

4 Ways to Mine the Talent Pool with Unemployment Down



Gene Marks

CPA, Columnist, and Host

Gene Marks:

Hey, everybody, this is Gene Marks, and welcome to another episode or this week's episode of the Week in Review podcast brought to you by Paychex Thrive. Again, my name is Gene Marks and I'm happy that you are joining me this week. As we're heading into the workweek, I want to take a look back at some of the news that impacted us last week and, you know, there was some economic data that came out that really is, as we say, interesting, right?

I mean, the gross domestic product of the U.S. was reported by the Bureau of Labor Statistics to have increased by 3.2% on an annual basis. Now, that is not bad. It's not the levels that I think China was seeing or, you know, a few years back, and it could certainly be a little bit better, but 3.2% growth in GDP is a fairly healthy growth in our economy.

All of that is in the wake of the looming predictions and warnings about a recession that we're in, not really seeing it there. The same place that we're not seeing it is in the labor market. I mean, the Bureau of Labor Statistics also reported recently that employment is up in 42 states over the past year. Unemployment rates are among there are record lows, ranging anywhere from 2.5 to 4%, depending on the state, not even if even that high, and job openings unfilled jobs are still up well over 10 million.

This is not a sign of a of a recession right now. It has a lot of economists, you know, scratching their heads and wondering if this recession is coming. Now, there are other data that's out there; manufacturing, vehicle sales, other things like that that are pointing towards a potential slowdown in the economy. But for sure, it's not really hitting the labor market.

I'm seeing some larger companies have layoffs. We're seeing people in the tech industry have layoffs, as well. That's going to, by the way, provide, I think, opportunities for small businesses, for sure. But as you know, as we've seen all across, small businesses themselves are still hiring and still growing. Paychex's monthly Small Business Employment Watch, which is published again every month, is showing continued growth in small business employment, as well as wages they're being paid.

So again, as we head into 2023, we're really looking at an environment where we're going to continue to compete and struggle for good workers. It's going to remain among our top concerns this year. I am not

seeing that we're going to have such a significant recession or slowdown that's going to change any of that.

Frankly, most of the clients that I have in small business owners that I know, when they find good people, they're going to do whatever they can to keep those good people who hire those good people because they know in the future those are the people are going to really make the money, right? When the economy does even get stronger, they're going to be the biggest asset that they have in their companies.

So, I guess the question that's going to be high on your mind this year, though, is the same question that you've had on your mind over the past few years: Where do you find there's good people? Where are they? How can I find them? Well, I've got four pieces of advice for you, and this is based on what I'm seeing among my readers, among my clients, among small and midsize businesses around the country. Okay?

Number one, if you're looking to find a good person for your company, the place to find it is through your other employees. The number one place where companies find good workers is references and referrals from their existing employees, their existing network, their family, their friends. People recommend others that they know.

So, this year, double down on referrals. If you've got jobs that are open, you should make it a regular point to ask your key employees in similar jobs: "Do you know anybody that might be interested in this? Do you have any friends or family or anybody in your community that it would be good to talk to?"

When you find somebody that's been referred by an existing employee? It's not a cold lead anymore. They've been vetted in a way. I'm not saying you're going to guarantee to hire them, but it is really a help. So, this year, double down on asking your employees for references and referrals, even consider a referral program if you think that's helpful, offer a commission or some type of bonus to refer a good worker to you. So, that's number one.

Number two, there are a lot of service providers that are out there that can help you find, you know, those kinds of employees and, you know who those service providers are those are? Those are the services that you're receiving when you go shopping and when you eat out at restaurants. One of my clients told me – this was a couple of years ago – that he never has a problem finding good employees because whenever he's out to eat or he's shopping, he's got his eyes open for the people that are providing him service. You know that server who comes over and memorizes your whole order without having to write it down, or somebody at a store that has a, you know, more enthusiasm or energy even than you even have.

There are really smart people that are out there of all ages that are working in service industries. My friend once told me – he runs a windows and doors business – he said to me this: "I can teach anyone to sell windows and doors and I can teach anyone to do what's necessary in my business, even to make windows and doors. I can't teach people attitude and showing up on time and having energy and enthusiasm and even just basic intelligence."

So, there are so many people that are out there. The next time you're at a restaurant that you go to a Starbucks, that you're going to a UPS Store, you're at some retailer, and the person that serves you was really above and beyond, think, "Huh, maybe I can teach that person what they need to know to work for me and I can give them an even better opportunity at my business."

Number three is, advertising and job platforms to find somebody. My experience over the past two years – I have to say this; I'm not getting a commission or anything – I've had great success on LinkedIn. I mean,

LinkedIn has been just fantastic for me. I have placed ads on LinkedIn, the methodology that it uses, the alerts that it gives you, you know, when people are interested, the fact that you can see your applicants, their whole history of work and anybody that they might be connected to, that you're also connected to. When people say to me, like, where's the best place to go to find somebody online? I know there were some great sites out there like Indeed and CareerBuilder and, you know, Monster, but I just had the greatest success with LinkedIn. It is a great social network service to help find employees.

Finally, number four, if you are looking for somebody in your business, really consider finding somebody that's out of prison or off of welfare or out of the military or just coming off of long-term unemployment. Why? Because if you find that person, you may be eligible for a Work Opportunity Tax Credit. That is an up to \$9,600 tax credit that you can get just for hiring that person. So, if that person is coming from any of those places, again, out of the military, off of welfare, out of prison or long-term unemployed, you might be able to have the government pay a substantial amount of their first year's salary through the Work Opportunity Tax Credit or you might want to share some of that as a hiring bonus with that new employee.

I hope this helps. You've been listening to the Week in Review, a Paychex Thrive podcast. My name is Gene Marks. If you have any ideas, tips or advice, or if you'd like to suggest any guest for a Paychex Thrive podcast, please visit us at payx.me/thrivetopics. That's P-A-Y-X dot M-E/thrive topics.

Hey guys, thanks for listening. I'll be back next week with some news that impacts your business and a few bits of advice and tips on how to deal with that news. We will see you soon. Take care.

This podcast is property of Paychex, Inc. 2023. All rights reserved.



HR | Payroll | Benefits | Insurance