



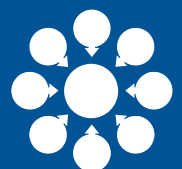
**EUROPEAN
RENTAL
ASSOCIATION**

ERA REPORT

21.04.2017



HOW TO COMPETE WITH OTHER INDUSTRIES IN SECURING TALENT FOR THE FUTURE?



fan-manufaktur®



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Introduction

The Board of the European Rental Association, headquartered in Brussels, decided to investigate the topic of securing talent for the future in the equipment rental industry. Therefore, they consulted the fan-manufaktur.

ERA SURVEY

HOW TO COMPETE WITH OTHER INDUSTRIES IN SECURING TALENT FOR THE FUTURE?

As global expansion continues, companies need to concentrate on the importance of proper talent management. The rental industry should pay special attention to the upcoming changes in order to stay competitive with other industries in relation to attracting and retaining employees long term. **Studies estimate that 40–60% of workers will come from Generation Y and younger generations by 2025***. Companies need to understand this generation in terms of their attitudes and expectations to ensure that they sustain themselves in the changing competitive market.

Fan-manufaktur interviewed human resources directors, young professionals, HR experts and national associations—all working within the rental industry aside from one representative of the European Construction Industry Federation. This study covered the main markets including the United Kingdom, Sweden, Finland, Germany, France and the Netherlands. We tried to select companies that would give a wide spectrum of perspectives within the industry, which you can see on the following page.

*) Koudal, Peter & Chaudhuri, Atanu. (2007). Managing the talent crisis in global manufacturing: Strategies to attract and engage generation Y. A Deloitte Research Global Manufacturing Study.



📍 **UK: HAE**
HSS Hire, A-Plant



📍 **Sweden/Finland:**
Cramo



📍 **Germany: bbi**
mateco, Zeppelin Rental



📍 **France: DLR**
Loxam, Kiloutou, Salti



📍 **Netherlands:**
Boels



We spoke to smaller, more regional companies up to more international-acting companies; companies with 600 employees up to 5,000 employees. We started by analysing the current situation in each company to uncover the problems and challenges faced by human resources and investigate to find best practices among the participants.

It was important for us to capture a picture of the present whilst also envisaging the outlook into the future. On the one hand, we developed some successful strategies to attract young professionals; and on the other hand, we discussed ways to make the rental industry more attractive on a European level.

There are numerous aspects to attracting and retaining young professionals now and in the near future. However, for this study, we took a detailed look at:

- The general situation of human resources in the rental industry
- The recruitment environment, including challenges faced at both company and country scales
- Employee satisfaction and retainment strategies

- Company credibility and marketing strategies
- Teamwork and employee responsibility
- Benefits and compensation
- Communication, respect and fairness



For this study, young professionals were defined as employees or prospective employees under 30 years old.





fan-manufaktur conducted a survey with rental industry specialists throughout Europe to evaluate their perspective on young professionals.

Ten human resources directors, four human resources experts, three national associations and one representative of the construction industry took part and gave a broad perspective of the rental/construction business. To form an even deeper understanding, three groups of young professionals also took part in the study in order that we could evaluate their inputs. We also asked for quantitative numbers from the companies to back-up the discussion. With the HR experts, we investigated the topic of recruiting via digital channels such as LinkedIn, and also reviewed the subject of diversity.

The interviews provided a revealing insight into the everyday work of the branches and the special requirements of the industry, along with the possible opportunities for the future. The interviews lasted between 1–2.5 hours. In this time frame, we created a pleasant and trusting environment in which the participants spoke openly and honestly about their experiences and personal impressions of the rental business. All the data we gathered is treated confidentially.

rental industry specialists throughout Europe



- human resources directors
- human resources experts
- national associations
- representative of the European Construction Industry Federation
- young professionals



Pre-Study	Study	Conclusion	Presentation
<ul style="list-style-type: none"> ■ background research ■ preparing pre-interview questions ■ preparing final interview questions ■ review the interview guide 	<ul style="list-style-type: none"> ■ organising interviews with HR ■ interviews with HR managers ■ interviews with associations ■ surveys among young professionals ■ interviews with experts in other industries to compare 	<ul style="list-style-type: none"> ■ doing research on areas of improvement ■ doing research on best practice ■ doing research on cultural differences 	<ul style="list-style-type: none"> ■ key-findings at the ERA Convention in Amsterdam and videos ■ Report: results and actions required

ANALYSIS

WHAT IS THE CURRENT SITUATION IN THE EUROPEAN RENTAL INDUSTRY?

Our study exposed at least four major trends which are a cause of worry to rental industry representatives throughout Europe:



- The size of the industry
- The rental industry's image
- The competition for talents within the industry
- The outward appearance of rental companies

Even though mainly larger companies (over 500 employees) participated, the study's findings indicate that these trends also affect small- to medium-sized companies in particular, posing a threat to their continued existence considering they have the biggest problems in reaching out successfully to young and talented employees. As one participant pointed out, bigger companies have huge funds to attract talent, but on the other side also need to fill more vacancies than smaller entities.





1. The rental industry is currently too small to be recognised

One of the major concerns coming from rental industry representatives is the limited public awareness of the industry's existence and its fields of activity. Since there are hardly any touchpoints with the public, the only people familiar with the industry are the ones who already work there. Therefore, it is extremely difficult to attract both young professionals and millennials straight from school or university. This issue is particularly devastating because employment rates are high in the sector: per year, surveyed companies have hired on average 26% new staff in relation to the total number of their employees.

Even larger companies reported that often times they aren't even considered as a potential employer as they are operating in the b2b business and aren't in the public awareness. Smaller and medium-sized entities struggle even more because most of the job candidates submit their applications to the major players in the field, which is a pity since the smaller companies, due to their size offer a higher level of flexibility and freedom to their employees—two factors, ironically, which are essential to capture Gen Y's attention.

One respondent pointed to another pitfall typical of our globalised world: "It is difficult

to have the same understanding of jobs on a European level, as every country and even company has different definitions of the job." This can often lead to confusion and frequently the refusal to even apply for the job in the first place.

