



## CITY OF HENDERSONVILLE ECONOMIC VITALITY TEAM

Downtown Program Office | 125 Fifth Avenue West, Suite 200 | Hendersonville NC  
28792



Tuesday, January 03, 2023 – 4:00 PM

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### AGENDA

1. **CALL TO ORDER**
2. **APPROVAL OF MINUTES**
  - A. October 2021 Economic Vitality Team Minutes
3. **NEW BUSINESS**
  - A. 2023 Workplan and Project Review
  - B. Capstone Project Report
4. **OTHER BUSINESS**
5. **ADJOURNMENT**

*The City of Hendersonville is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or an accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.*

## **2022 ORGANIZATIONAL goals**

1. Complete Partnership Agreement between Friends of Downtown and City of Hendersonville – will be approved by city council early 2023
2. Develop a financial policy for the Friends of Downtown to determine projects and distribution of revenues for downtown initiatives – in progress
3. Increase board and committee education on Main Street and Downtown Development Best Practices
4. Pursue a downtown master plan – consultant selected as a part of comprehensive plan

## **2023 Organizational Goals**

1. Downtown Master Plan and Comprehensive Plan
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## **2022 COMMUNITY CHARACTER goals**

1. Update Façade Grant Program guidelines and application to be a Friends of Downtown program instead of City of Hendersonville – Move to 2023
2. Update Avenue Signage in Main Street and 7th Avenue District
3. Re-start the 7th Avenue Branding Project – complete

## **2023 Community Character Goals**

1. Apply for TDA Grant for downtown pedestrian/avenue wayfinding
2. Implement 7<sup>th</sup> Avenue Branding
3. Vacant window improvement project

#### **4. Review of CIP budget and future request**

##### **2022 ECONOMIC VITALITY goals**

1. Educate, plan and promote downtown Parking Garage construction and future parking meters with monthly updates
2. Support downtown service industry through hosting one downtown employee training and orientation program
3. Enhance "Ease of Use" for downtown with educational signage and news items related to downtown projects, upcoming events and announcements.

##### **2023 ECONOMIC VITALITY goals**

1. Develop program for small business training and loan fund through grant from Dogwood Health Trust
2. Support downtown service industry through hosting one downtown employee training and orientation program
3. Enhance "Ease of Use" for downtown with educational signage and news items related to downtown projects, upcoming events and announcements.

## **2022 Events Goals**

1. Establish a merchant subcommittee to plan holiday promotions for downtown retailers. – continue for next year
2. Initiate and establish a budget for at least one new marketing outlet for each Friends of Downtown event.
3. Improve the experience of the Bearfootin' Auction in a hybrid online bidding format.
4. Include the 175th Anniversary promotional material in all event collateral

## **2023 Events Goals:**

1. Complete a seamless transition of the Friends of Downtown taking over the production of Garden Jubilee
2. Expand holiday events and merchant participation of holiday events
3. Review updates to the Rhythm & Brews site plan and adjust according to layout changes.
4. Facilitate the updates of the Special Event Policy and Fee Structure in 2023

# Addressing the Challenges of Employee Recruitment and Retention in Downtown Hendersonville, NC

**Introduction:** The Division of Community Development Downtown Division of Hendersonville is seeking solutions to combat the challenges surrounding workforce development in the area, specifically regarding recruitment and retention. The purpose of this comprehensive policy brief is to examine these challenges and provide tangible solutions to address them.

## Background

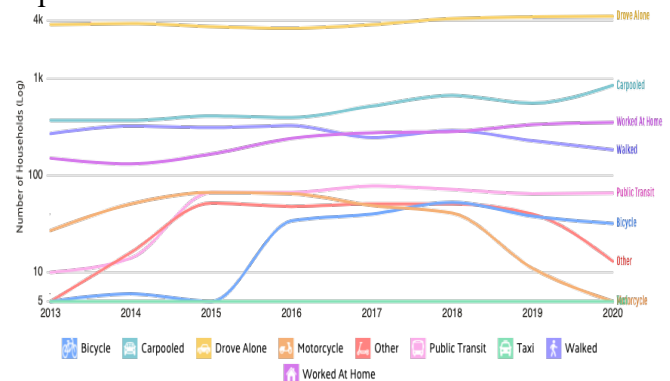
Businesses everywhere face numerous challenges regarding workforce development especially when it comes to recruitment and retention. In fact, studies show that retention and engagement are two of the biggest challenges in human resources today.<sup>1</sup> This brief provides a detailed analysis into the causes of these human resource setbacks. Additionally, it provides practical solutions that the Division of Community Development can utilize in their goals to alleviate the challenges of recruitment and retention of employees in downtown. The recommendations provided in this policy brief include **educating, contracting out, and subsidizing**. Furthermore, this brief examines the driving forces behind recruitment and retention. Lastly, the research also includes conversations with stakeholders and other downtowns administrators, and next steps.

In order to find the best solutions to these human resource challenges, we must examine the underlying factors contributing to a lack of recruitment and retention. There are several factors which are likely influencing this. The US chamber of Commerce explains that there is no rule stating small businesses must have an HR team or manager.<sup>2</sup> Additionally, studies show that as many as 70 percent of small businesses in the US handle HR functions in house.<sup>3</sup> What this means is that these HR responsibilities are typically done by a worker(s) in addition to their normal duties and without specialized training in this field. Therefore, the skills and time necessary to implement effective strategies which would increase recruitment and retention are absent. Research from *TownCharts* provides some valuable insights into the workforce for the surrounding region, which includes the North Carolina cities of Barker Heights, East Flat Rock, Hendersonville, Balfour, Asheville-

Brevard, Flat Rock, Valley Hill, and Laurel Park. These statistics provide a background into some of the factors contributing to the strains within the workforce.

