TWO GROUPS YOU CAN’T IGNORE (BUT PROBABLY DO) IN THE WAR FOR TALENT

By Matt Krentz, Jenn Garcia-Alonso, Frances Brooks Taplett, and Susie Grehl

In the ever-escalating war for talent, companies may be overlooking two valuable groups: former employees and workforce returnees. Alumni are a known entity—hiring managers have far more information on these candidates than on a typical hire—and they’re already familiar with the company’s culture and standards. And the pool of workforce returnees (people who left the workforce for various reasons and then resumed their careers) is increasingly attractive as well.

Because of changes in the nature of work, there will likely be far more people in both categories. Fewer employees are opting to work full-time for long periods at a single organization. Career paths are less like a “race to the top” ladder and more like a jungle gym in which people move laterally, hop off, and climb back on to continue rising. Some employees find roles elsewhere in order to gain critical experience. Others opt to step off the career track for a stint or take a position with fewer obligations, often because of family responsibilities or other nonwork reasons like extended travel. This is not a reflection of lower ambition—merely that most employees have busy, complicated lives and priorities that change over time.

In the past, when careers were more conventional and job tenures were longer, companies could afford to ignore these groups. Today, that’s no longer true. By creating programs to tap into both pools of talent—“leaving the door open” for departing employees to return and creating on ramps to bring returnees back into the workforce after a break—organizations can ensure they get the talent they need.

Finding Talent Is Hard. Keeping It Is Harder

Low unemployment and a growing global economy mean the war for talent is fiercer than ever. Companies invest in recruiting, retaining, and developing the very best people to generate a competitive advantage. But finding new talent is extremely expensive. Hiring and training a new employee typically costs six to nine months of...
that person’s annual salary, according to a study by the Society for Human Resource Management. For highly trained positions, those costs can reach 200% of the employee’s salary, another study by the Center for American Progress found.

Getting employees in the door is only part of the challenge. As career paths evolve and people find new opportunities at other organizations—and greater responsibilities outside of work—employees are staying for shorter and shorter periods. Among US companies, the average tenure at an organization is less than five years, according to the US Bureau of Labor and Statistics. For millennials, who will soon constitute the majority of the workforce, this figure is even shorter, at just over three years.

In some cases, employees leave to take on new challenges or gain critical skills at another organization. And many are scaling back their work responsibilities—or stopping work entirely—to handle family commitments. (See “Making the Workplace Work for Dual-Career Couples,” BCG article, July 2018.) A full 43% of highly qualified women with children leave their careers or take a temporary break. Both groups—company alumni and people who’ve left the workforce entirely and now want to start up again—represent a large and growing resource for future hiring.

The Benefits of Alumni and Workforce Returnees
Hiring people in these categories—and even actively recruiting them—makes sense for several reasons. Alumni understand the organization and its culture, and they have a performance record that hiring managers can review. They also require less training and onboarding support than a standard hire, and they are less likely to leave due to a “lack of fit” or other common reasons why some employees don’t work out. For both the company and the employee, there are simply fewer unknowns.

For workforce returnees, many chose to temporarily leave promising careers to meet family responsibilities—like raising young children or caring for an elderly parent. Increasingly, these are people with advanced degrees, strong work experience, and other advantages. While many are women, the number of men in this category will likely grow. Our research found that millennial men are far more likely to share housework and childcare than men in previous generations, and they’re more willing to put their own careers on hold to support a working spouse. (See “How Millennial Men Can Help Break the Glass Ceiling,” BCG article, November 2017.)

Organizations like Apple, Goldman Sachs, PayPal, IBM, Credit Suisse, Metlife, PepsiCo, and many others have launched formal return-to-work programs. In most cases, these programs target women who have stepped out of the workforce for more than two years. They are typically structured as short-term paid internships of four to six months, offering targeted training and support, pairings with senior managers as mentors, and the opportunity to apply for a permanent role at the end of the program. Outside organizations sometimes provide support as well. (See the sidebar “Supporting Returning Women at reacHIRE.”)

For example, Credit Suisse launched an initiative called Real Returns in India, Switzerland, the US, and the UK. Real Returns helps workforce returnees update their industry knowledge and skills during a paid program. “Diversity is a business imperative, and Real Returns is one of the ways we’re finding the diverse skills and experiences that we believe will strengthen the Credit Suisse team,” says Siegfried Hoenle, the global head of recruitment, development, and diversity at Credit Suisse. Since the program began, 245 professionals have participated, with approximately 60% moving into a permanent role with the company.

BCG launched a similar program specifically for alumni in 2017, building on the work of several local offices that had already implemented it on a less formal level. The “Return to BCG” program, which provides formal support for people wishing to return to the firm, so far has led to clear benefits
for both the firm and employees. The program has increased the number of women in middle and upper levels, improving the firm's gender diversity. Specifically, about 40% of BCG's lateral female hires are now returning alumni. Even before the formal program was in place, BCG found that employees in this category had attrition rates that were about half those of nonreturnees. (For an example of a successful return hire, see the sidebar “A High-Performing Alum Returns to BCG in a New Role.”)

