



Synchrony Connect



CHANGING WHAT'S POSSIBLE™

HIRING DURING



LOW UNEMPLOYMENT

Hiring great talent for your business can be a challenge even in the best of times. During times when unemployment is very low, and it's a job-seekers' market, finding good people can seem like an incredibly daunting task. While having more opportunities is a good thing for job seekers, for employers it means increased competition for the same pool of candidates. It can also mean the process of finding employees can take more time, require more resources, and be more expensive.

Learn about the challenges of low unemployment for small businesses, and get some tips to help you find the workers you need.

Challenges of low unemployment

Low unemployment numbers typically signal a good economy. It means more Americans are working and consumer spending tends to increase. While this is good for businesses in general, for those looking to hire, it can be a challenge. This can be especially true for small businesses. Here are some reasons why:

Decreased productivity and increased employee stress.

Small businesses tend to rely more on each employee, and so an unfilled job can have a large impact. This can take a toll on the company's overall productivity, as the level of customer service could fall and some tasks may not get done. Having a role unfilled could also be a strain on the remaining employees who have to pick up the slack.

Reduced standards for new hires. When it's hard to find employees, there can be a tendency to "lower the bar" just to fill the job—instead of waiting for the most qualified person. This could result in less qualified workers who may not fit into your company culture and don't live up to your regular level of quality and experience.

Wage inflation. More competition for workers means companies may have to offer a higher salary, additional vacation days, or other benefits. Smaller businesses may have a hard time going up against their larger competitors, who may be able to offer higher salaries and bigger benefits packages.

Higher employee turnover. When wages are rising and job opportunities are seemingly everywhere, your employees could be more likely to jump ship for a job that offers them more. This cycle can make it harder to retain your current employees, and harder to find new employees.

Decreased morale. In all businesses, but especially small businesses, the company culture can be an important factor in employee satisfaction and productivity. When employees leave, those remaining could feel the loss of friends they enjoyed working with and that sense of camaraderie. High turnover could also cause employees to feel disheartened or lose confidence or pride in the company.

High recruitment expenses. It can be expensive and time consuming to fill a position (advertising, employment agencies/recruiters, job posting websites, social media posts, etc.). Small business owners wear many hats, and have less time and fewer financial resources to devote to recruitment. Once employees are hired, it also takes time and money to get them onboarded, trained, and productive.

How the unemployment rate is calculated

The unemployment percentage rate is calculated by taking the number of unemployed people (calculated by the Bureau of Labor Statistics) divided by the total number of workers, multiplied by 100. This percentage fluctuates depending on several factors that tend to coincide with the ups and downs of the overall economy. Generally, when the economy is growing, unemployment tends to be lower. When the economy isn't going so well, the unemployment rate tends to be higher.




X 100





Consider a different approach

Traditional ways of finding employees can still work (things like newspaper ads or help wanted signs in the window). But during times of low unemployment, they may not give you the results you need. During low unemployment periods, you may need to be more proactive and creative with your recruiting methods.

An effective recruitment effort starts with a good job description, and determining the type of person you're looking for. Identify specific expertise or experience, personality, or other traits that could help the candidate be successful in the role. If you need help with wording for your job description, consider checking out the posts on job search websites (ex. Indeed.com, CareerBuilder.com, Monster.com, LinkedIn, etc.)

Once you are ready to recruit, share with your network. From social media to business or community groups, share as broadly as possible – cast a wide net!

#1

Employee referrals are the number one source of quality hires¹

84%

of companies use social media for recruitment and 43% use it to screen applicants²

60%

of people look for jobs using social professional networks and word of mouth³

59%

of applicants visit the company website after discovering a job opportunity⁴



1 <https://financesonline.com/hiring-statistics/>

2 <https://iohrm.appstate.edu/alumni/professional-development-articles/use-social-media-recruitment-and-selection-risk-vs-reward>

3 <https://financesonline.com/hiring-statistics/>

4 <https://financesonline.com/hiring-statistics/>

8 tips to help find employees during low unemployment

During times of low unemployment, it's more important to reach out to potential employees instead of waiting for them to come to you. Below are eight strategies you can use to help find employees for your small business. Keep in mind that during periods of low unemployment, the candidate you're considering could be interviewing with several other companies. So if you find someone you like, don't hesitate to make them an offer. Waiting too long could cause you to lose out to the competition.

1 Sweeten the deal.

You could make it easier to find and hire new employees by offering them more than the competition. If you can't afford to increase pay, consider other ways to make the job more attractive. Employees tend to appreciate other things in addition to money—things like a casual dress code, flexible schedules, employee discounts, fun team-building activities, vacation days, etc.

2 Encourage employee referrals.

Word of mouth is powerful advertising. Establish a referral program that gives bonuses to employees who find new hires. This can give you instant access to a larger talent pool. Plus, since your employees are already familiar with the company culture, they'll be better able to tell others about it.

3 Share company culture on social media.

More and more people are researching companies and getting hired via social media. Platforms like LinkedIn, Instagram, and Facebook are all simple, inexpensive ways to promote your company and its culture, and to connect with potential employees. Instead of focusing on business-related content only, encourage your team to share the entertaining parts of their work. Posting videos on Tik Tok or YouTube can also be a fun way to show your company's uniqueness. And to spread the word about job openings, you could ask your team to re-post your employment ad on their personal social media pages.

Keep in mind, it's important to have a good social media policy in place to ensure all posts are professional and reflect positively on your business. Here are some examples of policies, to get you started. All social posts should be in good taste, not offensive, and should not reveal confidential information.

4 Improve your website.

Many job seekers research potential employers online. That's why in addition to your social media presence, it can be helpful to have a professional-looking website that positively reflects your company and its culture.

5 Always be networking.

Networking is an essential year-round activity—not just when you're looking to hire. To be effective, you should always be looking for potential new hires and building relationships that can pay off down the road. You never know when you'll need to tap into your network, so it's important to always be cultivating it.

6 Online recruiting websites.

While it's possible to fill positions using only social media and your company website, you can improve your chances of filling a role by posting to a job recruitment website. Some popular ones include: Indeed, Google for Jobs, CareerBuilder, Monster, and ZipRecruiter. These websites may charge a small fee.

7 Hire a staffing agency.

If you can afford it, hiring a staffing agency can save you time and make the process of finding job candidates easier. In addition, many staffing agencies specialize in certain industries, so they may be able to bring in the specific type of employee you need.

8 Keep an eye on the competition.

With so many businesses going after the same employees, it's important to make sure your job descriptions and salary are competitive. To see what other companies in your industry are offering, search online resources like Indeed, Glassdoor, LinkedIn, and Salary.com.

For further reading

For more information and tips, check out these helpful articles.

[Current Population Survey](#)

[Recruiting resources](#)

[Using social media to recruit and hire](#)

[Sample social media policy](#)

Additional resources:

U.S. Bureau of Labor Statistics:

Government agency that measures the labor market and productivity in the U.S. economy.

www.bls.gov

U.S. Small Business Administration:

Government small business resource with information on a wide range of small business topics.

www.sba.gov

Society for Human Resources Management (SHRM):

National organization providing information and resources for improving today's workplaces.

www.shrm.org

Universum:

Employer branding company offering ideas and insights that help employers improve their ability to attract, recruit, and retain employees.

<https://universumglobal.com/>

Recruitment.com:

Online publication featuring information on recruiting strategies, trends, and technology.

<https://www.recruitment.com>

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