

Perhaps you have seen the stories in the paper regarding the need for employees, glanced at the signs in the windows of just about every retail store, or heard the ads on the radio almost begging to send you an employment application.

The need for qualified applicants, especially those in lower-level skill areas, has reached critical proportions, according to Nancy Hon, principal of Accurate Placement, a recruiting specialist firm in Phoenix. Those seeking positions such as drivers, retail help, administrative assistants and clerical can have their pick of jobs, she says. And while the need for middle and upper level management is not as acute, employees in those areas are finding work readily, as well.

Tia Finn, executive search director at Creative Financial Staffing, concurs. The biggest scarcity, she says, is in lower level jobs and in manufacturing and industry, where some employers are "terrified" of not being able to fill positions. "It takes three times as long to find a good administrative assistant as it does a CEO," says Finn. "Qualified employees are in the driver's seat."

Just how critical is the shortage? Two years ago, Finn says, staffing agencies could talk with a viable candidate about a position and have three days to get back with that candidate with a decision.

"Now it's four hours," she says. "I have a candidate flying in from New York. They have six or seven

interviews. Then it becomes a bidding war. We don't want to falsely inflate salaries, so employers are walking a tightrope."

Ronni Anderson, CPC, CTS, president of Staff One, is acutely aware of the shrinkage of time and educates her clients on the need to decide quickly. "Companies will interview, drag their feet, then find out those candidates have already been hired someplace else," she says. "They don't understand that the market is so tight that once they find people, they've got to move on them."

All of this is good news for the staffing industry, who are being used now by companies who have never considered hiring a staffing agent previously. "They want someone else to do this unbelievably difficult job of finding people for their company," says Finn.


So what's contributing to the shortage? A number of factors have come into play. The baby boomer generation is spending and saving at record numbers, creating an unprecedented need for goods and services. And, according to Finn, Generation X is "thumbing their nose at the corporate world" and starting their own businesses. "The entrepreneurial spirit is back and they have a tool—it's the laptop," says Finn. "You can't justify to them putting on a suit."

Only now is corporate America beginning to understand that Gen X's the prime talent will not work for them, she adds. "It's been a real wake-up call."



Help Wanted

Staffing agencies try to keep up with worker demand

A close-up portrait of Tia Finn, an executive search director. She has short, dark, layered hair and is looking directly at the camera with a slight smile. She is wearing a light-colored, possibly olive green, blazer over a dark top. Her right hand is resting on her left shoulder, and she is wearing a large, ornate ring on her ring finger. The background is softly blurred, showing what appears to be an office or meeting room setting with a large screen or wall panel.

by Cynthia Scanlon
photography by Ken Krehbiel

Tia Finn, executive search director at
Creative Financial Staffing

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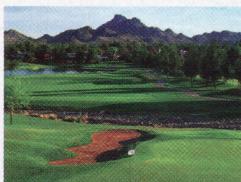


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Anderson says Generation X is spending more time at home and wanting quality family lives. These quality-of-life issues are at the forefront of employment change and not just for the younger generations, says Finn. "People are making choices about quality-of-life and employers need to understand people's priorities," she says. Companies are finding they have to go to sometimes extreme ends to lure candidates to positions. Anderson talks about the usual: higher pay, better benefits, 401(k) and more training. But she also mentions companies that are providing concierges to shop for employees, make reservations, pick up dry cleaning and order take home meals from company cafeterias. "These are exorbitant perks that were unheard of 10 years ago," says Anderson.

Perhaps for the first time, companies are going to have to take employee priorities into consideration. This includes making room for families, personal values and interests, which will translate into more flex-time, telecommuting, creative vacations and flexible office arrangements. "Companies must provide flex-time and be sensitive to all of our roles," says Finn. "We're parents, spouses and caregivers for our elderly parents. We have lots of roles."

Hon adds many companies are also having to foot the bill for on-site child care, especially for their lower paid workers. Child care is their main issue, she says and it is an attractive bargaining tool for employers. Good benefits are also extremely important. "I still know of companies that don't have health insurance and people just don't want to bother with companies that don't provide it," says Hon.