2. The image: from the outside, people connect the rental industry to the construction industry

Interestingly, our study discovered that the public sees a huge connection between the construction and rental industries. This is quite detrimental, since all the negative qualities ascribed to the construction industry are now assigned to the rental sector: dirty and arduous work no matter what the weather, an unsafe workplace. In short, a tough man's work, hence the popular opinion that it is not the sector for everybody, especially for women. This bad image prevents young professionals from seeing their future in rental in the first place, as the findings of our study indicate. Hervé Rebollo from the DLR reported that "about 1,500 young people could enter our professional schools. And we only find about 800. We have a gap of 700 young people, which is kind of a paradox when you see our colleagues from automotive. They have too many young people, and we don't have enough. We are not looking for drivers.





We are looking for high-level technicians. So, it's not a question of market, it's a question of branch."

The overall numbers ascertained by our study support this subjective experience: the average age of the surveyed companies' employees is precisely 40.0 years. Of all hired employees, only 18.3–36.4% were younger than 30; averaging at 28.51% what we would consider young professionals in this study.

An effective solution to this issue, as one respondent suggested, might be some educational work oscillating between facts about the real working conditions in rental and speculations on how the industry might develop in the next ten years as Graham Arundell from the Hire Association Europe (HAE) states: "Technology is moving so fast that maybe the future might have jobs like remote digger drivers who sit in an office environment all day and remotely drive trucks all over the world." The strategy behind that idea: destroying clichés by both using truth and arousing enthusiasm for a brave new world.

This approach is much more than just a marketing spoof. Consider how eager Generation Y is to follow a career paved with stimulating challenges and opportunities for self-fulfilment. Which sector could satisfy these needs better than the fast-changing and growing market of the rental industry with its diverse job opportunities? A lot of young people wish

to take over responsibility and move up the ladder quickly to management positions. The rental sector's vigour is predestined to fulfil just that.

3. Competition for talents is high within the rental industry

The separation between the public and the rental sector exemplifies itself in the companies' policy of competing for talent, too. Instead of reaching out to the public, companies prefer to look for talents inside the industry—and by that start a war for talent against each other. This war leads to higher salaries for fewer persons of interest, causing smaller companies to throw in the towel because they cannot afford to take part in this financial arms race. For smaller companies, this, again, results in vacancies amongst the much-needed high-profile jobs.

Astonished by this development, several respondents recommended the simple solution of searching for potential employees outside the rental industry: look in other industries. Develop people. Go directly to schools and universities.

Another rental industry representative warned of the shift in attitudes amongst young professionals. Whereas former generations asked themselves: What can I do? The Generation Y cohort turns the tables—they





pose the question: What can you offer? **This paradigm shift is about to change the employer–employee relationship fundamentally, not to mention how the attitudes and expectations of those aged 16 and about to enter the world of business in the near future will cement that change.** Rental companies have to find answers to these questions, otherwise they will slowly die out.

4. The rental companies' representations are not attractive

There was a wide-spread consensus between our respondents, especially among the young professionals, in evaluating the manner and style by which rental companies represent themselves to prospective employees. Mostly, they criticise the online presence as not being very attractive, especially to young people who tend to Google their potential employer before doing anything else. If that first impression fails to arise interest and embed the company positively in the memory of the young professional, they are likely to ignore the company.

The same is true for all other forms of communication, particularly in respect to getting in touch with potential employees. The range of communication and advertising tools stretches wide open, so rental representatives should focus their attention on the right

media mix. Depending on the message and target audience, companies can run radio or newspaper adverts, announce their open jobs on online portals and social media platforms, or they can use the great opportunity of getting directly in contact with schools, universities and job fairs. A lot of respondents defined social network services, such as Xing or LinkedIn, or even Facebook and Instagram, as the must-haves of modern job advertisement, especially if the objective is to bond successfully with millennials.

Conclusion

Our study revealed that the rental industry suffers mostly from its bad reputation and from its self-induced war for talents. At present, it is not seen as an attractive sector for young professionals and millennials. Also, our study highlighted that the majority of rental industry representatives see two remedies holding a lot of promise. Firstly, the emerging trend that “in the future, companies will spend as much money in employer marketing as is spent in sales marketing today.” Secondly, the increasing importance of a sound work–life balance, which goes beyond just acceptable working hours. The core of this trend lies in soft factors such as feel-good atmospheres at work, opportunities for self-fulfilment and improved manners, especially towards women employed in rental.



In conducting our study, we asked rental industry representatives about the problems which cause the most trouble in their opinion. They agreed on four pain points, namely:



- technicians are the hardest to find
- young professionals prefer attending university over apprenticeships and training on the job
- the crucial phase to retain an employee is the first year
- the under-representation of women in rental caused by a false image

1. Technicians are the hardest to find

The interviewed rental industry representatives identified the skilled technicians shortage as one of the most urgent problems in the rental sector. This shortage is a cross-national phenomenon, since all respondents across all countries covered by our study agreed on it in unanimously. Therefore, they do not see the causes of this shortage in the structures or regulations of their respective countries, but in the competition with the automotive industry. Firstly, technicians receive generally better salaries in automotive than in rental. Secondly, the automotive industry is renowned for providing their employees with better working conditions.

2. Young professionals prefer university over apprenticeships or training on the job

Another consensus amongst the respondents was reached in evaluating young professionals' habits of preferring attending university over apprenticeships and training on the job. According to our respondents, this trend causes two problems for the rental sector.

First of all, a university path produces highly educated people in theoretical matters, but concerning practical issues, they lack competence and experience. Those over-educated alumni pose a problem for an industry desperately searching for and needing skilled workers. This development yields to the paradox that highly educated university leavers need to submit themselves to a follow-up education after having finished one recently. This leads to the second negative experience the respondents reported: despite lacking a practical background, university leavers enter rental companies with high expectations for their work and career. In most cases, daily working routines dash these expectations, causing a high fluctuation and turnover of young professionals. This brings us to problem number three.

