



# EXPLORING POST- COVID RECRUITMENT AND RETENTION STRATEGIES

**July 2022**  
**Insights Forum:**  
*Executive Summary*



# NEW DATA FROM SHRM RESEARCH REVEALS THE CHALLENGES OF HIRING AND HOLDING ONTO TOP TALENT IN THE POST-PANDEMIC WORKPLACE. IN SURVEYING HR PROFESSIONALS, SHRM RESEARCHERS DISCOVERED:

- **99%** indicate that their organization had **open positions** in the past six months.
- **76%** feel it has **taken longer** to fill open positions at their organization compared to before the pandemic.
- **39%** say their organization's recruitment and hiring strategies **haven't been largely successful** in the past six months.



Of the open positions, “60% of those are due to voluntary employee turnover, those employees who are choosing to leave the organization,” said Daniel Stunes, a SHRM Senior Researcher.

“HR professionals are finding it to be a lot harder to fill these roles in this post-COVID era. One thing to look at is your **employer brand** and how that brand affects **recruitment** of new employees, **retention** of current employees, and the **engagement** of your current employees.”

# EMPLOYER-BRANDING CONTRADICTIONS:

SHRM defines the **employer brand** to include an organization's **reputation**, the **employee value proposition**, the **overall employee experience**, and is how the firm **markets itself** to job seekers and its employees.

*What the researchers found was a significant and troubling disconnect:*

73% of HR professionals say their organization is an employer of choice.



In the current labor market, having similar ratings to your competitors is not enough to recruit employees.



But just 33% say their organization's ratings on employer review websites such as Glassdoor are better than their competitors.



57% say their organization's ratings are about the same as their competitors.



10% say their organization's ratings are worse than their competitors.

# WHY BRANDING MATTERS:

The global pandemic has made everything at work – and especially HR functions – more difficult and demanding than before.

“A strong employer brand can definitely make a difference, but even though 62% of HR professionals say they need to work harder, only one third say they’ll actually increase the budget,” Stunes pointed out. “So, again, we’re saying one thing, but we’re doing something else when it comes down to it.”

**80%** of HR professionals agree that their employer brand plays a significant role in their ability to attract top talent.

**62%** of HR professionals agree that their organization needs to work harder to differentiate their employer brand from competitors compared to what they had to do pre-pandemic.

**32%** of HR professionals say they plan to increase investment in employer branding events in the next six months.

HR professionals who say their employer brand plays a significant role in their ability to **attract top talent** are more likely to say their organization’s recruitment and hiring strategies **have been largely successful** in the past 6 months (**65%**) compared with HR professionals who say their employer brand does not play a significant role (**47%**).

“There’s certainly some kind of a relationship there about feeling employer brand is important and having largely successful hiring strategies in the last six months,” Stunes said. “**Here’s why employer branding pays off.** You can certainly try all the recruitment strategies in the world, but if you overlook your employer brand, basically you’re not maximizing the potential for your organization in hiring those individuals.”

# SLOW HIRING PROCESSES DRIVE AWAY WORKERS:

One point of frustration for jobseekers is the often confounding, complicated and drawn-out hiring process many organizations use – an approach that makes even less sense in a tight labor market.

On the other hand, those organizations that worked to shorten the process compared to what it was pre-pandemic are the ones most likely to enjoy a better brand reputation among potential candidates.

**Organizations where the application process is:**

Unchanged: 58%

Shorter: 10%

Longer: 31%



HR professionals who say their organization’s **ratings on review websites** are better than their competitors are more likely to say their organization is quick to respond to job applicants (87%) compared to HR professionals who work for organizations with the same (80%) or worse (68%) ratings than their competitors.

“There’s definitely a relationship where those organizations with better ratings are also quicker to respond to applicants,” Stunes said. “That’s part of that candidate experience and giving them that quick response will enhance the employer brand even when a candidate is not hired.”

# GUEST SPEAKER



Neiman Marcus  
Group's Eric Severson  
on crafting an  
informed people  
strategy

Neiman Marcus | Group

*Neiman Marcus*

BERGDORF  
GOODMAN

Months before the COVID-19 pandemic, Eric Severson initiated a major turnaround in the human resources operations at Neiman Marcus Group (NMG), which owns Neiman Marcus and Bergdorf Goodman.



## EXPLORING POST- COVID RECRUITMENT AND RETENTION STRATEGIES

*Not that the wallop of a global pandemic didn't hurt. The resulting retail downturn resulted in several headwinds for the company.*

By that time, Severson was eight months into his role as Chief People and Belonging Officer and had already launched a new human resources strategy – a plan he credits with not only helping NMG not only weather the COVID crisis but improve its recruiting and retention.

“We had no way of knowing this was coming,” Severson told the July EN:Insights Forum gathering, “but as we built a new strategy, we discovered it was one of the primary ways we were able to thrive during COVID, despite the huge disruption in the workforce.”