Three Steps to Help Returning Employees Succeed

What can companies do to build a successful program for alumni and workforce returnees? The key is to go beyond recruitment. Organizations must not only attract the best talent but also support employees once they return to the company. Most successful programs share three critical elements.

Create the right support. It’s tempting to think that a new hire—either an alumnus or someone returning to the workforce—will be able to pick up exactly where he or she left off. But often both the employee and the organization will have changed significantly, particularly in fast-moving areas like technology. Businesses and returning workers need to find the right role—based both on the needs of the company and the new skills the employee has learned elsewhere. Moreover, companies should think about how they can best leverage the skills of employees who have had more of a “jungle gym” rather than a straight-line career.

In addition, companies should tailor the support they offer to the needs of various groups. Alumni will likely need less onboarding and development than returnees, but both groups will clearly need structured support. For example, training in new digital tools and applications can be critical for employees who have been out of the workforce for a significant period. And for employees who might be stepping back into a role with fewer direct responsibilities, companies can provide a range of

SUPPORTING RETURNING WOMEN AT REACHIRE

A Concord, Massachusetts, organization called reacHIRE helps women reenter the workforce after a career break. According to reacHIRE CEO Addie Swartz (herself a workforce returnee), these high-potential professionals are experienced, motivated, and determined to resume a career, yet they’re often less visible to employers. The organization offers skills training, coaching, peer support, and placement in paid projects. The organization’s slogan: A career break shouldn’t be a career breaker.

Vicky Szukalski is one of the women reacHIRE supported on her return to the workforce. After earning an MBA and a master’s degree in engineering, Szukalski worked for a defense contractor for several years. Then she took a break from the workforce for more than a decade to support her spouse and care for the couple’s three children, two of whom had critical medical needs at various points. During that period, the family moved ten times, including internationally, so that Szukalski’s husband could pursue his career.

“Despite being out of the workforce to focus on my family, I never lost my ambition, and I always wanted a second act once my children were standing on their own,” Szukalski said. “I loved the sense of purpose and camaraderie at work but was terrified of putting myself out there. Updating a resume, interviewing digitally, creating a LinkedIn account, and learning new digital tools were all new for me.” After going through the reacHIRE program, she’s now employed as a business analyst at Fidelity Investments. “This has changed the trajectory of my life,” said Szukalski.

Vicky Szukalski is one of the women reacHIRE supported on her return to the workforce. After earning an MBA and a master’s degree in engineering, Szukalski worked for a defense contractor for several years. Then she took a break from the workforce for more than a decade to support her spouse and care for the couple’s three children, two of whom had critical medical needs at various points. During that period, the family moved ten times, including internationally, so that Szukalski’s husband could pursue his career.

“Despite being out of the workforce to focus on my family, I never lost my ambition, and I always wanted a second act once my children were standing on their own,” Szukalski said. “I loved the sense of purpose and camaraderie at work but was terrified of putting myself out there. Updating a resume, interviewing digitally, creating a LinkedIn account, and learning new digital tools were all new for me.” After going through the reacHIRE program, she’s now employed as a business analyst at Fidelity Investments. “This has changed the trajectory of my life,” said Szukalski.

A Concord, Massachusetts, organization called reacHIRE helps women reenter the workforce after a career break. According to reacHIRE CEO Addie Swartz (herself a workforce returnee), these high-potential professionals are experienced, motivated, and determined to resume a career, yet they’re often less visible to employers. The organization offers skills training, coaching, peer support, and placement in paid projects. The organization’s slogan: A career break shouldn’t be a career breaker.

Vicky Szukalski is one of the women reacHIRE supported on her return to the workforce. After earning an MBA and a master’s degree in engineering, Szukalski worked for a defense contractor for several years. Then she took a break from the workforce for more than a decade to support her spouse and care for the couple’s three children, two of whom had critical medical needs at various points. During that period, the family moved ten times, including internationally, so that Szukalski’s husband could pursue his career.

“Despite being out of the workforce to focus on my family, I never lost my ambition, and I always wanted a second act once my children were standing on their own,” Szukalski said. “I loved the sense of purpose and camaraderie at work but was terrified of putting myself out there. Updating a resume, interviewing digitally, creating a LinkedIn account, and learning new digital tools were all new for me.” After going through the reacHIRE program, she’s now employed as a business analyst at Fidelity Investments. “This has changed the trajectory of my life,” said Szukalski.