3. The crucial phase of retaining employees is the first year

The findings of our study concerning the time-span within which the most resignations are tendered are alarming as well as encouraging for rental industry representatives. On average, resignation takes place after the first 6 months. **The good news, however, is that a long-term work commitment is highly likely after the first year is surmounted.** According to the interviewed rental representatives, records show that employees are highly likely to stay at the company for a long time if they make it past the first 365 days.

But what causes this high turnover rate?

First, our polled representatives depict the increasing stress at work. More and more, employees have to deliver instant solutions to customer demands. This constant position of attention brings employees to their physical and mental limits.





Second, the mistake often lies at the beginning of the employment relationship. Due to the skilled worker shortage, the rental companies conduct a war for talent against each other, resulting in a constant overselling of positions to close an employment contract with a promising prospect. Of course, it soon becomes obvious that these high aspirations can't be fulfilled. The result: a disappointed resignation. This development is also true from the other side. Often, prospects oversell themselves in order to get a job and then fail to live up to the standards. In that case, either the employee quits or is laid off.

Third; money. Albeit wages differ from country to country, rental is not the place to get to riches. Our study collected the statistics on the average wages in the surveyed countries and produced the collective average wage of €32,226.67 per year. A lot of HR directors confessed: many employees quit because of a better-paid offer somewhere else, mostly in the automotive industry, where high-skilled workers receive bigger payments than in the rental sector.

Nevertheless, the causes for the first-year itch are diverse, or as one respondent summed it up:

“Why do they quit? Obviously, because they can earn more somewhere else, or that they have better career opportunities somewhere else, or that they didn't feel comfortable with the environment or the expectations. Yeah, it's the combination.”

4. Women are highly under-represented in the rental sector

One fact worrying the interviewed rental representatives is that women are sparsely employed in the rental business. **For the entire sector, our study detected a women's share of 16.9% of the entire personnel.** One company representative reported that: “for technical business, for technical jobs, we may have 98% men and then 2% women. In sales, men account for up to 70–80%.”

This under-representation has its roots mainly in two factors, say rental representatives. First, as mentioned above, in the eyes of the public, the rental industry is closely connected to the construction industry. This false projection often results in the impression that rental is “not a job for women”—another cliché harming both the industry and the employer.





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The other problem is a deeply-rooted sexism in the entire industry. By accident or by chance, inappropriate behaviour towards women—both by co-workers, as well as by clients—make the rental industry unattractive as a prospective workplace for any female talent on the market. One respondent reported that **“sexism in the whole industry is a**

really strong topic. I have experienced it on the phone talking to customers. And they go ‘I don’t want to speak to you because you’re a girl.’” As long as women have to prove themselves to be ‘worthy workers,’ the industry won’t succeed in attracting young and talented professionals, especially those belonging to Generation Y.

Conclusion

The findings of our study identified the first year of employment as crucial: will the employee stay or quit? In order to prevent this question from arising in the first place, rental industry representatives would be well-advised to focus primarily on two factors in the years ahead: sustainability and digitalisation.

Sustainability draws attention to the question of how the employees’ contentment at work could be increased, e.g. better health care programmes, company-run kindergartens or initiatives to improve their health.

Digitalisation is, like in the rest of the business world, a number one priority, stretching from facilitated work practices to adapting to recent changes in requirements. Due to the rapidly changing markets, job profiles and legal requirements, most of the interviewed rental industry representatives share the conviction that the position of Chief Digital Officer (CDO) will soon gain a lot more significance than it has today. Rental companies are well-advised to create such a position and endow it with certain far-reaching responsibilities.





ATTRACTING AND RETAINING YOUNG PROFESSIONALS FROM A COMPANY PERSPECTIVE

With such generational distinctions becoming ever more apparent in today's world, companies in the rental industry need to be aware of every aspect of their communication with young professionals. Everything from the way in which they promote themselves, both as an employer and as a sector, to the strategies deployed for internships and training programs requires careful consideration and adjustment to meet the expectations of Generation Y.

Promoting

The first step to attract millennials is to promote to them. But what should the focus be? For an industry with so many positives and employee incentives, where should the promotional energy be directed? In the rental industry, there seems to be a stark contrast between the perception of the positions versus the perception of the industry. As aforementioned, the rental industry is small with limited touchpoints with the public, hence the challenges in promoting the sector as a whole. Potential candidates are keen to work for well-known, international level companies, believing them to present a more secure career path and progression. Therefore, with

the relative anonymity of the rental industry as a sector, it may be best to concentrate promotion around familiar positions such as project manager, project coordinator or engineer, rather than on the sector itself.

And there's a lot to promote. The positions in the rental industry are engaging, varied and a source of both freedom and responsibility. When asked of her experience as a young professional at work, one respondent replied, "Every day is a different experience. We've got an influx of new products coming in all the time, making it an exciting place to work." Despite the lack of public familiarity with the sector, positions within the rental business offer many of the same perks as other industries: pension plans, bonus schemes, revenue targets and company cars to name a few.

Another aspect to consider is the sustainability of the rental business' economy. "There's always construction," points out one HR director, "so there's always people to supply equipment to." In terms of career progression and growth, each employee's ability to adapt and develop themselves within their role is the key to success in such a fast-growing and ever-changing sector. Respondents unanimously





confirmed that the **rental industry presents candidates with rapid career growth opportunities**, given that they work hard, of course. Essentially, the positions offered by the rental industry are dynamic, yet stable; and structured, yet diverse. It is this fusion of millennial ideals that should lie at the heart of promotion in rental.

Now it's clear *what* the industry should be focusing on promoting, the question remains: *how* to promote it? What appears to be fundamental here is actually *when* to promote, with introducing the sector at an early age appearing ideal for increasing public awareness of the industry. Establishing relationships with teachers and local education authorities, alongside partnering with schools, would be the first step in combatting the current state in which people simply don't see the rental industry as a place to work.

