Resurgence Delivers Reality Check

Even though the U.S. economy rebounded in 2021, the long tail of the COVID-19 pandemic is still wreaking havoc. The U.S. Bureau of Labor Statistics reports that professional and business services added 90,000 jobs this November alone, but it wasn’t great news for the Copier Channel, where employers have been struggling all year to fill already-open positions.

In its monthly “Employment Situation Report,” the Bureau of Labor Statistics noted that employment in professional and business services in November, overall, remained 69,000 below its pre-pandemic level in February 2020.

That means there are not enough skilled people in the Copier Channel to meet the surging need to deliver goods and services, says Paul Schwartz, president of Copier Careers. “It’s like the perfect storm. We talked about the rebound six months ago and we’re still in a rebound of employment and need to fill positions. But the pool keeps getting tighter.”

Even though the U.S. unemployment rate fell to almost pre-pandemic levels in November — 4.2% — add to that the so-called Great Resignation. The pandemic changed how people feel about their jobs, and they began to reconsider their options — and act on them.

In September, for example, 4.5 million Americans quit their job, including many in the Copier Channel. It couldn’t have come at a worse time for the industry.

“There has been a shortage of people in the industry for 20-plus years,” Schwartz says. “Until now, many dealers often did more with less, but that stop-gap fix won’t work now.”

He notes other tech businesses are poaching talent by offering better hours, more money and defined career paths. That has made filling jobs in the industry much more difficult.

“I think the industry kicked the can down the road for bringing people into the channel,” Schwartz says. “Now it’s time for a reality check. It’s just like any city or town, you have to invest in your infrastructure — in this case, we’re talking about human infrastructure.”
The Great Resignation — follow the money

From reduced hours, working from home and furloughs, the pandemic gave American workers time to think about work. What’s clear is that many began to consider their options and opted for change. In fact, the Bureau of Labor Statistics reports that in September 2021 alone, 4.5 million Americans quit their job, a million more than in 2019.

“There are a lot of reasons people are making changes,” Schwartz says. “Fear of COVID is an issue, general life change, work satisfaction, work conditions, compensation and location.” In the Copier Channel that exodus has created extraordinary demand for and a diminishing supply of workers.

“I just can’t overemphasize how competitive it is,” Schwartz says. “This workforce issue is the next definitive struggle that dealers will have to integrate into their business plan.”

Forbes reports that in a November survey, more than 43% of respondents said they had received a 30% raise. Others reported doubling their salary by changing jobs. In all, 75% of respondents said they were looking for work, while only 25% were staying put.

That general survey reflects the experience of finding candidates for all jobs across the Copier Channel, says Jessica Crowley, senior vice president of Copier Careers. “I talked to a sales rep last week and submitted her as a candidate to six companies,” she says. “I literally had a response from a client in less than a minute.”

That challenge is growing because competition for candidates is also coming from outside the Copier Channel, Crowley says. “We’re seeing it now more than ever. It’s not only sales skills that are transferable. Pharma, telecom, IT and software services will come in and go after candidates. It’s all industries, all positions. We’re not siloed anymore.”

“This workforce issue is the next definitive struggle that dealers will have to integrate into their business plan.”

– Paul Schwartz
A bad time for a brain drain

What happens when you have limited inventory and high demand? If your answer is higher prices, you are correct. Sometimes, it’s hard to be right. In 2021, the limited inventory is job candidates, and tremendous demand for hiring across the industry is driving up the price of filling jobs, compensation and doing business in the Copier Channel.

“Experienced people are leaving the industry,” Crowley says. “They’re tired. The industry is going through a brain drain at the same time dealers say hiring is their No. 1 priority.”

Right now, there is nobody coming behind them, because the pipeline of trainees and qualified candidates is dry. Many are moving on, leaving employers singing The Short-Staff Blues.

“You need to have personnel to operate your business efficiently,” Schwartz says. “When you’re short-staffed, the costs of waiting to hire build up quickly. Your customers are less satisfied with service, you miss sales opportunities, paperwork slips through the cracks and your overworked employees risk burning out. Companies that pass on good candidates over cost concerns are often forgetting about the hidden price of not hiring.”

With the urgent need to fill empty positions, Schwartz and Crowley say that going forward; the hiring process has to be realistic. If your process is too slow or your offer is not competitive, be prepared for a longer search.

It’s time for Plan B: Grow your own

Protracted searches are the new normal, so it’s time for the industry to adjust its recruiting game in three critical ways, Schwartz and Crowley say:

1. Pay salaries that are competitive with other managed IT-based services, to fend off poaching.
2. Identify candidates with the right aptitude and create an industry-specific training system.
3. Update hiring practices to keep the industry evolving and growing, although it won’t be easy.

“Do the math. You have to find a way to bring new people into the industry,” Schwartz says. “This is the next great thing that has to change in the channel.”

In the past decade, as the industry grew into the digital sphere, there was a mindset that the industry could grow by doing more with less. But the days of that being a successful strategy are over, Crowley says.

“You can do more with less, but you can’t do more with nothing,” she says.

“The only training on these devices is through the OEM or an authorized dealer. The industry needs a program to start bringing more people in and putting significant resources into the business of growing talent.”

It’s something that industry leaders are going to have to consider seriously.