Good benefits have become such a requirement that many companies are now turning to professional employer organizations (PEOs) to help fill the need. PEOs enable smaller companies to get large company benefits for their employees at better rates. "If a company has, say, 25 employees, we give them the buying power of having 15,000 employees," says Michael Roth, vice president of sales for Phoenix for Diversified Human Resources. "They can offer Fortune 500 benefits to smaller companies."

Roth says bargaining power comes in handy when two companies are



Left to right: Nancy Hon and Karen Tuttle of Accurate Placement.

competing for one candidate. "Rather than an employee going down the street to make a couple dollars more, they may stay because of better benefits," he says.

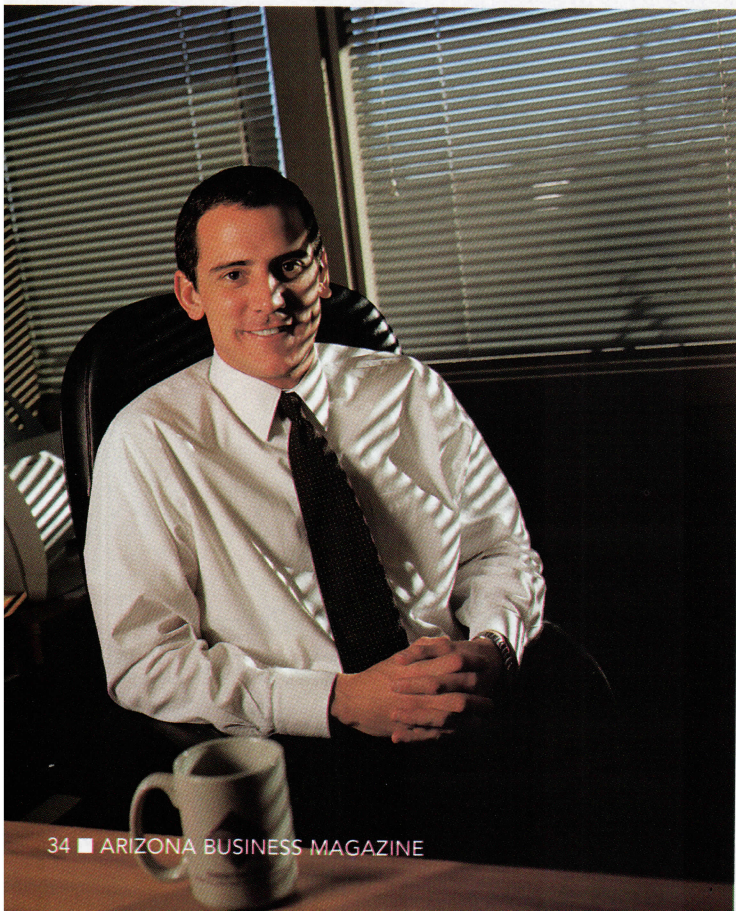
As might be expected, some employers have come to resent the lengths they have to go to in order to secure qualified talent, says Anderson. "Baby boomers tend to comprise many human resource departments and they remember having lobbies filled with people and in-baskets spilling over with resumes full of qualified candidates they could pick and choose from," she says. "And, they didn't have to pay top dollar."

But not anymore. "The new generations are more aware of what's going on out there and are coming in the door demanding more," adds Anderson. "This means it's going to be tougher and we've got to be more creative on how to run a company and still get the bottom line that we need."

Hon agrees. "Smaller companies are overwhelmed with what they have to offer," she says. "Some of them think, 'Well, we're fun.' But if you don't offer decent vacations and health care, I don't care how fun an environment you are, [employees] are not going to stay."

On a positive note, staffing agencies are seeing a trend toward hiring the disabled and senior citizens, a market notoriously

Michael Roth, vice president of sales for Phoenix for Diversified Human Resources



Ronni Anderson, CPC, CTS, president of Staff One



overlooked in the past. "We're going after those markets," says Anderson, "and we never use to think of them before. It's about time we did."

Despite employer sensitivity, added benefits and perks and friendlier workplaces, staffing recruiters want to remind employers that money is a serious component in all negotiations. Bottom line: "If you want someone to stay in the position, you've got to pay them," says Hon.