If we look at part-time vs. full-time employment, Hendersonville has predominantly more full-time employees at 75% and part-time of only 25% in the workforce<sup>4</sup>. Since majority of workers are full-time, it prompts a need for deeper into the types of benefits that would incentivize long-term employees to come work and stay working in downtown. Additionally, the research shows that almost a third of families (28%) in Hendersonville have only a single earner and 29.9% have no one working at all.<sup>4</sup> This poses the question, “what factors at home are causing only one or no individuals to work?” In conjunction to this point, unmarried females with children in poverty is at an astounding 77%.<sup>4</sup> We can presume that there would be a significant benefit to provide some type of childcare benefits in downtown Hendersonville which could drive employment interest to this area.

DataUSA provides information collected from the Census Bureau on work transportation. The statistics show that 74.5% of workers in Hendersonville commute to work alone and 14.5% carpool.<sup>5</sup>



The chart shows trends in transportation to work for employees working in Hendersonville, NC (DataUSA).

1. Koster, A. (2015, December 22). *The correlation between benefits and employee retention* | icims. *ICIMS | The Leading Cloud Recruiting Software*. <https://www.icims.com/blog/the-correlation-between-benefits-and-employee-retention/>
2. Heaslip, E. (2022, April 13). *Does your small business need an hr department?* <https://www.uschamber.com/co/co/run/human-resources/small-business-human-resources-department>
3. CPA PracticeAdvisor. (2017, July 26). *Study finds 1. 5 million small businesses spend billions to manage hr*. CPA Practice Advisor. <https://www.cpapracticeadvisor.com/2017/07/26/study-finds-1-5-million-small-businesses-spend-billions-to-manage-hr/26409/>
4. TownCharts. “Hendersonville North Carolina Economy Data.” Towncharts Economy Data, <https://www.towncharts.com/North-Carolina/Economy/Hendersonville-city-NC-Economy-data.html>
5. DataUSA. “DataUSA: Hendersonville, NC.” *Data USA Hendersonville, NC Profile*, <https://datausa.io/profile/geo/hendersonville-nc>

## Driving Forces Behind Recruitment and Retention

Developing high quality recruitment and retention strategies are often overlooked and not prioritized by local businesses. The search for new employees may only consist of conventional approaches like posting job advertisements and performing interviews before hire. Moreover, once a candidate is hired, business leadership may not be locating or implementing quality strategies to retain their employees. In these cases, there are not enough benefits for employees or potential talent creating no appeal to work at said organization. On the other hand, businesses that do actively find and incorporate greater benefits are more likely to have increased recruitment and retention.<sup>6</sup> By exploring the motivations that draw people to work for an organization and can keep them loyal, we can better understand the factors contributing to their employment choices. From there, we can begin implementing strategies that will best fulfill the needs and desires of our employees and create greater interest to work. This section examines workplace motivations and desired benefits from a generational level since each age group shares both similarities and differences in their needs and wants in the workplace.

### **Motivations for Baby Boomers (1955-1964)**

A research article titled, “Retaining the Older Workforce: Social Policy Considerations for the Universally Designated Workplace,” provides an inside look into the motivations of Baby Boomers and what drives them to stay in the workforce longer. This demographic of workers is interested in not only financial need but motivated by more social purposes such as *boosting self-esteem, generating interpersonal contacts, and shaping identity*. Additionally, by having a responsibility to work, it provides these individuals a regular activity to maintain structure in their life which drives them.<sup>7</sup> Understanding these motivations can help steer business leaders in the right direction when it comes to providing benefits that appeal to this age group.

Furthermore, the benefits which these individuals seek are rooted in a slightly different mindset compared to those of Millennials or Gen X. They prefer advantages such as formal phased retirement plans, flexible work options, job design, and training for mature employees.<sup>7</sup> The author explains that there is limited implementation, but studies have shown that flexible work situations, adapted job designs, age discrimination prevention, and providing employees with financial literacy skills which help with planning for economic security are highly favorable for employee retention. This demographic is important when considering potential solutions because as of 2018, Baby Boomers still accounted for a quarter of all US workers.<sup>8</sup> Solutions that are favorable for Baby Boomers would **include revisiting workplace policies to be more inclusive and providing financial literacy programs**. The Community Development Division could implement these strategies or work with the businesses and chamber of commerce to provide these programs boost employment interest and loyalty in downtown Hendersonville.

### **Motivations for Gen X (1965-1980)**

According to the authors of “Creating a Flexible Organizational Culture to Attract and Retain Talented Workers Across Generations,” Gen X workers are loyal, but not to the companies.<sup>9</sup> The caveat to this point is that these workers put a lot of value in their personal lives outside their job, so if their jobs are not diminishing their personal lives, they are more likely to stick with one company.<sup>9</sup> Nonetheless, majority of Gen X workers do not prioritize loyalty to organizations as much as other factors and they tend to jump around a lot more. In the coming years, there is likelihood for this to shift. As Baby Boomers phase out of the workforce, Gen X and some millennial workers will begin taking on more senior level executive roles and settle into their careers.<sup>10</sup> Therefore, when it comes to benefits, these workers have more of an interest in mentorship programs and additional benefits to develop their expertise in their fields<sup>9</sup> With Gen X accounting for 33

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6. Goldstein, R. (2019, May 16). *Council post: Leveraging benefits and perks to drive employee recruitment and retention*. Forbes. Retrieved December 16, 2022, from <https://www.forbes.com/sites/forbeslacouncil/2019/05/16/leveraging-benefits-and-perks-to-drive-employee-recruitment-and-retention/>
7. Timmons, J. et al (2011). *Retaining the Older Workforce: Social Policy Considerations for the Universally Designed Workplace*. *Journal of Aging & Social Policy*, 23(2), 119–140. <https://doi-org.proxy195.nclive.org/10.1080/08959420.2011.551623>
8. Koster, A. (2018a, October 16). 5 generations in the workforce: The demographic info you need to know | icims. *ICIMS | The Leading Cloud Recruiting Software*. <https://www.icims.com/blog/5-generations-in-the-workforce-the-demographic-info-you-need-to-know/>
9. Eversole, B. A. W., Venneberg, D. L., & Crowder, C. L. (2012). Creating a Flexible Organizational Culture to Attract and Retain Talented Workers Across Generations. *Advances in Developing Human Resources*, 14(4), 607–625. <https://doi.org/10.1177/1523422312455612>
10. Valentine, A. C. (2021, August 16). Baby boomers, generation ‘x’ and generation ‘y’ in the workplace. *Resource 1*. <https://www.resource1.com/baby-boomers-generation-x-and-generation-y-in-the-workplace-a-melting-pot-of-expertise/>



percent of the workforce, there would be great need to invest in their workplace satisfaction.<sup>8</sup>