*The first challenge that faced Severson is one that many CHROs and CEOs face today – how to attract and retain talent when competitors are paying more.*

**Two key elements** of the new NMG people program are (1) **listening** to its more than 10,000 associates and (2) **being guided** by external data and trends. Severson offered these insights gleaned from the effort:

## THE PANDEMIC HASN'T FUNDAMENTALLY CHANGED WHAT EMPLOYEES WANT:

“While the structure of the economy in the marketplace has changed dramatically from pre-pandemic, what employees and candidates are looking for in our experience generally has not,” Severson said. “What I’ve seen over the last 10 years is that, generally, the same three to five elements of the associate value proposition consistently rise to the top, both for applicants as well as for employees.”

### That includes:

**Total rewards**

**Career development**

**Flexibility**

**Empowerment**

(including elements of diversity, equity, inclusion and more)

The question is **how to address these long-standing desires** – and stay ahead of the curve – during an unprecedented environment of an **ongoing labor shortage** and the **lowest unemployment rate** in 50 years. The first challenge that faced Severson is one that many CHROs and CEOs face today – how to attract and retain talent when competition is fierce.

## BUILDING A STRATEGY IN HOUSE:

Drawing on what he'd learned during the past 20 years with employers such as at DaVita and Gap Inc., Severson looked to assess NMG's employee value proposition using a sophisticated modeling approach examining 18 different facets of what their employees value. But limited resources made it strictly an in-house effort.

“I didn't have significant budget, so we built it internally, and built a strategy that was every bit as effective.”

“By using what anyone could reasonably discern or get from an internal survey about what matters most to people in terms of rewards, different aspects of development, benefits and how people are managed, you could test it with your workforce to find out which ones they value the most. I found you could easily build your own strategy. That's what we did at NMG.”

Once he understood what NMG employees most valued, Severson considered how job candidates, applicants and trends in the labor market aligned with those values and used that to guide the HR strategy along three pillars: programs, policies and procedures, along with engagement strategies that would attract and retain talent. These pillars were underpinned with measurable outcomes that could be tracked and assessed over time. The HR budget was then adjusted to eliminate expensive, unpopular programs and use that money to build up areas that were more in demand.

*“The approach really comes down to three parts,” Severson said.*

*“Build a strategy, build programs, policies, and practices that support the different pillars of the strategy, then market and measure it.”*

# ASK WHAT YOUR WORKERS WANT – THEN GIVE IT TO THEM:

**On the element of flexibility, for example, NMG adopted a remote work strategy before Covid hit.**

Before that, nearly all of the corporate workforce was located either near the Dallas-Fort Worth area or in New York City. With the shift to a philosophy that allows the corporate workforce to work from wherever they want to as long as they get results, NMG suddenly had 39% of its corporate workers outside of those two cities.

39%

That includes eight senior vice presidents and four C-suite executives who wouldn't have taken those jobs if they'd been required to relocate.

“When it came to hiring, all of a sudden the United States became our market,” Severson said. Besides cutting the **time to hire by 16%** and **improving retention by 5%**, the new strategy is yielding top talent driven away by other firms.

“Every time there's news about a company announcing they're forcing people back into the workplace, my recruiters start calling and use our marketing materials on NMG way of working,” Severson said. “And we've snagged some great talent that way.”

# ASK WHAT YOUR WORKERS WANT – THEN GIVE IT TO THEM:



**Severson stressed focusing on a few top elements of your organization’s employee value proposition and identifying opportunities.**

In NMG’s people strategy, the elements of flexibility, total rewards and belonging made it clear that the firm should put a **paid parental leave policy** in place, which NMG didn’t offer at that point, **even though women made up 70% of its workforce**. The decision was made to discontinue programs that weren’t working well and **shift spending to parental leave**.

**70%**  
*of NMG workforce  
are women*

“I would say it’s the second most impactful thing we’ve done in terms of the feedback from our workforce and statistically in terms of retention and qualitative comments,” Severson said. “In my 30 years of doing this work, I’ve never had more associates email me telling me they shed tears of joy about a decision than this one.”

*“You need to look uniquely at your organization, your strengths and what you’re capable of doing, that others won’t do in their way of working,” he added.  
“Look at what can you do that your competitors, either can’t or won’t do.”*

## BRINGING THE CUSTOMER BRAND TO YOUR WORKERS:

The new NMG people strategy is based on four key elements: ***flexibility, associate development, total rewards and belonging/environmental social and governance factors***. Those elements support a stated set of values and practices that have been built on the data indicating employee priorities, then consciously marketed to employees and candidates to build the NMG brand.

*“If you make a handful of big key policy and program moves, and you tie them very distinctly to the value proposition your associates articulated and then market it, the **impact is incredible**,” Severson said. “Every time we deploy any new program or policy, we tell the associates and link it back to the people strategy surveys they’ve taken. We’re telling our associates, we listen to you, we invest in what you want. Because we do!”*

The effect has been to extend the NMG brand for customers – that the retailer’s product and services will “**make life extraordinary**” – to “make life extraordinary” for their associates, too.

“We’re really focused on **closing the gap** between the consumer value proposition and the employee value proposition,” Severson said. “We want the experience of being an associate at Neiman Marcus Group **to be equivalently extraordinary to that of the consumer.**”

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