” One HR director at an international rental company explains, **“people don't see the company initially as an employer. They may see it as a rental company, but not as an employer. So, we still have a lot to do as a company on building our brand as an employer of choice.”**

To tackle this, another HR director we surveyed suggested collaborating with other regional companies to build social services such as kindergartens to help build the em-

ployer brand and boost involvement. Events like boys' and girls' days at such places could potentially be the stepping stone to addressing not only the issues of brand perception for the next generation, but also the problems relating to female under-representation in the sector moving forwards.

Job fairs are also an essential part of promotion for some rental brands, and should be encouraged as an effective way to inspire young professionals to consider a career in rental, particularly in mechanical or technical roles. Werkstatt Live, for example, an initiative of LandBauTechnik, annually displays a real workshop with machines and tools, and demonstrates daily practice in areas of repair, maintenance and service. It is aimed specifically at young people and, in particular, school leavers who are looking to pursue a professional orientation.

One HR director explained to us how he uses innovative recruiting days to reach millennials. These events bring an element of show to the recruitment process, displaying the company's services and technologies to prospective applicants, and often involving interviews on lifting platforms 10 metres high. **“Fundamentally, we have to think more creatively because we cannot invest in expensive recruitment campaigns,”** he explains, “part of our company culture is thinking differently to everyone else, so we enjoy the challenge.”



ATTRACTING AND EDUCATING YOUNG PROFESSIONALS

Partnering with colleges and universities is imperative not only for the initial promotion and advocacy of the rental business, but also as a platform for the education and training of young professionals. Graham Arundell, Managing Director of Hire Association Europe (HAE), recommends internships and upskilling programs in collaboration with schools and colleges. Internships provide pupils or students with insights into the daily working life of departments and also across entire companies, and can range in duration anywhere from one week to six months. Although not currently used to their full potential, internships are highly valuable for the rental industry, and thus should be planned accordingly in order to fully exhibit to interns everything the sector has to offer. Interns should be thought of as future employees, and therefore tracking their progress and building good working relationships is essential for success.

1. Apprenticeships

All of the companies surveyed in our report offer apprenticeships: a combination of practical experience and periodic theoretical training, usually lasting between one to three years. However, different national regulations concerning security and insurance policies mean that what qualifies as an apprenticeship varies extensively across Europe. Most companies spoke of structured programs in which apprentices are coached and mentored on a daily basis. One HR director explained that during the introductory days of their apprenticeships, a member of the board greets the new apprentice personally. Furthermore, the new apprentice will meet a former apprentice that has since progressed in the company; the idea being to develop career motivation via the provision of role models. **Companies reported a promising 75–100% retention rate among those who complete apprenticeships**, emphasising how vital it is for companies to provide education for employees while at work. The rental industry also often provides dual systems that allow for young professionals to progress from apprenticeships to university degrees, increasing their initial attractiveness and chances of retainment post-apprenticeship.

3. Gap year programs

Gap year programs present another option for the rental industry to explore. Some of the companies we spoke with were just about to implement such programs, which are often run simultaneously to trainee programs. The initiative serves to equip students with a more integrated grasp of the sector during their time between their bachelor's and masters's degree. This can lead to a early stage relationship and definitely makes the employer brand more known amongst young professionals.

2. Trainee programs

Trainee programs are usually undertaken once a student has completed their first qualification in higher level education, whether that be an apprenticeship, bachelor's degree or diploma. In these programs, trainees are expected to partake in a set of practical experiences in areas that are related to their prospective position within the company. **The aim is to provide trainees with a deeper understanding of the business through insights into how the company operates as a whole, and also through increased internal networking.** These programs are usually carried out within time frames of 6–18 months and are pivotal for the development of future managers and experts who crave self-direction. "They want to have a level of autonomy so they can find their own way, and want to be measured on it as well," explains one HR expert, "and that's something we have built into the trainee program." Speaking of the imminent trainee program at his company, one HR director explained, "Once they've done that successfully and have learned the business through different experiences in different projects, then they get into a position within the organisation where they can continue their career growth upwards."





Recruiting

“We are looking for great employees, no matter what generation they are in,” states an HR expert for a leading international rental company. The question is how to find them. “We do everything,” claims another respondent, “you have to do everything.” With the fierce competition for talent and rapid digitalisation of recruitment, job ads in the newspaper are quickly becoming a thing of the past. The new conversation around recruitment strategies involves the use of social media, integrated webpage applications, referral programs and employee ambassadors. Furthermore, it’s fundamental to tailor the recruitment strategy to target specific candidates: “There is a big difference between graduates and non-graduates, so you need to have specific methods to reach both groups.”

One method which has proven itself to be extremely effective in reaching millennials is the employment-oriented social network site, LinkedIn. The young professionals we spoke with cited LinkedIn as one of the first places they would look if searching for job opportunities. Several companies we surveyed have even employed someone full-time with the sole responsibility of graduate recruitment via LinkedIn. We spoke with them about their role, and one explained that she spends most of her time filtering through applicants who match the job requirements before contacting them by phone to qualify

their interest in working for the company. “To find the right staff, I search for people with the skills we’re looking for, but also for people who share the same values,” she explains, “in my opinion, recruiting via LinkedIn will continue for a few years because it helps to find the perfect applicant, then it will evolve into new channels.”

“*Each generation brings new ideas and new innovations. Without that influx of new blood, any business will stagnate.*”

Other popular social media networks are also used by rental companies to reach out to young professionals. One HR director disclosed that she uses Facebook campaigns with small advertisements that people can click on to be immediately redirected to the company website where they can apply for a job. “It’s working,” she reports, “we’re still building it up because it requires HR time and focus and effort, but over the past year we’ve made some successful hires through these channels.” Another company we interviewed carries out “**tag a friend**” promotions on Facebook, in which people employees are incentivised to tag other potential candidates directly in company posts. Furthermore, they have set up a separate Facebook page relating to apprenticeships and careers, which offers ‘day in the life’ interviews with current apprentices and informs of upcoming exhibitions and job vacancies.





