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workforce newsletter

This newsletter references the BLS Report of June activity, released 7/6/18.

This month's "Spotlight" topic:
Avoiding Toxic Turnover

Labor Market Adds Another 213,000 Jobs in June
Unemployment Slips

JOB GROWTH: The economy added 213,000 jobs in June, a bit behind the revised figure of 244,000 for May, but a strong showing nonetheless. Total non-farm employment has grown by 2.4 million over the past 12 months.

TOP INDUSTRIES: The most significant job gains this month were seen in professional and business services, manufacturing and healthcare. Job losses were recorded in retail trade.

UNEMPLOYMENT: Breaking from its trend in recent months, the unemployment rate slipped this past month, moving from 3.8 percent in May to 4.0 percent in June.

WAGES: Payrolls edged ahead slightly in June, although average hourly earnings remain at 2.7 percent on an annual basis.

WORK WEEK: There was no change in the average work week in June, remaining at 34.5 hours.

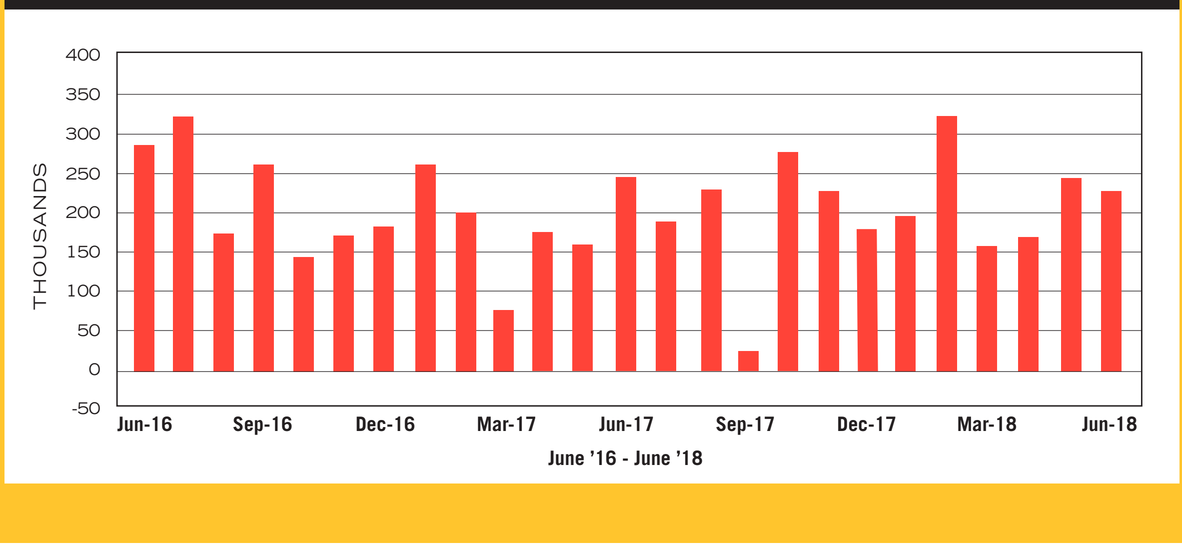
TEMPORARY JOB TRENDS: Growth in the temporary jobs sector reversed course in June, with the addition of 9,300 jobs.

WHAT DOES IT ALL MEAN? With robust job growth above 200,000 in June, low unemployment of 4.0 percent and an influx of 600,000 more people entering the workforce, all signs point to a strong economy. This good news is tempered by the uncertainty of how tariffs and trade wars may impact business in the future. For the near-term, however, hiring remains brisk, with employers continuing to struggle to fill open positions. The tighter the labor pool, the more likely it is that wages will rise, although that has not held true in the recent past.

Sources: U.S. Bureau of Labor Statistics (BLS), Steinberg Employment Research, CNBC, Staffing Industry Analysts, MSNBC, USA Today, The Wall Street Journal, The New York Times