Additionally, Generation X workers crave freedom and responsibility in the workplace.<sup>11</sup> They are generally independent and embrace a hands-off management philosophy.<sup>11</sup> Making changes in the culture of the organizations by providing these workers more flexibility in their job design and reducing micro-management would be highly favorable. Moreover, Gen X highly prioritizes work-life balance, and they maintain a very black and white “work-for-pay” mindset when it comes to employment.<sup>11</sup> Overall, this is the generation would have the greatest interest in leadership development programs and benefits which would provide them the ability to have an enhanced quality of life outside of work. An example would be an exclusive rewards card program specifically for downtown employees which could provide discounts to attractions and services in the area and could be used in their leisure.

### **Motivations for Millennials (1981-1996)**

On the other hand, the interests of millennial workers maintain slightly different views regarding their relationship to their jobs and the benefits they would like to have at work. Although gen-z, millennials, and baby boomers alike have similar percentages of individuals in each demographic which seek to make a positive impact on the organization they work for, millennials tend to consider six categories when looking for a potential employer.<sup>12</sup> These include salary, benefits, professional development opportunities, purposeful work, flexible work arrangement, and organizational ethos.<sup>12</sup> If appealing to millennials, the Community Development Division could provide professional development programs and classes exclusively for workers in downtown which could drive more interest to the area.

According to VantageCircle, it is projected that by 2030, 75% of millennials are likely to make up the workforce.<sup>13</sup> Additionally, a study of millennial workers showed that 89 percent of them were more focused on benefits instead of pay and 83 percent said they would change their job for better benefits.<sup>13</sup> These individuals would also benefit from

discount programs but improving work culture and receiving more constructive feedback from lead are no cost solutions which could be considered. In connection with millennials interest to better themselves, they also prioritize their health and wellness, and have a heightened interest in student loan repayment benefits.<sup>13</sup> These types of benefits could not be directly provided on behalf of the Community Development Division but finding ways to deliver this knowledge to local businesses in downtown and educate them on this research could be a more passive solution.

### **Motivations for Gen Z (1997-2012)**

Since workers within the Gen Z generation are still young and not all are in the workforce yet, the research regarding their workplace desires and interests are still evolving. Despite this, the World Economic Forum tells us that by 2025, Gen Z will represent about 27 percent of the workforce.<sup>14</sup> This generation is similar to millennials in the sense that they value work-life balance and flexibility<sup>14</sup>. A Personal Capital Survey stated that 85 percent of Gen Zers would trade pay cuts in order to have the flexibility to work from home when they want to.<sup>15</sup> Possible hybrid work options and paid time off could be appealing benefits to this generation.

Implementation of such benefits would have to be applied by the businesses. Depending on the type of work, it would be more feasible for some businesses to apply these changes compared to others. The administrative businesses in downtown would have more wiggle room to work with compared to the food service businesses which would be hard to provide remote work options. For businesses that do have the ability to provide such advantages, pay cuts paired with reduced upkeep costs (due to working from home) may be able to offset some costs in order to provide PTO to workers. Pay cuts in general would not appeal to workers, but if it could be paired with trade-offs like PTO and hybrid work options, this may increase retention and recruitment of employees. According to Business Insider, Gen Z is entering the workforce with new terms different from previous generations

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11. Horan, S. (2022, July 28). Generation x and workplace wellbeing. *Zevo Health*. <https://www.zevohealth.com/blog/generation-x-and-workplace-wellbeing-what-you-need-to-know/>

12. Zaharee, M., et al (2018). Recruitment and Retention of Early-Career Technical Talent: What Young Employees Want from Employers. *Research Technology Management*, 61(5), 51–61. <https://doi-org.proxy195.nclive.org/10.1080/08956308.2018.1495966>

13. VantageCircle. *13 top company benefits for millennials*. (2019, May 23). Nurture an Engaged and Satisfied Workforce | Vantage Circle HR Blog. <https://blog.vantagecircle.com/company-benefits-millennials/>

14. Charaba, C. (n.d.). *Benefits to offer to hire & retain Gen Z*. Retrieved December 16, 2022, from <https://www.peoplekeep.com/blog/hiring-d-retaining-gen-z>

15. Personal Capital. *How finances factor into the pandemic 'great resignation.'* (2021, August 10). Personal Capital. <https://www.personalcapital.com/blog/whitepapers/research-yolo-economy-great-resignation/>

and are not afraid to demand change.<sup>16</sup> These changes range from work culture shifts which enable them to work less once their tasks for the day have been accomplished to wanting activities that create a sense of community.<sup>16</sup> Similarly to millennials, Gen Zers are emphasizing their health and wellness. A Deloitte report surveyed 23,000 Gen Zers and millennials and found that 46% said they felt stressed or anxious<sup>17</sup> which would explain the increased need to take a step back and prioritize their health and wellness. Simple culture shifts in the workplace which prioritize health over productivity would be feasible. Additionally, a Levern report showed that 42 percent of Gen Zers would rather work at a company that provides them a sense of purpose than one that pays more.<sup>18</sup> Sitting down with employees, finding out their goals and outside work interests, and matching these things to the work they with a shared vision could have profound impacts on their loyalty to their organizations.