“You can do more with less, but you can’t do more with nothing.”

– Jessica Crowley
Competition for candidates demands quick reflexes

In the current market for qualified candidates, hesitation can be costly. A brief pause in the hiring process can let a great candidate become another dealer’s hire. Being proactive, ready to respond to candidates and willing to up the ante are all critical to successful hiring.

“Candidates have multiple opportunities across all positions right now,” Crowley says. “We can see and hear the frustration of our clients when a quality candidate is no longer available. But they are learning that they have to move quickly.”

Schwartz notes that business owners have a lot on their plate, but to hire in this highly competitive environment, the hiring process must be their No. 1 priority.

“It’s in the best interest of their business,” Schwartz says. “It’s relatively the same as other revolutions in the industry, MPS, MNS and other technical changes. Dealers have always adapted to succeed; this time it’s on staffing and compensation.”

A conundrum about counteroffers

In 2021, employees exploring new opportunities can find themselves in an uncomfortable position when they find a new, better-paying job and their employer makes a significant counteroffer to get them to stay.

The hard truth is that employees are not going to continue to tolerate wages that are stagnant, Crowley says. Because their skills are in demand and another company is ready to pay more for them.

“The amount of opportunity that candidates have right now is truly unbelievable,” Crowley says. “We’ve had a client offer a candidate a compensation, and we’ve seen, more often than not, that their current employer will come back with a counter significantly higher than what they were paying them.

“To our candidates, it’s pretty insulting, because they wonder why they had to threaten to leave to get the compensation they’re worth,” she says.

The drama doesn’t stop there. “We have seen candidates start with a new employer and be recruited back to a former employer,” she says, noting that counteroffers can be a double-edged sword.

Schwartz agrees with that assessment. “Clients will make counteroffers, but they will remember they didn’t get to do it on their time,” he says. “They were forced to do it, so there is a target on the back of the employee for forcing the issue.”

To tamp down the churn, Crowley and Schwartz say dealers should reassess their pay scale and make adjustments to keep staff happy and in the fold. For those in the hiring process with a candidate open for discussion, to snooze is to lose.
In a series of online polls this year, we asked Copier Channel professionals what they see as the most important qualities of their colleagues across all disciplines. The responses show a keen awareness of the most coveted job skills for applicants and an appreciation of the key attributes of great colleagues in the industry.

“The polls also are a roadmap to the kinds of questions dealers should be asking prospective hires,” Jessica Crowley says. “In a highly competitive environment, it’s good business to know what you’re looking for, so you can make thoughtful hiring decisions quickly.” The following are some comments from these polls:

“When a manager shapes an environment that people like to work in, they give the company its greatest asset of all: people who want to do their best. (This will only begin with integrity in leadership.)”

– response to “Most important Service Manager Quality” poll (November)

“Wow, when I voted for INTEGRITY, I was shocked to see it was dead last! Without integrity, NONE of the other so-called talents matter.”

– response to “Most Important Sales Manager Quality” poll (October)

“I joined the ranks of The Great Resignation in June. Will be looking for a job after relocation to a new state.”

– response to “What Is Your Biggest Challenge” poll (July)

“There are no accolades at the company I work for, no positive reinforcement at all. However, I have never been in trouble, and I get paid every period. I guess that is something.”

– response to “Feedback at Work” poll (June)

“We always joke at our office that it’s the salesman’s job to tell the customer what we can do and the service tech’s job is to PROVE it.”

– response to “Most Important Service Tech Quality” poll (August)

“I always joke at our office that it’s the salesman’s job to tell the customer what we can do and the service tech’s job is to PROVE it.”

– response to “Most Important Service Tech Quality” poll (August)
“There’s opportunity, because there are people who will consider making a move, consider new opportunities and reimagine their careers.”

– Paul Schwartz

Practical over perfect ...
There’s nothing like a worldwide pandemic to upend everything. While the crisis is not over, vaccines and boosters have made it possible to return to work and school — if not to normal.

And as the saying goes, “the past is prelude.” So, what is in store for next year? Probably more of the same. That actually could be great news for the Copier Channel, because it has long been adept at embracing change and adapting as myriad technical advances changed the industry over the past decade or so.

So, this could be a great year for the industry, which has deep experience at pivoting and moving ahead. And that will likely involve finding new ways to bring fresh blood to a still-expanding industry, Schwartz says.

In 2022, one key to success will involve rethinking how to attract and retain a skilled workforce, he says. That will take effort and imagination, just like past pivots and adjustments in the industry.

“You have to hire practical over perfect,” Schwartz says. “You have to reimagine positions and seize opportunities.”

“It’s not all negative — there’s opportunity, because there are people who will consider making a move, consider new opportunities and reimagine their careers.”

So, perhaps “reimagine” should be the focus of efforts to address the demands of a very tight labor market. For Schwartz, it’s the ability to imagine and then embrace a different future that has always been key to the industry’s resilience. Schwartz says that makes any hurdle possible to leap for this dynamic industry. -CC

Hot Topics on Hiring for 2022

The Top 5: Ways You’re Sabotaging Your Hiring Process

Interviewing Prep (for Employers and Candidates) Series

The Top 5: Next Steps After a Bad Interview

In Stressful Times, Mindset Counts

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