Social media is a simple way of connecting with millennials and showcasing the opportunities that are out there. However, it doesn't fix the problems associated with the most sought after employees—the technicians. “A lot of people in engineering roles are older,” states one HR expert, “so they're not necessarily looking for positions. And if they are, they're not looking on social media, so we're just trying to make sure that our attraction covers all bases.” Additionally, some of the young professionals we interviewed admitted that some social media channels don't seem like the right place for recruitment. “I don't think Facebook is as serious as the likes of LinkedIn. They give full job specs and that kind of thing, so I don't think I'd use Facebook.”

Launching a separate online career page with an integrated job application process presents several advantages to both applicants and companies. Applicants save the time and effort of handing in CVs and resumes, and can save their applications online for potential future positions. Companies can ask specific additional questions to pre-screen the applicants, which saves on both hiring time and costs. Furthermore, integrated application processes enable companies to develop applicant pools, i.e. saving qualified candidates' applications for future vacancies.

When you combine these benefits with the zero paperwork factor, you can see why several rental companies are taking this approach.




Digital recruitment software such as Vi-siotalent could represent the future of recruiting online, one HR manager told us. This innovative on-demand video interviewing site sees applicants upload videos in which they present themselves and respond to questions from employers via webcam. It is of particular interest when hiring client-facing roles such as sales reps in order to get that instant first impression before proceeding with an office interview; again saving both time and money for both applicant and company.

There are several new and emerging technologies and software that are shaping the way companies recruit into a more streamlined, time- and cost-effective process. Broadbean, for example, is a candidate sourcing solution which posts the same job on several online job boards. One post on Broadbean versus several posts on various job boards and sites—you can see the attraction for employers. Another application taking online recruiting in a new direction is truffls, a tinder-style app in which applicants can swipe through possible positions. The app markets itself as convenient, efficient and transparent, and is definitely proving to be a hit with more than 30,000 companies already using it.



One company we surveyed also acknowledged PathMotion as a valuable discussion platform in promoting employer brand. The site operates on the premise that personal stories from current employees are a powerful tool in persuading top talent, and it therefore provides a platform in which candidates can ask questions directly to employees of client organisations. This employee ambassador program leaves employees who represent the brand's ideals feeling honoured to represent their company and position in such a way. PathMotion gives employers a real opportunity to show how they do things differently, and considering the emphasis millennials place on authenticity and two-way engagement with a brand, it's really forging a future of employee-led storytelling playing a key role in recruitment. "We encourage our employee ambassadors to talk directly to candidates and we now have 25 to 30 ambassadors" says the HR director, "this level of disclosure and honesty is very powerful and is extremely attractive to millennials."

Social media

-  www.linkedin.com
-  www.facebook.com
-  www.instagram.com

HR software solutions used by participants of our study

Online application software
www.visiotalent.com

Talent management software
www.cornerstoneondemand.com

Relationship management with prospect applicants www.pathmotion.com

Referral programs are exceptionally popular when hiring in the rental business. Current employees often have a network from former working experiences, alumni or some other private network with certain skills; and thus the idea behind these programs is to draw upon those networks to recruit new talent. In most of the companies we surveyed, the referee receives a financial reward (anywhere up to €600) either when the candidate they referred is employed or when they have been with the company for a certain amount of time. Furthermore, there is certainly potential to incentivise employee referrals besides solely financial means. **Some companies reported up to 20% of their new hires stemming from these referral programs**—a considerable proportion—which results in huge savings on hiring costs.

What expectations do young professionals have?

Our study found that a recurring theme throughout the rental sector as a whole is the high turnover of employees within the first year of employment. "I think the turnover in the first one or two years that people join is much too high. There is a lot of fluctuation," asserts one HR manager. **However, most companies reported stabilisation once the employee passes the two-year mark.** We tried to find out the reasons for these trends. "We've tried to do a lot of work on the brand to make sure that people's perception of roles is realistic because I think sometimes we've probably oversold roles," explains one HR expert, "and they come in and then it's not what they expect, and so they leave. We try to be a lot more honest now to tell people what it's actually like to work here." Not overselling roles in an attempt to attract the best talent is essential for avoiding time-wasting and disappointment all round.

Expectation management during the recruitment process is key, but what are the expectations of young professionals when starting a new job? "If you've got a graduate, sometimes there's an expectation of going into a management role," confirms one of our respondents, "whereas actually here, we're





not really like that; it's about growing from the bottom. So, that can be difficult, managing those expectations." Hervé Rebollo, Managing Director of DLR, also notices differences in the expectations of young professionals today: "Many of my members told me that when they had old collaborators, the question was, 'which kind of car are you giving to me for my job?' That was very important. Nowadays, young people, they don't care about the car. But if you don't give the right smartphone, you have the same kind of problem. It's very funny."

Understanding the job expectations of the millennial generation may result in a huge competitive advantage for a company, so shouldn't be taken lightly. In our conversations with young professionals, there were differing opinions concerning whether or not their expectations in general were being met. Some cited the overselling of roles and avoidance of the "nitty gritty" in job advertisements as a potential reason for the high employee turnover within the first year, whereas others claimed that they had extremely low expectations upon starting within the rental business and were "pleasantly surprised by how well-managed we are and how well we look after new starters."

Previous studies show that when millennials trust their managers and feel supported, it increases their job satisfaction,

which in turn can result in lower turnover and higher company commitment. In addition, they want managers who respect their opinions due to their knowledge and skills, regardless of years of experience. The millennials we spoke with confirmed the importance of well-trained managers who communicate openly and are sensitive to more personal situations. "I think anybody that's in a management level should have a certain level of training to deal with those situations and to know what the policies and procedures are," said one young professional. An HR director we spoke with confirmed that his company encourages direct and honest communication between managers and employees with a conversation at the end of the year regarding the year's results and what can be improved for the following year. "We have that process and we have that conversation, but it's still too basic," he admits, "it needs to be much richer and much better-documented."

