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Introduction

To fill open positions, employers often have to turn to workers whose skills match their needs. The problem lies in the fact that millions of Americans are considered “missing workers” who want to work but can’t find jobs. Rather than hiring applicants who lack experience, companies are offering more hours to their current employees or turning to automation. The pandemic caused a significant disruption in America’s labor force—something many have referred to as The Great Resignation—when more than 47 million workers quit their jobs in 2021 in search of an improved work-life balance, increased compensation, and a strong company culture (1). However, Millions of qualified people who want to work have trouble finding jobs due to a lack of job experience or professional connections.

The U.S. Bureau of Labor Statistics (BLS) reports that the unemployment rate rose by 0.2% in August 2022 to 3.7%, and the number of unemployed persons increased by 344,000 to 6.0 million. (1)

Employers have consistently struggled to find qualified workers in the tight labor market. A recent survey found that 57% of human resources professionals consider it “very challenging” to find workers with needed skills and experience (3). This may be due to a phenomenon known as The Great Reshuffle because hiring rates have outpaced quit rates since November 2020. So, many workers are quitting their jobs—but many are getting re-hired elsewhere. Although some previously unemployed workers have found jobs, a large pool of workers remains “missing” from the workforce. These workers are having trouble getting hired regardless of how much effort they put into their job search. Employers can reach these workers by taking practical steps to overcome the factors that keep these workers on the payroll.

Missing Workers: Those Who Want a Job, But Aren’t Working

By the last business day of July 2022, there were about 11.24 million job openings in the United States. (4) However, the number of people looking for jobs does not equal the number of job openings. They can be divided into two groups:

- The first group comprises those searching for a job within the past year, including both discouraged and non-discouraged workers sitting on the sidelines and ready to work now.
- The second group consists of people who left the workforce more than a year ago because of the unique challenges presented by the pandemic (childcare responsibilities, health concerns, etc.) and are likely more willing to seek employment again if conditions improve.

To widen the pool of potential job candidates, employers should focus on identifying interested individuals, understand their concerns and priorities, and develop recruitment efforts and work arrangements that ease barriers to employment for these populations. Additionally, employers must adjust their expectations of the ideal new hire by seeking the best trainable candidate rather than the perfect one.

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Missing Workers Have Reasons for Being “Missing”

The U.S. Bureau of Labor Statistics (BLS) recently reported that many workers dropped out of the workforce due to becoming discouraged about their job prospects (4). The upshot is that we know why many missing workers have left the workforce over the past year, which can inform employer strategies for reaching these populations. Employers can use this information to inform their outreach efforts and ensure they reach out to all people in their local labor market.

The BLS report gives several reasons discouraged workers are frustrated about their job options. The most common reasons are:

- Discrimination
- A lack of education, training, or experience can limit job prospects.
- Past employment difficulties

Conversely, non-discouraged workers cite not looking for work due to the following:

- Childcare being unavailable and family responsibilities
- Health issues or disabilities
- Lack of reliable transportation or difficulty finding transportation
- Being in school or training

The tight workforce, and rapid wage growth, encourage some workers to re-enter the workforce. The average wage increase in the U.S. is projected at 4% in 2023, which is aligned with the average actual growth of 4% in 2022 – the highest since 2008- and higher than 3.1% in 2021 and 3% in 2020 (5). As of May 2022, 62.3% of the population is employed or actively looking for work (6).

Other Talent Pools to Consider

Under the umbrella term “missing workers,” other groups of people have traditionally been overlooked or under sourced by employers. These include the disabled and the previously incarcerated. Each of these populations faces unique challenges when finding employment, but they also bring a lot of untapped potential to the workforce. The disabled community has a significant economic impact on society as it comprises a large portion of our population. In the U.S. Bureau of Labor Statistics Jobs Report, the employment-to-population ratio for working-age people with disabilities decreased from 33.8 percent in January to 33.1 percent in February 2022. (7)

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The average working person is employed 78% of the time, versus just 58% of the time for formerly incarcerated people. Employers often refuse to hire ex-offenders because of legal liability issues. (8) However, employers who need workers may take out a liability insurance policy or participate in a program that protects them from the risk of hiring ex-offenders. One option is The Federal Bonding Program, which bonds offenders who are employed and mainstreamed by companies of all sizes. The bond compensates employers if an employee steals from them or causes other losses due to dishonesty. Employers can increase their talent pool by giving formerly incarcerated people a chance at gainful employment and providing additional coaching and support. This will help the company address the current gap in workforce diversity, reduce present staffing shortages and provide unique perspectives that may contribute to innovation and growth.

How to Recruit “Missing Workers” to Fill Talent Gaps

When recruiting workers from disadvantaged groups, you should focus on addressing the barriers that keep them out of the workforce. Don't assume that raising wages and benefits will result in more workers joining you. To understand what keeps them out of the workforce, companies should focus on removing other barriers to employment.