### Generalized Motivations:

We also must consider the motivations and desired benefits of employees collectively and how we can cater to all workers. By analyzing the causes of workers leaving their jobs, we can better understand what they need. There is a current trend in the workforce known as the “Great Resignation” and there are several factors contributing to workers leaving their jobs. Pew Research performed a study and found that low pay, lack of opportunities for advancement and feeling disrespected at work were some of the main reasons individuals quit their jobs.<sup>19</sup> Additionally, 24 percent said childcare issues were a major reason.<sup>19</sup>

In order for the Community Development Division to locate the best solutions to combat the decrease of retention and recruitment, it will require conversations and working with businesses owners more intimately to see their individual needs and what they are willing to change. Another route that can be taken is for the division to compile some of these points of this brief and work with the Chamber of Commerce to locate valuable programs directed at business need to make these shifts. Programs which

help to advise business owners on crafting new workplace policies, classes on innovative ways to increase worker satisfaction, providing exit surveys for employees leaving, and surveying current employees in downtown to see what they feel is lacking the most. Much of the role of the division will be bringing awareness to the businesses of the possible ways to improve and getting the point across that not all changes require significant capital or huge time commitments.

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The statistics pictured shows what types of benefits workers want most according to Physicians Health Plan<sup>20</sup>

## Conversations with Stakeholders

In addition to these findings, I interviewed business leaders in the downtown Hendersonville area and members of the Downtown Advisory Board in Hendersonville. These conversations examined the reasons workers were leaving their businesses, the benefits businesses currently provide their employees, and what types of benefits they thought may be beneficial for the downtown division to provide workers in the area to increase employment and retention.

The main consensus regarding retention was that employees were leaving because they found better opportunities elsewhere, or the job was only a steppingstone for the worker.<sup>21</sup> The business owners who said they did not have major issues with retention provided several different types of benefits which likely helped their retention and recruitment rates. Some of the benefits listed by these stakeholders included employee discounts, free cellphone for long-term employees, \$100 a month in

16. Hoffower, H. (n.d.). *Meet the typical Gen Z worker, who is quitting their job for a better one but probably regretting it later*. Business Insider. Retrieved December 16, 2022, from <https://www.businessinsider.com/what-gen-z-wants-workplace-expectations-salary-benefits-perks-2022-5>

17. Millennials and Generation Z—making mental health at work a priority. (2021). *Deloitte Global Talent*.

<https://www.deloitte.com/content/dam/assets-shared/legacy/docs/about/2022/gx-deloitte-2021-mental-health-millennials-white-paper.pdf>

18. *The state of internal mobility and employee retention report*. (n.d.). Levern. Retrieved December 16, 2022, from <https://www.levern.co/research/2022-internal-mobility-and-employee-retention-report/>

19. Parker, K., & Horowitz, J. M. (n.d.). Majority of workers who quit a job in 2021 cite low pay, no opportunities for advancement, feeling disrespected. *Pew Research Center*. Retrieved December 16, 2022, from <https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/>

20. *Small businesses compete for top talent with unique benefits | physicians health plan*. (n.d.). Retrieved December 16, 2022, from <https://www.phpni.com/blog/small-businesses-compete-for-top-talent-with-unique-benefits>

21. Gunther, C., Fitzgerald, J., & Pavao, M. (2022, November 2). *Conversations With Stakeholders* [Phone Call].



free merchandise, Subscription Doctor Telehealth, group activities, IRA matching, end-of-year bonuses, and flexible time off.<sup>21</sup> Considering the research in the previous section regarding the driving forces behind recruitment and retention, these findings in the interviews give credibility to these points as there are overlaps in the benefits discussed in both segments which have been implemented by businesses in the area already with notable success.

These stakeholders were also asked what types of benefits they believe would be favorable for the downtown division to provide workers in the area. Most of the options proposed were not within the purview of the Community Development Division, but they provided a good framework to build on for alternative solutions. The bulk of the conversations were surrounding healthcare and mental health services, but other recommendations included free/safe parking, help for employee utility bills, and subsidizations for housing or rental costs.<sup>21</sup> Healthcare and mental health resources could be considered as solution, but the downtown division's role would not be providing this service. Instead, the division could serve as a liaison to the businesses potentially getting them connected with these resources and how to get started. On the other hand, parking could fall within the purview of this division and there could be more direct strategies to implement. Since Downtown Hendersonville is almost finished with the parking garage, there will be a new structure for paid parking services and an innovative policy could be created which incentivizes employees working in the area.

## **What Other Downtowns Are Doing**

In addition to the interviews with business leaders in downtown Hendersonville, I contacted downtowns within the surrounding region of North Carolina to see what type of strategies they have incorporated to address this topic. Although I contacted approximately twenty different towns, the response rate was minimal. Those who did respond include town of Clyde, Maggie Valley, Dillsboro, Marshall, Hot Springs, Forest City, Sylva, and Franklin.<sup>22</sup> For most of these towns there were few that had specific downtown divisions and if they did, there benefits were few to none. Those who did have input on the topic explained that the benefits were primarily delegated by the individual businesses in their areas, and they did not have any ties to these programs or benefits.<sup>22</sup>

Those that did provide a list of benefits included Main Street Sylva Association and Forest City. Forest City had only a couple benefits which included free Wi-Fi in downtown to employees, employers, and customers alike.<sup>22</sup> If they businesses were in range of the Wi-Fi, they were given permission to utilize it for their business purposes. They also provide free meeting rooms to the businesses which they could use for business meetings when these rooms were available.<sup>22</sup> Forest City's benefit of providing meeting rooms to businesses is something else that could be spear headed by the Community Development Department. Although, locating and providing free meeting spaced for businesses may not directly increase recruitment and retention, it would provide businesses space in the event they want to do team building activities or provide more formalized training programs for employees.

