

# Staffing Shortages Force Employers In Indiana (and Everywhere) to Get Creative

## Labor & Employment Law Update

on February 7, 2022



No employer is immune from staffing shortages in today's climate, but December 2021 unemployment data released this week by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), confirms what Indiana employers have been feeling for a while: it is harder than ever to recruit and retain talent.

According to the report, Indiana had the lowest unemployment rate in the nation in December 2021 at

just 1.3% (tied with Utah), significantly lower than the national rate of 3.7%. Indiana also took the top two spots on the national list of metropolitan areas for December 2021. The Elkhart-Goshen metro area in northern Indiana had the lowest unemployment rate in the nation at just .9%, followed by the Bloomington-Columbus metro area in southcentral Indiana which ranked second nationally at 1% unemployment. Among metro areas with more than a million people, the Indianapolis-Carmel-Anderson, Indiana metro area had the lowest rate in the nation at 1.2%.

In general, we tend to think of low unemployment numbers as a good thing, but the national numbers, and the Indiana numbers in particular, spell trouble for employers in all sectors of the economy. Many economists view an unemployment rate at or about 4% as "full employment" since some percentage of workers will be in transition at any given point in time. Compounding the problem, the labor force participation rate – which the BLS defines as the percentage of the non-institutionalized U.S. civilian population 16 years or older that is either employed or is actively seeking and available to work – remains stubbornly below pre-pandemic levels.

## Attracting and Retaining Quality Employees

**So what can employers do to attract, and perhaps more importantly, to retain, quality employees?** Certainly employers can increase wages, and another BLS news release from just last week, indicates they already are. Obviously the answer varies depending on the nature of your operations, but topping the list are:

- Workplace culture. An attractive work environment is one in which there is mutual trust and respect between the employee and the employer (both overall and between individual employees and their direct supervisors). Employers build trust and respect by listening to and addressing their employees' concerns, implementing policies that are both clear and logically related to the needs and objectives of the position, and ensuring that those policies are enforced in a fair and consistent manner.
- Employee engagement. It is critical that employers know what their employees want and need. If you don't know why your employees are leaving, you can't fix the problem. To retain and attract talent in today's extremely competitive hiring market, employers must be in tune with what today's job seekers want.
- Flexibility, including generous PTO and leave policies, work from home options, and other means of promoting a healthy work-life balance;
- Career development and training programs, including tuition programs, advancement opportunities and mentoring programs;
- Solid benefits programs, including both traditional benefits packages (insurance and retirement), as well as less-traditional benefits packages like wellness programs, student loan repayment programs, childcare services, etc.;
- Signing bonuses, retention bonuses, and incentive pay; and
- Other creative ways to ensure that employees want to work for you.

If you would like to continue this discussion, please join us on March 3, 2022 for our inaugural Indiana Labor and Employment Conference: *How to be the Employer Everyone Wants to Work for in 2022: Recruitment, Retention and More.*

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