

## **Working hard for the job / Richmond's jobless rate is low, and employers must find ways to retain or recruit best talent**

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The Richmond area's low unemployment rate is one of the region's strongest economic assets.

It can present a challenge for those searching for higher-paying specialized jobs, who may need to look a little farther and wider to land the gig.

Employers also have to work harder to unearth new labor.

In some industries, particularly retail, employers have had to get creative and offer potential workers non-cash incentives. Many companies have continued recruiting to pry talent from the hands of rivals.

"Depending on the type of job you've got to fill, you need to look at people who hadn't really thought of coming to your company to give them a reason to leave" their employer, said Ellen Vance, senior consultant at human-resources firm The Titan Group in western Henrico County.

"You've got to find somebody from someone else."

In a competitive job market, employers need to find new ways to retain or recruit employees. Companies in highly specialized industries dabbling in a tight labor pool must pay a premium to lure people already in a top-paying job to leave, said Dean Croushore, an economics professor at the University of Richmond.

In information technology, for instance, the best talent has always been hard to find because those who have it already have jobs.

"Now, it's seeming to take more phone calls, more relationships, more time to attract key talent," said David Ingram, chief executive at Capital TechSearch Inc., a Henrico IT recruiting firm. "We're seeing situations where, if a candidate is on the open market, they're receiving multiple offers simultaneously because there are simply fewer candidates."

On the retail scene, there are limits to what a store can pay, experts say.

"You find you just have to be creative in what you can offer people that aren't in terms of dollars," said James T. Hatcher III, president of the seven-store Pleasants Hardware chain.

Incentives may include flexible work schedules that a larger competitor may not be able to offer, he said.

Macy's, like many retailers, offers a discount to its employees.

Yet Macy's spokeswoman Ellen Fruchtman said the retailer's 20 percent discount provides an advantage when hiring workers because the department store chain carries a broad array of merchandise as opposed to being solely a clothing or housewares retailer.

At least in Richmond, the low unemployment may not be the sole reason for making it hard to find enough retail workers.

William H. Baxter, president of the Retail Merchants Association, said another key reason is the amount of retail space the area has. The region has about 70 million square feet of space for stores and restaurants, while the national average for a metro area of this size is about 30 million square feet.

That additional amount of space creates a need for workers, he said.

"To fill retail hourly positions, particularly, it has gotten very competitive, and it is harder than it used to be," said Rawson Ingalls, vice president of Ben Franklin Crafts and Frames, which has six stores in the area.

"We attribute it to the fact that so much retail has come onto the market in the last five to six years that has just absorbed so much of the available labor."

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One of the advantages to finding a new job in the Richmond area is its diverse economy, with positions in many industries, including finance, manufacturing, information technology and health care.

"We're not dependent on one industry, so when there's layoffs, say, at a securities firm, there's a lot of other financial industry employers that are looking for workers," Croushore said. "There's probably lots of exceptions to that rule, but generally speaking, our economy is healthy."

Most of the problems, he believes, are finding jobs in highly paid, specialized areas that require a college degree.

That's an issue that P. Channing Ouch, 34, is having in relocating to Richmond from Northern Virginia.

A financial coordinator at Inova Health System, the Cambodian-born Ouch wants a financial or business analyst role here.

While he has worked in finance roles and has a degree from the University of Massachusetts, he doesn't have a background in analysis.

"I find that it's difficult, even the entry level, to find something like that," Ouch said while looking for a position at a job fair in Richmond last week.

He wants to eventually become a Chartered Financial Analyst, though the road to get there "is tough to find in Richmond."

Maintaining a Rolodex of former workers is key for employers in recruiting, said Vance, from human-resources firm The Titan Group.

"You've got to get smart about keeping track of employees who leave and making sure they're aware of opportunities that you've got," she said.

"As an employer, you've got to reach out and invite them back, see how they're doing, have lunch every now and then. It's just like courting someone."

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A low unemployment rate is no doubt a great thing for a region.

Companies are outputting large amounts of goods and services. People have money to pay bills and raise families. And workers contribute to an overall high quality of life.

Labor markets in Virginia have been tightening since the recession in the early part of the decade.

Of the 49 largest metro areas in the country, Richmond ranked No. 3 for having the lowest unemployment for May. Northern Virginia was fourth. Virginia Beach tied for fifth, according to the Bureau of Labor Statistics. (Birmingham, Ala., and Phoenix were No. 1 and 2.)

Slightly less than three people per 100 in the Richmond metropolitan area's work force are without a job and seeking something new to do.

The Richmond area is considered to be clicking well-above full employment.

The region's 2.8 percent unemployment rate in May compares with the 4.3 percent national rate. Economists generally consider a 5 percent rate to be full employment.

"There's always churning in the labor market," UR's Croushore said. "Really, the question is, 'How efficiently does the market get those people a new job?'"

In such cities as Richmond, that can take a while.

If you are laid off or are looking for a highly skilled job in the area, prepare to wait an average of 13.6 weeks, according to the Virginia Employment Commission.

Job market

Unemployment rate factoids for the Richmond area since 1990:

Lowest rate: 1.8 percent in April, October, November and December 2000

Highest rate: 6.8 percent in January and March 1992

May 2007's rate: 2.8 percent

Best jobless rate in the nation: In December 2006, the Richmond region's rate of 2.8 percent was the lowest of any of the nation's 49 largest metropolitan areas.

SOURCE: Bureau of Labor Statistics

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