The Sylva Association had the most comprehensive resources for employees in their downtown. They have partnered with the Southwestern Commission Work Force Development Grants & Programs to provide On-The-Job-Training, Work Opportunity Tax Credits, Career Center Staff Assisted Candidate Recruiting, Screening, and Matching, and Veteran Services to name a few.<sup>22</sup> There is also an SCC Main Street Internship Program for students seeking experiential and/or work-based learning opportunities for SCC students.<sup>22</sup> It would be favorable for the Community Development Division to reach out to administrators in Sylva to see about how to get involved with the same or something similar. A good resource to reach out to would be Bernadette Peters who is currently the Main Street Economic Development Director of the Town of Sylva. She can be reached at her office number 828-586-2719 or by contacting [mainstreet@townofsylva.org](mailto:mainstreet@townofsylva.org) via email. Additionally, the division could reach out to colleges and universities in the area to locate potential partnership which could assist with recruiting students to work in Hendersonville. There is a common goal shared between the division and these institutions to get individuals or students jobs in the workforce and become successful in their careers. Most colleges and universities have career centers geared toward preparing students for the workforce. Western Carolina University for example has the Center for Career and Professional Development and A-B Tech has their Career Center which could be valuable

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22. Town of Clyde, Town of Maggie Valley, Town of Dillsboro, Town of Marshall, Town of Hot Springs, Town of Sylva, Town of Forest City, & Town of Franklin. (2022, November). *Conversations with Downtowns* [Phone Call and Email].

resources to reach out to and brainstorm possible partnerships.

## **Alternative Solutions**

The Division of Downtown Hendersonville has taken on a unique responsibility to address the economic struggles with employment in the area. Therefore, the approaches that the department must take in mitigating these challenges will need to be generalized in order to accommodate the diversity in businesses in downtown. The administrative leaders of the division will need to incorporate strategies that all the businesses and employees could benefit from without exhausting too much of their time and financial resources or overstepping for that matter. For this reason, I have provided some solutions which consider these factors and could be implemented to provide the greatest outcomes.

**Contract Out:** A common strategy for governmental entities is contracting out to the private sector to supply needed services in the community. Depending on the agency partnered with and the contractual terms of the agreement, it could cost little to no financial loss for the city to provide certain services. Considering the partnership between the Sylva Association and the Southwestern Commission Work Force Development Grants & Programs, Hendersonville could locate employee staffing agencies to help with employee recruitment. The costs of these services can typically be negotiated based on the circumstances but according to “Eddy” which is an employee staffing service, staffing agencies can help find and match individuals best fit for a business. The cost for these services are usually acquired by the business owners and priced around 15-25% of the employees first year salary.<sup>23</sup> Although, this may seem like a high cost, these programs can enhance the longevity and sustainability of the businesses since they can better match the organization with quality talent and take away some of the burdens of the hiring process. In turn, this would help free up time and resources the businesses put to these tasks and reallocate them more effectively. For the Division of Downtown Hendersonville, there may be similar partnerships that could be found with Eddy or agencies in the area such as MAU Workforce Solutions or Labor Finders which help with staffing in the area. There may be negotiations that could provide a reduced rate for

staffing if a certain number of businesses agree to join into a package rate, or a set rate for an agreed upon number of employees recruited to downtown each year (ex. “x” amount of staffing placements a year for “x” years).

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MAU Workforce Solutions is a staffing agency located in Hendersonville and is family owned. They have been open for over 40 years according to their website.<sup>25</sup> MAU provides numerous options for businesses such as finding qualified applicants for Direct Hire, Executive positions, contract professionals, and other HR services.<sup>25</sup> They also provide consultation services for businesses which can help them design strategic staffing solutions catered to the business’s needs.<sup>25</sup> This is a potential option for the division to investigate as well. There may be a possible option to get a group rate for consultations or host a class for businesses in downtown. The MAU website does not specifically list prices for their services and would likely require reaching out to them directly to get a quote. The possible strength of this resource is that it is family owned and therefore negotiations and communication is more direct and intimate compared to an online or remote service where you may be talking to a person on the opposite side of the country or world. The con is that since it is a family-owned business, they may be strained on resources which would prevent them from taking on a project of this size. More information can be found on their website at mau.com or in the attached excel sheet.

Labor Finders is another staffing agency in Hendersonville, but its services options are not as clearly explained compared to MAU Solutions. On their main page their services listed for employers is temporary staffing, temp-to-hire, and direct staffing.<sup>25</sup> Temp-to-hire is a unique option because it allows businesses to train a worker and discover if they are a right fit to stay fulltime before they commit entirely to the worker.<sup>25</sup> If you go into the link labeled “Why Labor Finders” at the bottom of the website, it appears they may provide other services not explicitly advertised online. Services such as federal and state tax help, worker’s compensation, background checks, and drug testing are a few that they list, but no further details are given. They emphasize on their website that by utilizing Labor Finders, businesses could save time and money on these types of services. Labor Finders also has a Hendersonville branch, and their prices are not listed either.

23. *Recruitment fees: The cost of using an agency in 2022.* (n.d.). Eddy. Retrieved December 17, 2022, from <https://eddy.com/hr-encyclopedia/recruitment-fees/>

24. *Hendersonville, nc—Mau.* (2022, October 26). <https://www.mau.com/location/hendersonville-nc/>

25. *Labor finders office – hendersonville, nc – 1800 asheville hwy | labor finders.* (n.d.). Retrieved December 17, 2022, from <https://www.laborfinders.com/locations/nc/hendersonville/37-80/>

Eddy is an online staffing agency and based out of Provo, Utah. They have the most diverse selection of services compared to the other two. They will help with higher and can post job opening to all major job boards, design custom careers pages, and create interview scheduling pages. Eddy also provides workforce directory, custom onboarding packets, shared company calendar, and time off accruals, requests and approvals.<sup>26</sup> A few other notable services unique to this resource is their ability to administer full-scale training programs or provide a custom course uploader (CCU) for businesses to create their own courses.<sup>26</sup> This would be particularly useful if wanting to provide age discrimination prevention trainings in conjunction with age discrimination policies, which could satisfy Baby Boomers and improve the work environment culture. The Community Development Division could inquire more on these resources to see if they could develop their own trainings through Eddy and supply them to the local businesses in downtown. The benefits would have to be explained to the businesses and the owners would need to agree to implement these trainings in their businesses as well. On the website, they advertise that their services start at \$8 per person per month. Although, it does not provide details of the contingencies these rates come with.

