debt presents a huge roadblock to future financial independence and success.

The pandemic has made online learning not only feasible but acceptable and asynchronistic. The advancement in online learning and non-traditional training is gaining recognition. Unlike degrees, competency-based education (CBE) means lower costs and reduced completion time for students. Enterprise training companies are filling the existing skills gap by working directly with employers and Learning Management Systems (LMS) are becoming more cost-effective for even smaller-sized companies.

Is higher education no longer an advantage?

After a decade of enrollment decline, universities are expecting 40% of freshmen attending 4-year residential colleges saying they are likely or highly likely to not attend. On top of this, 28% of returning students say they are not going back or haven't decided yet."

Forbes, <https://www.forbes.com/sites/brandonbusteed/2020/08/10/40-of-college-freshmen-likely-wont-attend-this-fall/?sh=3dfd95141800>



"Research shows that the correlation between education level and job performance is weak, and that intelligence scores are a much better indicator of job potential. If we were to pick between a candidate with a college degree and a candidate with a higher intelligence score, we could expect the latter to outperform the former in most jobs, particularly when those jobs require constant thinking and learning. Having said that, universities could substantially increase the value of the college degree if they spent more time teaching their students critical soft skills. As the impact of AI and disruptive technology grows, candidates who can perform tasks that machines cannot are becoming more valuable. There is a huge opportunity for colleges to restore their relevance by teaching their students emotional intelligence, resilience, empathy, integrity, learnability, and leadership skills."

Harvard Business Review <https://hbr.org/2019/01/does-higher-education-still-prepare-people-for-jobs>



So what does all this mean?

Candidates are becoming more discerning in where and how they work and the global workforce as a whole is increasingly dynamic as talent moves seamlessly from one opportunity to the next. As employers, leading the future workforce is an opportunity to create and attract a new type of work – a flexible and boundless one where employees own the work while organizations own the outcomes.

The future is bright.

Look for our Leading the Future of Work white paper coming out soon.



Agilus Work Solutions

Agilus Work Solutions™ is Canada's largest, privately-owned recruiting firm. We provide a wide range of work solutions across all skill sets & industries. With 14 branches across Canada and more than four decades of experience, we offer a deep understanding of the local markets we serve. We provide a national perspective complemented with local expertise and outreach. Our knowledge of work trends, challenges, and opportunities makes us uniquely capable of leading better outcomes for employers and the engaged working communities we serve. Contact us to learn how we can help you with candidates, recruitment support & industry information.

Together we can keep businesses in Canada open!



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