Two distinct expectations of Generation Y are effective communication and immediate feedback, which they usually received after performing tasks while growing up, at least more so than any previous generation. A study by Smith & Galbraith in 2012 found that "millennials want environments that will challenge them, provide feedback and provide ongoing opportunities. They place higher importance on status-related values than older generations and want to contribute as



soon as they begin working for a company.” Some of the young professionals we spoke to also cited flexible working hours as one of their expectations. Millennials are often not looking to just adhere to the hours of a typical working day, but instead opt for flexibility in order to meet personal obligations and find a good work-life balance. Although this isn’t true in all cases. “I’m quite happy to stick with a regime,” states one young professional, “things could get chaotic with freedom.”

Most companies we interviewed use a formal introductory orientation for all new hires as part of their onboarding process. These programs usually last between two days to six weeks, and our research found that generally the longer the onboarding training, the more positively both HR managers and young professionals spoke about it. The most effective introductions consist of a structured process in which the new employee spends time in several branches and training centres in order to gain an understanding of both the commercial and technical aspects of the business. Mentoring and guiding is fundamental to ensuring the new employee feels welcome and confident enough to start working independently. To stay competitive, company leaders need to find ways to use their initial training so that employees gain and apply knowledge more quickly. This can in turn lead to rapid salary increase through development opportunities—another key expectation of the millennial generation.

Responsibility and sustainability

Simply put, the rental industry needs more females. The lack of diversity has a negative impact on both the current working conditions and the potential to attract new talent in the future. Hervé Rebollo estimates that for technical jobs, 98% of employees are male, and for sales roles there is still a huge imbalance with 70–80% of employees being men. Not only does this male dominance discredit

the reputation of the industry, but it also results in the bypassing of 50% of the potential workforce. “We have worked very hard on equality because we have not enough women here in the industry,” says one HR expert we interviewed, “and I think that in the rental industry there is a challenge to make us more attractive for women.”

“One representative of the equipment rental industry claims that depots with female employees use more appropriate language in the workplace. “Getting more females into the business leads to better manners and atmosphere in the work space,” he elucidates. Another HR director shared with us that when there are at least two women working in the depot, her company is more profitable. Why? “I think it has to do with us being able to see different solutions sometimes; we are different people,” she says, “we have more female customers out there and we want to reflect our customers.”

Attracting more females into the rental industry starts with promotion material including and aimed at women. Graham Arundell of HAE said that communicating with the public about the empowerment of women within the sector was one of the key employment marketing strategies the association will be deploying this year. The growth of women in the industry can be demonstrated by the number of them receiving awards in the past few years. **Updating websites with photos of females at work and more female-friendly language and job titles were cited as strategies by HR directors across the board.** One HR director emphasises the importance of trying to recruit from the right places, and often hires female workers from the real estate and retail industries. Furthermore, on International Women’s Day, she opened up the company depots to show women what working in the rental industry is really like. “Come and visit and we will show you,” she urged, “this is not heavy work. It’s not dirty work to be a service technician.”





Rental companies should be doing everything they can to make the industry seem more welcoming and appealing for women, and female support networks are definitely something to consider moving forwards. “Another goal was to have a female network in all our regions to support our female workers,” continued the HR expert, “they could support each other.” It’s also vital that companies ask women to provide testimonials, both online as employee ambassadors and offline to family and friends. Small things like incorporating female and maternity workwear are also crucial for the gender diversification of the sector.

“Rental is not a well-known industry or a sexy industry for millennials,” said one HR expert. “Supporting the construction and public works sectors is not as sexy as a career in banking or retail. So we have to work a little bit harder and be more creative to attract the best candidates.” The rental industry has a great advantage in attracting millennials in terms of the sector’s overall sustainability, but we found that communication and marketing on this topic is not being maximised to its full potential. **The fundamental idea of renting equipment instead of purchasing is sustainable in and of itself, but this concept is hugely under-promoted, especially when you consider that the young professionals we spoke with said that if they received**

two identical job offers, they would go with the more sustainable company. In essence, millennials want to work for companies where they can feel they are doing something that creates a better world. They want to work for companies that they believe are sustainable, so keeping that at the forefront of employer branding could be a meaningful step forwards.

Retaining

Two of the companies we spoke with really emphasised **how important it is to uphold certain values as an employer if you are looking to retain high-quality employees long-term.** Both companies have a high level of involvement and interaction with their employees via social media networks and truly epitomise their brand values when communicating and marketing internally. One company we interviewed actually develops games and organises workshops in which employees discuss the company values—activity, credibility and commitment—and how they can apply them into their daily working life. This makes a huge impact on the atmosphere in-house as well as on the customer relationships. The first step is to be clear on your company values and how you wish people to perceive your brand both internally and externally.



Next is to engage employees with those values and empower them to share their personal experiences with each other based on those values. This leads to the formation of deeper friendships and understanding at the workplace and common identification with a higher purpose—living the company values.

Speaking of employee retainment, one HR director told us “it’s something that needs constant investment and attention over time. It covers a lot of aspects.” No matter whether you are organising team-building days, publishing an internal magazine or creating a video; developing a unique and engaging internal employer brand is fundamental when it comes to employee retention. “Videos are also a very important tool for us. By watching these short movies, people get a real insight into who we are, into our culture and our values,” explains another HR director. “It is not a glossy marketing brochure; you can see our people smiling, laughing and understand immediately their relationships with one another.” Another HR expert we spoke with reiterated just how important it is for the employer brand to be consistent and linked “all the way through all the literature, all the posters and the advertising.”

Young professionals have now come to expect an array of exclusive employee benefits, including company pensions, capital forming benefits, company bikes and cars, canteen cards, shopping discounts, kindergartens, fitness studios, health insurance and internal consultancy services in the case of any personal issues. Rental companies need to ensure their benefits are competitive in the marketplace if they are to prevent employees leaving prematurely to work for other companies. One company we interviewed provides new employee benefits each year within a window of time in which employees can collect them. “We’ll do text messages like ‘The enrolment window has just opened. You have two weeks to select your benefits’,” the HR director explains. The countdown continues on their internal desktop backgrounds as well as on their internal intranet site, which boosts enthusiasm and morale.