If solutions like this were to be utilized, the results could be seen within a year or less after implementation, but initially may struggle to implement due to a lack of acceptability by the businesses. Businesses may not have the funds to purchase these services, they might not see the benefit, or may believe the Division of Downtown (or other government entity) should pay for the program if they are under the impression they do not need to change. In this case, it may not be realistic due to lack of funding this department has to allocate these financial resources. Alternatively, the Community Development Division may be able to serve as a liaison for the businesses, the staffing agencies, and the city or state to determine possible solutions for joint programs where the city or state could subsidize a portion of the costs to help offset costs incurred by the businesses. A weakness of this solution is that it would take a lot of time for someone in this department to take on this responsibility and the scope of such project would be rather complex. It may require paying a new employee to take on this project or adding it to the responsibilities that an administrator is already tasked with. If hiring a part time employee is how this initiative is executed, the results may not outweigh the costs. If this duty is

delegated to an employee in addition to their current responsibilities it may overwhelm them or other Item B. take much longer to see results. Another option could be hiring a paid or unpaid intern to head this project, but again, the timetable to implement may be longer than anticipated depending on how large the scope of this project becomes, it may eventually fail or need to be delegated to a long-term employee. Additionally, another obstacle that may be faced is the feasibility of getting funding by the city or state if this is the route taken. It could be a long, dragged-out process with many moving parts.

The strengths of this solution is that, if properly executed could have significant results in the recruitment of quality talent brought into downtown businesses. With more quality talent, the results could be multifaceted and never ending. Having more quality talent could mean better workplace culture and organizational loyalty. If people are better matched to a job, they are more likely to stay. Additionally, if businesses have workers that are better fit for the jobs they perform, there is more of a likelihood the businesses would see greater success in the execution of services provided and willingness to perform. They may even see an increase in profit and more efficient processes if management is willing to listen and incorporate new ideas that quality talent may bring with them.

The best route to take with this approach would be first to collect information from the staffing agencies to see possible solutions and rates for a group contract. From there, the division could list the benefits of these services provide them to the businesses. Then, follow-up with surveys to the businesses owners and see if this could be a possible solution for them. The information presented could be crafted into a quick and easy to read brochure which highlights benefits to the businesses. These points would go over the economic benefits for utilizing these services, how it helps ensure greater sustainability of businesses, and how it could increase culture and work environment since these services would locate greater quality talent to their businesses. The survey could begin by assessing interest via a Likert scale. A question could be “How likely would it be for a service like this to improve your business” or “How interested are you in utilizing a service like this” with a scale from “Not at All Interested” to “Very Interested.” Other questions could gauge how much they are willing to spend each year or how much subsidization would it take for them to join this program from “No Subsidization” to “Full Subsidization.” Some businesses may simply be interested solely based on the fact they could get a

group discount rate for joining together with other businesses. Other businesses may be strapped for cash and therefore may not be able to afford these services even at a group discounted rate. The survey would be a great way to see where all the businesses land on this spectrum and assess accordingly.

**Educate:** Another option to improve the development of the workforce is to provide educational resources to the businesses and employees. This could be through the means of creating a comprehensive handbook of information for businesses which lists nonprofits or legal services in the area and their contacts. It could be given to all the businesses to assist with business and employee development, in turn increasing employee appeal to these organizations. An intern could be utilized for this approach as well. It would require extensive research on behalf of the intern to first determine the needs of the businesses in the area. This could be done by actively going into businesses or speaking with the leaders or via email/phone call, or via a survey. Secondly, the intern would need to research and locate online, local, and remote nonprofits catered to satisfying these needs. Lastly, these resources would need to be organized and documented in a manual or handbook. The manual would then be delivered to all the businesses in downtown as a courtesy.

The strength of this solution is that it is relatively low cost. The only financial burden would be having to come up with possible marketing, printing, and design costs of this handbook. Costs could be minimized by hiring an unpaid intern or costs could increase by hiring a part-time employee to streamline this project. Fiverr app is another cost-effective option to outsource creative designs. The app is a service where you can hire freelance graphic designers and a ton of other outsourcing services relatively low cost.<sup>27</sup> Nonetheless, this solution remains objectively low costs compared to other possible options in this brief. A weakness of this option is the understanding that it is a passive approach. This solution does not directly engage businesses to act and make tangible changes in their processes. By providing this manual, it may motivate businesses who have been actively seeking out services, but those who have no interest or desire to outsource help would deem this approach ineffective. Furthermore, just because a business is interested in getting help or the manual enlightens them on a perfect resource they need, does not guarantee they will carry out all the necessary steps to act. Business owners are often busy and may not have the time or resources to dig deeper into these options.

Another way of educating would be for the Division of Downtown to host their own public programs either in conjunction with the Chamber of Commerce or independently. If working directly with the Chamber of Commerce, the division could scope out their own ideas for programs and work with the Chamber to host these events. For example, the division could reach out to Labor Finders or MAU Workforce Solutions and see if they would be interested in showcasing their benefits and services at a special meeting. This event could be coordinated with the Chamber and company. The division could then advertise the event to the businesses in downtown to increase engagement. Similarly, classes could be taught to interested businesses leaders or employees which help with business logistics or career development. The division would essentially serve as a liaison between available resources and the businesses in the area, and thereby connecting them with opportunities to succeed. The division's role may involve reaching out to the organizations, scheduling the event, advertising it, and sending out invites. The results of this strategy would be slow to observe because it would depend on the businesses and employees to utilize these resources and actively apply them over a period of time. Moreover, it would be hard to isolate and analyze the direct results of this approach. This would have to be done by incorporating some form of tracking and providing follow-up surveys to attendants that would otherwise gauge the perceived benefits of these programs or classes. Similarly, to the manual solution, just because individuals take the classes and gain the proper knowledge does not guarantee they will implement them successfully.