CHART 1: EMPLOYMENT NUMBERS / SOURCE: BLS

NONFARM PAYROLL EMPLOYMENT MONTH-OVER-MONTH CHANGE



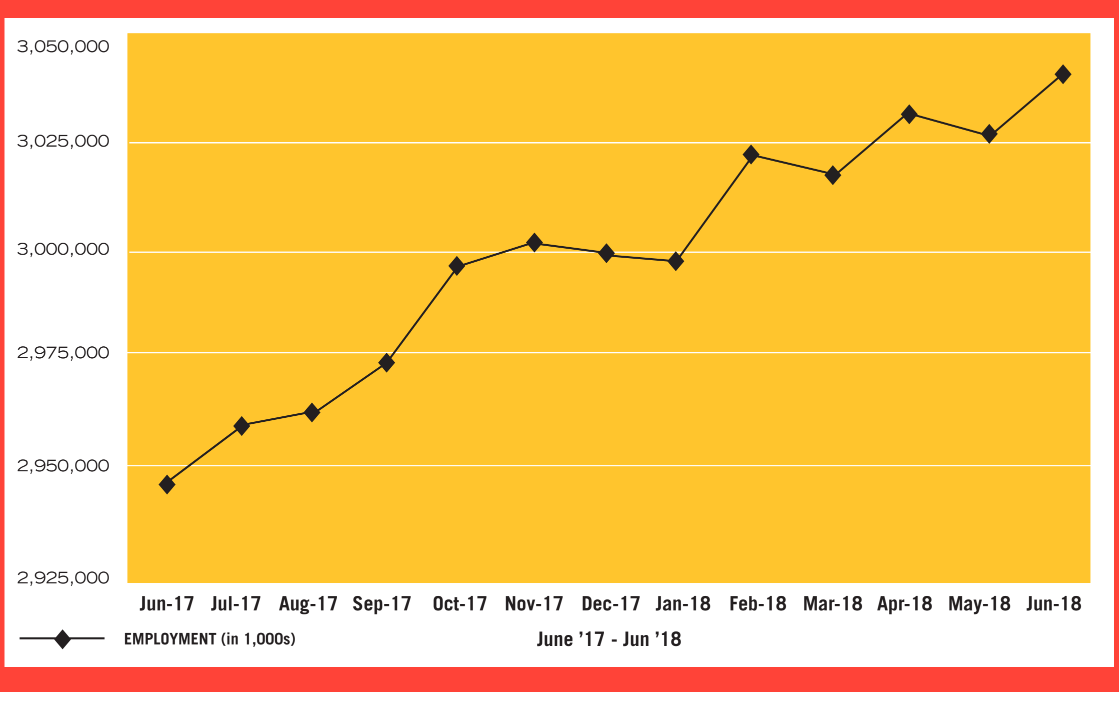
June saw the addition of 213,000 new jobs.

CHART 2: TOP INDUSTRIES / SOURCE: BLS

Total nonfarm jobs increased by 213,000 in June, with the biggest monthly jump in professional and business services.

SECTOR GAINS	JOB INCREASE
Professional & Business Services	+50,000
Manufacturing	+36,000
Healthcare & Social Assistance	+34,700
Leisure & Hospitality	+25,000
Transportation & Warehousing	+15,400
SECTOR LOSSES	**JOB DECREASE**
Retail Trade	-21,600

CHART 3: TEMPORARY WORKFORCE / SOURCE: BLS & STEINBERG EMPLOYMENT RESEARCH



Temporary job growth rebounded in June, adding 9,300 jobs.

Avoiding Toxic Turnover

Imagine a third or more of your employees voluntarily walk off the job. How would that impact your organization? A mass departure would qualify as toxic turnover, but what about one here and one there? When should an employer be concerned about turnover?

Unless the majority of employees walking out the door are considered your worst performers, you should be concerned about every departure. Turnover is expensive in terms of dollars and lost productivity; it also can send the wrong signal to current staff. Not only do they need to pick up the slack caused by an exiting colleague, they may wonder what they may be missing out on by accepting the status quo in the workplace.

Why do employees leave? Compensation has consistently ranked as the top retention driver uncovered by the Emerging Workforce® Study, commissioned by Spherion. When asked if pay had improved over the last 20 years, workers said an emphatic "NO!" Pay continues to be a major divergence point with employers: 40 percent of employees are unhappy about their current salary, while 61 percent of employers believe the opposite. In fact, 71 percent of employers believe they offer enough nonfinancial incentives to compensate for lower pay.

Nonfinancial incentives are important to the workforce in terms of job satisfaction and engagement levels, but they are a poor substitute for addressing financial shortfalls in people's lives. Resolve pay issues first. Keep employees happy and customers will follow. The alternative is simply unacceptable in a job market that has significantly raised the stakes on talent mobility.

CHART 4: TURNOVER TRIGGERS / SOURCE: 2018 SPHERION EMERGING WORKFORCE STUDY

Money remains the #1 MOTIVATOR for the workforce

Employee Retention Drivers

1. Financial Compensation
2. Benefits
3. Growth & Earnings Potential
4. Time & Flexibility
5. Management Climate
6. Culture & Work Environment
7. Supervisor Relationship
8. Training & Development

CHART 5: RETENTION DILEMMA / SOURCE: 2018 SPHERION EMERGING WORKFORCE STUDY

Employers know that PAY is the problem

67% of employers say their company does not offer the most competitive salary/wages in the marketplace

60% of employers say uncompetitive salary levels hinder retention efforts

CHART 6: PAY PROBLEMS / SOURCE: 2018 SPHERION EMERGING WORKFORCE STUDY

When did PAY become a problem?

I was satisfied with my initial compensation, but…

66% I expected higher annual increases and/or bonuses than I have received

61% I expected to advance more than I have

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Learn more about the Emerging Workforce® Study and how to subscribe to this newsletter.