Finn agrees and adds, "We need to bring [Arizona's wages] up to a nationwide standard."

In attracting new talent here to the Valley, many companies are trying myriad creative avenues. "Internal referral bonuses are really popular as long as [employees receive] a decent bonus of \$500 to \$1,000," says Hon. "It makes employees think about who they know and then encourages that person into coming to work."

Finn says she is also seeing candidates more willing to relocate for prime positions. "We'll import some great people into the Valley," she says. "And in many cases, the employers don't have to pay relocation costs because people want to live and work here."

Currently, the labor shortage in the Valley, and the nation for that matter, doesn't show any signs of disappearing. To combat this, Hon says she sees the work force moving to a more contractual basis with a core nucleus of a company surrounded by fringe employees working out of their homes. And alternative work situations will become more prevalent. "[We'll hire] three part-time moms for one receptionist job," she says. "That's going to become more and more common."

For the future, Anderson stresses companies are going to have to plan for a continued tight labor market and then a possible slump in 10 years. This, she says will mean using resources now to help plan for later, diversifying resources and retaining existing talent. And companies will have to continue to foster an environment of creativity, integrity and caring, while keeping company stability and future growth first and foremost. It's a tall order, but Finn says employees depend on these things now and will in the future.

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Cynthia Scanlon is a Phoenix free-lance writer.

Sexual Harassment Alert

by Carolann Cervetti Doran

The United States Supreme Court recently redefined the standard regarding employer liability for sexual harassment in the companion cases of *Burlington Industries, Inc. v. Ellerth* and *Faragher v. City of Boca Raton*. In these cases, the Supreme Court ruled that an employer will be vicariously liable for sexual harassment committed by supervisors and managers, even if the harassment does not result in an adverse employment action such as termination or demotion. For example, if a manager creates a hostile work environment by making repeated sexual comments or jokes, the employer would be liable for the manager's conduct in any subsequent lawsuit.

Luckily for employers, the Supreme Court provided a defense to this rule of liability, and held that an employer will not be liable for sexual harassment if the employer can establish both of the following elements:

- the employer used reasonable care to prevent and eliminate sexual harassment; and
- the individual who is complaining about the harassment unreasonably failed to take advantage of the employer's policy prohibiting harassment.

Given the availability of this defense, it is critical that employers create a policy prohibiting harassment, or revamp any existing policy. In doing so, an employer should focus not only on the written prohibition against harassment contained in the employer's handbook, but all of its anti-harassment efforts, including employee training, and the manner in which it conducts harassment investigations.

Specifically, employers should take the following steps to reduce their liability for sexual harassment:

- Develop a written policy against harassment that clearly defines the type of conduct prohibited at the workplace.
- Communicate the policy to all employees.
- Conduct periodic training which makes employees aware of the type of conduct that is prohibited at the workplace. Supervisors and managers

should also be trained on how to recognize and respond to sexual harassment in the workplace.

- Develop a well-communicated complaint process which provides several options through which employees can complain about harassment. For example, an employer should not require that an employee bring complaints only to the employee's direct manager. The employee may not feel comfortable discussing such a sensitive topic with the employee's supervisor, or the supervisor may be the source of the problem.

- Have employees sign statements affirming that they have received and understand the employer's sexual harassment policy, and that they have undergone sexual harassment training. Also, consider having employees sign statements which identify the various individuals to whom they can complain about sexual harassment.

- Conduct prompt, thorough investigations of sexual harassment complaints and of sexually charged conduct which occurs at the workplace, and take prompt corrective action if it is determined that unlawful conduct occurred.

Implementing a well-communicated sexual harassment policy, conducting periodic training for all employees and aggressively following up on any complaint or evidence of unlawful conduct at the workplace can significantly reduce the likelihood that an employer will be found liable for sexual harassment. Taking these proactive steps is even more critical in light of the *Burlington Industries, Inc.* and *Faragher*.

Ms. Doran is a shareholder in the Labor and Employment Department of Ryley, Carlock & Applewhite, where she represents employers in all aspects of labor and employment law. Ms. Doran frequently conducts training for employers regarding sexual harassment avoidance.