A third option could be establishing and promoting a monthly newsletter or quarterly magazine on behalf of the Community Development Division. This newsletter or magazine could be sent via email but may have more engagement if sent out to businesses via hardcopy. Alternatively, it could be a combination of both these options to achieve the greatest reach. This newsletter/magazine could provide a significant amount of value to the businesses and improving the challenge at hand. Some topics provided within it could go over simple statistics on what workers are looking for in businesses. Therefore, it could be educational. Additionally, it could also be utilized as a medium to promote other solutions in this brief. For example, if the division finds and secures a group rate for staffing agency services, this option could be highlighted in the newsletter and provide businesses a contact to get involved with this. Another option this newsletter

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could provide is dates and descriptions for events. These can be events that the Community Development organizes, or events that the chamber of commerce is providing. As mentioned previously, the division will be most effective in combatting these issues by bringing awareness of different resources to businesses and making them aware of the root causes of these challenges.

The benefit of this solution is that it could be all-encompassing and organize all the solutions mentioned in this brief into one place. It also would help establish the Community Development Division in its advisory role to help assist businesses in these issues. Moreover, it could be a good start to begin forging relationships with businesses and possibly promoting some resources that businesses may not already know about. The con of this solution is that depending on how this newsletter or magazine is structured, there may be other steps that need to be taken before it really has any use to businesses. Additionally, if a newsletter were to be crafted monthly, someone in the department would have to locate valuable information every month and be consistent with sending it out and there may be repeated costs to this as well. It would also require some research to locate mailing addresses for businesses to send a paper copy to them, or somehow deliver this magazine to all the business locations which may be a timely and arduous task. Overall, this solution could be very favorable if executed efficiently.

**Subsidize:** The third solution is subsidizing benefits and services. This would carry some financial responsibility but would garner a lot of appeal. When it comes to subsidizing a service, an area of focus could be parking for employees in downtown. With the new parking garage being finished, the topic of free or reduced parking is a hot issue. Currently, conversations have been around possibly providing businesses discounted rates or employees in general possible discounts on parking in the parking deck. There has been a lot of back and forth to locate the best option. Although, if we are considering this option from an employee benefits perspective, I would encourage a different approach. I would still recommend businesses having the ability to purchase parking permits at a reduced rate or employees in general could apply for parking permits at a discounted rate. The major difference in the policy would be rewarding and incentivizing employees via different discount tiers

for employees. An example would be providing long-term and full-time employees bigger discounts compared to part-time or seasonal. Another option could be rewarding loyalty and providing discounts when an employee hits certain milestones with years of service in downtown (example: 1,3,5 and 10 years working in downtown discounts). The negative side of something like this is that employees may be unsatisfied to be required to pay for parking at all and naturally complete subsidization for employee parking would be the greatest appeal but may not be realistic. Additionally, it may disincentivize short-term or seasonal employees if the structure values long-term and full-time employees over part-time and seasonal. The pro to this solution is that it could take a slightly unfavorable policy and shift the focus to value workers more creatively.

A more innovative solution dealing with subsidization could be establishing a reward program for downtown employees. The division's role could be designing, supplying, and administer this card to employees in downtown. If executed to completion, this would be a worthwhile perk to many workers in downtown and employees would see the most direct benefit for a program like this. The reward card could include businesses in downtown and other organizations within the area to provide discounted rates on their products or services. One example would be a local coffee shop providing a 10% discount on coffee to employees who show their rewards card at purchase. Another example could be a law firm providing a reduced consultation rate for downtown employees. The division would have to reach out to businesses in the area to see what features or discounts they would be willing to provide. The discounts from each business would not have to be big but providing smaller discounts from many businesses could be appealing.

The biggest obstacles to this idea would be figuring out the administrative components to this project. Things that would have to be considered include how the division would go about recording all employees in downtown and getting this card to them, how each rewards card is accounted for to prevent duplicates or forgery, where employees go if they lose or need a replacement card (and the costs), and other detailed questions like these. When it comes to design, the division could outsource to Fiverr and hire a graphic designer to create the product, or someone in the department could design the card in Canva which is an easy-to-use graphic

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designs service online.<sup>28</sup> If the division wanted to spearhead this rewards card altogether, they could invest in a HID Card Printing system. Online at HID you can talk with a specialist to find the best system which are relatively low maintenance to use according to the website.<sup>29</sup> Their website also explains that they provide systems which can print loyalty cards for employees and membership cards.<sup>29</sup> The con to a system like this is the upfront costs. Card printing systems like these can range from \$500 to an upwards of \$3,000. The initial cost may be an issue, but to reduce these costs, the division could charge for replacement cards or see if businesses would be willing to provide some of the initial costs since these services would be directly benefiting their employees.

The advantage of this solution is that it would be highly exclusive and if enough businesses participated, this would be a major perk for employees not seen in other areas. Additionally, this rewards card could possibly be incentivized further where not all employees in downtown could qualify for a card right away, but instead it could be similar to the parking solution where they get a rewards card after a year of working in downtown.