Vicky Szukalski is one of the women reacHIRE supported on her return to the workforce. After earning an MBA and a master’s degree in engineering, Szukalski worked for a defense contractor for several years. Then she took a break from the workforce for more than a decade to support her spouse and care for the couple’s three children, two of whom had critical medical needs at various points. During that period, the family moved ten times, including internationally, so that Szukalski’s husband could pursue his career.

“Despite being out of the workforce to focus on my family, I never lost my ambition, and I always wanted a second act once my children were standing on their own,” Szukalski said. “I loved the sense of purpose and camaraderie at work but was terrified of putting myself out there. Updating a resume, interviewing digitally, creating a LinkedIn account, and learning new digital tools were all new for me.” After going through the reacHIRE program, she’s now employed as a business analyst at Fidelity Investments. “This has changed the trajectory of my life,” said Szukalski.

Vicky Szukalski is one of the women reacHIRE supported on her return to the workforce. After earning an MBA and a master’s degree in engineering, Szukalski worked for a defense contractor for several years. Then she took a break from the workforce for more than a decade to support her spouse and care for the couple’s three children, two of whom had critical medical needs at various points. During that period, the family moved ten times, including internationally, so that Szukalski’s husband could pursue his career.

“Despite being out of the workforce to focus on my family, I never lost my ambition, and I always wanted a second act once my children were standing on their own,” Szukalski said. “I loved the sense of purpose and camaraderie at work but was terrified of putting myself out there. Updating a resume, interviewing digitally, creating a LinkedIn account, and learning new digital tools were all new for me.” After going through the reacHIRE program, she’s now employed as a business analyst at Fidelity Investments. “This has changed the trajectory of my life,” said Szukalski.
flexible-work options. These include part-time positions, job shares, remote-work opportunities, flexible hours, or a temporary transfer to another business unit, department or location, among others. Smart companies look at the big picture. If these individuals are well-supported, they are far more likely to stay with the organization. And because they have developed new skills either in other roles or outside the workforce itself, they might be able to take on more demanding roles in the future.

Help employees feel connected to the organization. A lack of engagement or connectedness with an organization is a key reason employees leave. So it’s important that the organization helps returning workers forge these types of connections. We recommend designating a sponsor for each returning worker. This person can advocate for the employee and offer advice as needed. In addition, companies can set up a “buddy” program and create networking groups to help returning workers widen their reach throughout the organization, for example, across business units and at different levels of seniority, which can also help them build stronger affiliations to the company. And some companies train workforce returnees as a group, over several months, allowing them to forge ties among one another before they get placed at different units across the organization.

Create the right culture. Finally, top-down support from leaders is critical for setting the right culture—one in which returning employees are welcomed back and even celebrated. Some of these steps are administrative. For example, alumni should get credit in terms of retirement plans and other HR benefits for their original tenure. Other measures are more qualitative, such as visible senior role models who are themselves returning workers and a mindset that normalizes unconventional career paths. Sharing these stories widely throughout the organization can powerfully signal the program’s importance.

Companies will also benefit by sending the right signals to departing talent. When employees leave the organization, explicitly
communicating that the door is open can help build a powerful alumni network and increase the likelihood of a return in the future.

**In the war for talent, companies cannot afford to overlook any potential resources. Two pools of talent, alumni and workforce returnees, are only likely to grow in the coming years. Organizations that ignore these groups are virtually guaranteed to miss out on talented individuals. Others, in contrast, will take a more deliberate approach and focus on the steps discussed here, welcoming and even celebrating these employees, and giving themselves the talent they need to thrive.**

**About the Authors**

**Matt Krentz** is a senior partner and managing director in the Chicago office of The Boston Consulting Group. He is a member of the executive committee and serves as the global people chair, leading the diversity agenda. You may contact him by email at krentz.matt@bcg.com.

**Jenn Garcia-Alonso** is the global director of Women@BCG in the firm’s New York office, and she leads the Women@BCG strategy. You may contact her by email at garcia-alonso.jenn@bcg.com.

**Frances Brooks Taplett** is the senior director of the global people team at BCG. Based in the Boston office, she oversees the firm’s global diversity agenda and Women@BCG efforts. You may contact her by email at taplett.frances@bcg.com.

**Susie Grehl** is a principal in the firm’s Melbourne office. You may contact her by email at grehl.susie@bcg.com.

The Boston Consulting Group (BCG) is a global management consulting firm and the world’s leading advisor on business strategy. We partner with clients from the private, public, and not-for-profit sectors in all regions to identify their highest-value opportunities, address their most critical challenges, and transform their enterprises. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization. This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. Founded in 1963, BCG is a private company with offices in more than 90 cities in 50 countries. For more information, please visit bcg.com.

© The Boston Consulting Group, Inc. 2018. All rights reserved.

For information or permission to reprint, please contact BCG at permissions@bcg.com. To find the latest BCG content and register to receive e-alerts on this topic or others, please visit bcg.com. Follow The Boston Consulting Group on Facebook and Twitter.

10/18