The Five Strategies:

1. Take Advantage of Flexible Work Arrangements

While remote workers can be a game changer some employees, it may not be suitable for everyone. As a manager, you should consider how your employees' home lives and lifestyles might impact their performance. If they have children, are they part of a school activity schedule? Do they have a spouse working late nights at another job? It is important to remember that every employee is different. Some people are more productive in the morning, and others must work at night. Some will work productively in any situation, but others will be distracted by family members or pets.

To help these employees succeed, managers should consider offering flex time where possible. This might mean allowing an employee to come in at 8:30 instead of 9:00 or leaving at 4:00 instead of 5:00. These minor adjustments can make a big difference for some people and show the employee that you understand their unique situation. To aid those interested in becoming more independent in their work habits, many employers now offer flexible work options such as telecommuting or working from home one day a week or even one day a month. If you can't offer remote work and require employees to be on-site, you can provide other options such as flexible start/end times and allow employees to start before or end their shifts after that block of time so they can take care of any personal duties before or after work. Another option may be to offer employees a compressed work week, in which they work four 10-hour days instead of five 8-hour days. This option may give them more flexibility with their time while still enabling them to complete the same amount of work in a given week.

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2. Make The Recruitment Process More Transparent and Inclusive

Sometimes, a company will get lucky and find exactly what it’s looking for in its applicant pool. However, the process is rarely that easy. To find candidates, employers should make their recruitment strategy as transparent and inclusive as possible.

Employers can increase their chances of hiring the best candidate by focusing on proven strategies: employee referral programs, intensifying social media efforts, and shortening the recruitment process. Employers should use inclusive language for job titles and descriptions. For example, instead of using gendered words like “ninja,” “rock star,” or “guru,” employers could replace them with more specific titles such as “developer” or “sales representative.” They can also implement “easy apply” options on their websites and mobile applications. Reprogram application screening algorithms to accept resumes with employment gaps and alternative credentials and maintain accessible virtual interviewing rooms.

3. Divide Jobs into Tasks

A job seeker’s ability to assess whether a job is a good fit depends on their experience with similar positions. For example, suppose a job description lists extensive requirements for education, experience, or qualifications, and the candidate doesn’t have much background in such positions. In that case, they might be intimidated to apply. However, employers can make it easier for potential job seekers to see how their qualifications or personal circumstances match open positions by breaking jobs into tasks and matching those tasks to candidates’ “three S’s”.

- Skill level: Rewriting job descriptions to focus on competencies and “must-have” skills or lowering degree and experience requirements, organizations can attract more applicants with the skills they truly need.
- Schedule: Creating part-time or project-based jobs that workers can fill with flexible schedules
- Desired stress level: Offer opportunities to take on roles with lower physical demands and stressors.

4. Let Employees Grow into Their Roles

For many people, being underqualified for a job is reason enough not to apply. But employers can ease these fears by making it clear in job postings that they offer training, internships, apprenticeships, or other work-based learning opportunities. By allowing employees to learn on the job and demonstrate their knowledge and skills over time, employers can identify the best people for roles and increase the likelihood of staying with the company long-term. This is also an excellent way to attract prospective employees looking for a position that offers growth potential.

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5. Make Retention a Priority

When workers feel valued and have opportunities to grow, they are more likely to be engaged and loyal to their employers. Many companies have begun implementing tailored training and support programs and special accommodations such as flexible work hours or shifts. This increases job satisfaction and employee morale and helps retain talent that might otherwise take positions elsewhere. To help employees stick around, companies can offer learning and growth opportunities, rewards for achievement, and recognition for progress. They can also formalize career pathways related to professional growth within a company (such as warehouse associate to warehouse manager to floor supervisor), provide health and well-being programs, and conduct exit interviews to identify why workers may be leaving.

Bringing Back the Missing Workers

As of August 2022, the number of “missing workers” in the U.S.—people who want to work but are not actively seeking employment—had decreased by 361,000 to 5.5 million (9). If all of these “missing workers” were back in the labor force, it would effectively end the current labor shortage. To encourage workers who have been out of the workforce for an extended period to return, it is crucial to understand why they left and develop a unique mix of support services and incentives that will remove some roadblocks. Companies must be creative in their hiring practices in a tight labor market, with more jobs than job seekers. They need to rethink their notions of the ideal new hire and widen the talent pool so that they’re not just drawing from the group of people who happen to be looking for work at any given time. Companies need to align job descriptions, roles, and functions to the more comprehensive concerns and priorities of people outside the labor force to attract a broader set of candidates with different backgrounds.

About EG Workforce Solutions

We’ve been in this business for decades and have developed a deep network of professional connections. Whether they’re companies looking for talent, job seekers looking for work, or an up-and-coming store in need of some temporary help, we know the right people to bridge the gap between the hiring and the hired.

But what’s more, we get to know people. From employers hiring to candidates looking, we take the time to listen and learn. We hear your likes, talents, and needs. We gain an understanding, and with it, we’re able to facilitate lasting relationships between businesses and people.

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