## **Next Steps**

Taking all the points in this brief into consideration, there are a lot of solutions that could be applied and ways to go about implementing them. The first step that would be necessary for the success would be to organize an outline that touches on all these points. The outline's purpose would be to provide a birds-eye-view of the solutions and organizing them in a way that could be applied in segments. For example, if we were to make an outline, some of the headlines would include Rewards Card Program, Staffing Agency Initiative, Employee Incentive Parking Resolution, Newsletter, Business Resource Manual, and so on. Then under each headline, there could be a short description of each project's purpose, benefits, and who would be involved with each project. Under the description, there should be several bullet points regarding the order of steps that need to be taken to complete each project. Having this outline will be useful when trying to garner interest from those who may be involved in the project and provide an explanation of what it will do. It will also help delegate each part of the project out more effectively. Additionally, putting together a Task Force may be a next step following this outline to coordinate and manage these projects since it will likely be a complex operation. The Task Force could involve business leaders in downtown

and employees of the Community Development Division who work together to brainstorm ways to accomplish these projects.

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For the Staffing Agency Initiative, the first step would be to designate someone in the office or task force to manage this project. They would begin by setting up meetings with agencies in the area and see if a partnership/group rate could be an option. They could reach out to the three services listed in the brief, MAU, Eddy, and Labor Finders. From there, you could determine what the costs would look like and how many businesses would need to be involved. Once there is a general idea of what this agreement would look like, then a survey could be sent out to businesses owners given this information and gauge their level of interest. Once the businesses leaders respond, you can filter these responses and reach back out to the most interested and begin organizing a meeting between the agency and businesses.

Since there are already conversations surrounding the parking situation, the next step would be to propose this Employee Incentive option in the next committee meeting. If this option is considered, the next step would be crafting a proposal and laying out the details of how this will work. Part of the proposal would have to explain what types of records would be acceptable for employees to show their employment length and type of work if its full-time or part time.

A next step that could be paired with a lot of these other next steps would be hiring an intern to begin developing the framework of these projects. An intern could come from the graduate programs of University of North Carolina Asheville or Western Carolina University. The departments to consider would be administrative programs like Business Administration or Public Affairs who have an interest in these areas. An added benefit would be to find someone who has a skill in graphic design or marketing as some of these solutions are heavy in these areas too. The intern may not be able to do some of the more complex negotiations or duties, but they could begin developing some proposals, doing research, and laying the groundwork from someone else to eventually take over.

For the Newsletter and Business Resource Manual, the next steps would involve writing up a more detailed and comprehensive outline. The components that should be considered for the newsletter is how this newsletter should be formatted. Will there be different sections that go over things like business education, special events, important resources, and advertisements? For the Resource

Manual, someone would need to be responsible for surveying the businesses to see what help they need most and then find the proper nonprofits to meet those needs. These two things can be done simultaneously.

For the rewards card program, a survey could be sent out for this as well. In fact, the best route to take would be to take all these project ideas and send out in one survey to businesses to gauge their interest on them. The information collected from this survey could provide insight regarding how to prioritize these projects. The survey would include interest working with staffing agencies, employee parking discount incentive, the newsletter, and rewards card program. As part of the rewards card program, you could ask businesses if they would be willing to donate funds to the purchase of an HID card printer. The next step would be to design the card and determine qualifications regarding who would be given a discount card.

In addition to these things, another useful next step would become familiar with the resources like Canva and Fiverr. As mentioned above these are two very useful services that could help progress the marketing and design portions of these projects. Canva has free design options as well as paid options but even the paid options are not expensive. Fiverr has so many different resources and many of them could be applied to these projects. If not wanting an intern, you could utilize Fiverr to outsource research on some of these items or organize some of these projects since this is something the service can provide. Additionally, businesses can even utilize Fiverr to recruit candidates to the company. One freelancer for example will source relevant candidates, screen them, and send two qualified candidates for \$100, or they can do paid advertisement, screen resumes, and deliver 10 qualified resumes for \$1,000. Fiverr can also help with business consultations, policy writing, and so many other resources relevant to these challenges. This could be a great source for business and employee development trainings as well since freelancers can provide zoom trainings through Fiverr.

## **Conclusion**

This brief has touched on numerous ways to combat the challenges of recruitment and retention in downtown Hendersonville and provided possible workplace benefits or incentives for employees to make downtown more appealing. Additionally, the brief has examined different types of work motivations from workers of all generations. It has been noted that different generations have different

interests and want different types of benefits from their work. There were also overlaps from all the generations as well. Additionally, downtowns in the region were contacted to see how they are combatting these workforce challenges in their own areas. Most of the downtowns have not been taking these matters into their own hands, but there were notable implementations from Sylva and Forest City.

Stakeholders in Hendersonville were also contacted on behalf of this project, and we discussed several different topics like retention, benefits, and possible solutions the Division of Community Development could spearhead. Lastly, considering the findings of all this research, I have proposed three different types of solutions to combat the challenges of recruitment and retention in downtown Hendersonville. These solutions were to contract out, educate, and subsidize. These alternative solutions were then broken down into several different examples of how to execute these three solutions.

Lastly, next steps were recommended for the division to take to begin developing these solutions. The next steps mentioned organizing an outline to put all these ideas into a more digestible read. Forming a task force was another option recommended as the scope of these solutions may be multifaceted and complex to have only one person responsible. Moreover, it was recommended in the next steps to hire an intern to begin building the framework of this project that can be handed off to someone full-time and manage the project. Another option was to become familiarized with programs like Canva or Fiverr as they are great resources to utilize when attempting to accomplish these projects.

Moving forward, my hope is that even if some of these projects come to a dead end, there may be one or two solutions that really take off and have a significant impact on increasing workforce development in downtown and help address the challenges of recruitment and retention in downtown Hendersonville. I believe the rewards program has the greatest possible potential as it would interest the employees the most and would not require much change on behalf of the businesses policies or ways of doing things. The greatest challenge in the solutions will be getting engagement from business leaders to make some of these incremental changes or be willing to take the proper actions necessary to see worthwhile results. The Community Development Division will have to forge these relationships and approach these solutions in a way that are not overstepping, but instead, communicate their aid in a way that is helpful and advantageous to the businesses of downtown.