The young professionals we spoke to cited career progression as a fundamental part of their employment, and that with limited growth opportunities, they would likely look to another employer. Despite this, only two of the companies we interviewed have definitive and broad career plans, while the others have more specific and individualised plans. Considering how key development opportunities are for millennial retainment, we would suggest a higher significance being placed on communicating and visualising future options with employees and emphasising how quickly a more senior position can be reached. One company we interviewed just received a Top Employer certification for the fourth consecutive year, and their HR director told us: “A good way to retain is to build a program which is able to show them that they can be patient and have a great career. They don’t have to wait five years to have a career opportunity. We often propose to them that they can be managers. You can be a manager here at 25.”

Job rotation, the practice of moving employees between different tasks and departments to promote experience and variety, is another option for rental companies to consider. “This is my fourth department in five years,” one young professional proudly told us. Job rotation enables employees to develop skills in a variety of changing environments, and is therefore well-attuned to millennials’ expectations for diversity and transitions. Employees will often make lateral moves the majority of the time, but job rotation can also involve promotion, making it an even more attractive option for Generation Y.

As mentioned previously, **flexibility with regards to working hours is a key part of millennials’ expectations,** and is therefore also crucial in their retainment. The companies we interviewed said that, as a general rule, the headquarters and back office offer partly flexible hours, but the depots must be manned at set times as they are customer-facing. Flexible working hours offer an advantage for the companies as well as the employees, as it



can evolve into a situation whereby you have the ideal number of employees at work at all times, i.e., lots of employees when there is a lot of work to do and little employees when work is slow.

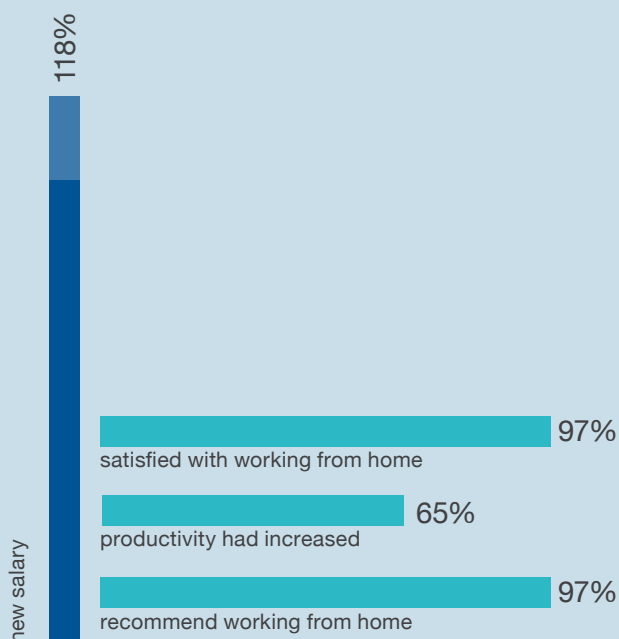
Working from home is another option for specific job positions in the rental business to increase the overall attractivty and retention of young professionals. In another ERA publication, one US company asked their home-based employees if they were offered the same job at a different company, but had to work every day in the office, how much more they would have to be paid to give up the flexibility of home working. The average salary increase they would require was 18%, which shows how much employees value being able to work from home. The results of their survey showed that 97% of employees were satisfied or very satisfied with working from home, 65% felt productivity had increased and 97% would recommend working from home. “People can build an entirely different lifestyle around it and they really value that,” said the HR director.

Tracking

Tracking constitutes another element of good company practice in the rental business.

Quantitatively tracking employee statistics allows for benchmarking with former years and competitors, aids in cost control and enables companies to make specific numeric goals across different areas. Making these numbers visible across teams and departments is suggested to increase employee motivation and communal responsibility when it comes to goal setting. Key performance indicators (KPIs) are strategic tools that can help companies understand whether they are accomplishing their HR objectives in a way that is in line with their strategy. In our opinion, managers need to be thinking about both traditional HR measures—like sick days, absenteeism and employee satisfaction—alongside strategic human capital measures—like employee performance and culture.

Statistics on working from home



Key performance indicator groups





KPIs can broadly be categorised into four groups: **compensation, culture, employment and performance**. Compensation KPIs are usually used to assess company costs, and are useful for evaluating the cost of the workforce or the average employee versus how profitable the organisation is. Cultural KPIs tend to analyse measures of employee satisfaction, whereas employment KPIs can calculate anything from the effectiveness of employee training to the average time to fill a job vacancy. All of the companies we interviewed that used integrated online recruitment applications are tracking employment KPIs like this and are able to quantify and qualify applicants by tracking how many there are for certain positions and what proportion are qualified for the job. Performance KPIs are more focused on employee productivity and value that they bring to the organisation, such as the rate of internal referral hires and employee productivity rate.

One company we spoke with has recently implemented Cornerstone Performance, a tracking tool that enables managers to benchmark employee performance and align employee activities with organisational strategy while still providing continuous, meaningful feedback. The performance

management technology claims to foster a more productive workforce by “empowering employees to set meaningful goals and easily track the progress and achievement of those goals.”

Exit interviews with resigned employees were cited by only some of the companies we interviewed as a tool to document employees’ reasons for leaving. **The advantage of an exit interview is that the interviewee usually has no reason to hold back or fear the consequences of being completely honest since they are already leaving, so the company can often draw out meaningful feedback and ways to improve.** One HR director confirmed that from exit interviews, they have ascertained that 25% of employees leave because they don’t see growth opportunities in the company, and another 25% leave for financial reasons. Another HR expert claimed that 65% of people claim to leave their company due to a change in career, although it’s questionable exactly how accurate this is because alluding to a career change is often the easiest thing to say in a potentially more personal and unpleasant situation. This raises the question of whether the ERA should provide guidelines for both the exit interview process and KPIs.



MAKING THE RENTAL INDUSTRY MORE ATTRACTIVE ON A EUROPEAN LEVEL

Promotion

Considering the broad issues that the rental sector faces on an international level, partnering and collaborating with each other to consolidate both financially and institutionally presents valuable options. **Together, companies can organise larger presentations at job fairs and exhibitions, and create stronger initiatives and advertisements to combat the industry's current bad image. By joining forces, rental companies can also more easily suggest and recommend strategies to each other based on their own activities and experience.** For example, there needs to be a concentrated effort across the European rental industry to increase the visibility and clarity of job descriptions. At the moment, every single rental company uses their own individual job descriptions, which is leading to unnecessary confusion on an international scale and makes European collaboration that much harder. One company interviewed currently has more than 30 different job positions available. Thus, it's essential that rental companies across Europe begin cooperating together to achieve a common understanding and move in the direction of promoting the variety of positions versus promoting the industry itself.

As previously discussed, education is imperative for the future success of the rental industry in attracting and retaining young talent. **This can be achieved by developing partnerships with educational institutions such as schools, colleges and universities.**

One respondent suggested teaming up with school textbook content writers to include examples of the rental industry in the exercises. Another recommended hiring a careers advisor who visits schools and colleges for various events and provides information about working in the rental business. Taking education a step further, two of the companies we interviewed have built their own training schools. "Ten years ago we decided to build our own schools. Now we have three across France," explains the HR director. "The staff turnover of the whole company is less than 15%, which is really low in our industry. But during the first year, I'd say it's 20–25%. Ten years ago the level was at 40%." This huge reduction in staff turnover via investment in education is fundamental and should be highlighted at a European level.

The missing link between European rental companies, which is currently limiting the level of partnership and collaboration that's possible, is the lack of an international qualifi-



cation framework. “We need a competence matrix to translate different certificates among member states,” states one of the HR directors. “We tried to summarise in two pages the countries and the competencies that were required, and where you have common elements. And we realised that it’s really a complete puzzle that’s not connected to each other. In the end, we realised that even for what we thought would have been a very simple example, it’s extremely complicated to find common elements from a European perspective.” He goes on to suggest that the ERA could perhaps participate in development of such a framework in the future. In the meantime, rental companies could focus on collaborating with universities in their own countries to ensure that all degrees and other relevant qualifications are certificated and standardised.

WorldSkills was mentioned by a few of our respondents as another effective way of showcasing the value of skills and raising the recognition of the rental sector on a European level. WorldSkills covers different sectors, but there are five to six different competitions for construction. “You have roofers, you have tilers, you have plasterers; and you have real competition like in the Olympic Games,” one HR expert told us. “National members send their teams and you have these young people competing. It’s two three days, quite intense competitions, and you have juries and winners, and they get gold or silver medals.” These skill competitions have hundreds of participants, lots of visitors and lots of feedback in the press at a national level. “And of course, in terms of image for young people, especially for a sector like ours, it’s also one mean of saying ‘okay, construction is not necessarily a second choice,’” he continues, “but it’s also something motivating them to be proud of when they come back.”

“It’s once in your life you have to see this show because it’s wonderful; it’s incredible. You have an ambience,” exclaims Hervé Rebollo of DLR. When asked about the ERA’s current involvement in the show, he replied, “the ERA doesn’t currently have direct investment. It could be a good idea, we talked

about it two years ago and we didn’t take the time to develop that concept at the ERA level, but it could be a good idea. And of course, we are ready to share our experience with the ERA.”

Job platforms

Online applicant pools are a practical solution that present advantages for both companies and employees. The concept is that if one company has qualified applicants outnumbering available positions, then the applicants can be ‘pooled’ and other companies looking to recruit can source out of that pool, thus leading to more people working for the industry overall. The company that pools makes a good impression on the applicants despite not being able to hire them, and the company that sources from the pool gains access to pre-screened and qualified candidates.

Our research also generated some ideas for online platforms that would be advantageous to the rental sector moving forwards. **Firstly, a global or European online job board that caters specifically to the rental industry would be extremely unifying for the sector and would simplify the process of creating applicant pools.** For candidates that were keen to apply for jobs solely within the sector or those perhaps looking to move abroad but stay working within the rental industry, having all the international vacancies posted in one place would be highly practical, and increase the likelihood of their employment/retainment within the industry.

Secondly, a European platform on which rental companies and associations could share industry information would present an immense benefit for the sector as a whole. Marketing recommendations, campaign ideas, partnering opportunities and recruitment strategies—if these were easily sharable and accessible across international rental companies of all sizes, the sector as a whole would advance and progress much more rapidly. The construction industry already has a well-developed social dialogue committee, and it’s about time the rental industry caught up.





Conclusion

The rental industry is anticipating major changes in the not too distant future. The increasing societal trends resulting from a shared economy combined with the digitalisation of manual processes and the flexible, fast-moving working environments are capable of attracting young people from all backgrounds. Without doubt, there are currently obstacles to overcome, but the sector undeniably has the tools and opportunities to surpass them. On a company level, businesses need to keep track of HR measures and KPIs in order to monitor and visualise what's working and what isn't. Furthermore, companies need to continue to use every channel available to them for promotion to young people and evaluate the results for each target group—school pupils need to be addressed and considered separately to graduates, just as technicians need to be assessed and tracked differently to sales reps.

The attraction and retainment focus needs to be actively directed at the young professionals to keep the industry alive. Interaction with millennials at every level helps to keep them on track if branded consistently and communicated well. Our study finds evidence

and testimonial for career opportunities and constant development leading to long-term employee retainment, which is absolutely fundamental for an industry to thrive. On a more international level, rental companies need to commit to collaborate with each other as opposed to competing fiercely against each other. Even the major players in the rental industry are too small to distract candidates from larger and more appealing industries, so it's vital that they come together to strengthen the sector as a whole.

This study would not have been possible without the insights, effort and time that all the participants shared with us. We want to acknowledge and thank everyone for the generosity and openness we experienced.

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