

Today's Workforce and What to Do about it
By Julia Marrocco April 18, 2008

In his great new book, "The Ultimate Sales Machine", author Chet Holmes states some statistics that are pretty mind-boggling. Here are the three I want to address:

1. "A corporation fails every 3 minutes."
2. "A company changes control every 15 minutes."
3. "96% of all companies fail within 10 years."

More than ever, we need to have good people in our workplace.

There is a survey conducted every year by Deloitte Consulting and the International Certified Employee Benefit Specialists. A few weeks ago, the 14th annual survey report was announced in New York. The Number One American Employer Concern was reported to be the Talent Shortage.

It's rather surprising to me this is the first year this topic has come up as the number one concern! I have been speaking about this issue to CEOs for about 10 years now. It's not new news. It's just that other employer concerns have been more urgent in the past few years. Now the talent shortage is finally becoming urgent.

The shrinking talent pool is not just an American issue. It is a worldwide problem.

The McKinsey Quarterly Report, (Quarter 1, 2008) states that competition for China's graduating workforce is becoming so fierce that they are starting a long-term effort to revamp college curriculums to meet the needs China's exploding economy. This is a huge crisis for China, and it will be interesting to see how they handle it over the next few years.

According to a special Kiplinger Report and audio conference last March, the worldwide talent shortage is expected to exist for the next 20 years. The numbers are staggering: We have approximately a 30 million person shortage, with about 40% of employers worldwide struggling to find qualified job candidates. On the top most wanted list are salespeople, engineers, and technicians.

What I'd like to bring to the table today are some of the ways we, as employers, can deal with this crisis. Forward thinking companies already realize they need to change some of their business practices in order to compete in recruiting, and be successful in retaining the valuable employees we already have.

1. Hire raw talent and train, rather than trying to hire only skilled employees. In 17 years of coaching and being involved in many recruiting campaigns during those years, I know this: I will hire attitude over skill any day. Skills can be taught; attitude can't.
2. Always use behavioral assessments when hiring. The cost of a bad hire will bleed your business to death. If you have ever analyzed the soft costs along with the hard costs of hiring, training, wages, and benefits, administration, managing and coaching them, legal and damage control when they leave, you will never hire again without using, at a minimum, a behavioral assessment and a values assessment. Assessments are not guarantees that the employee will be perfect but combined with a good interview process and behavioral questioning, you are reducing your odds of a disaster.
3. Make a commitment to ongoing training at all levels, starting now. It is tempting, in our current economy, to prune back costs across the board, but one thing a company can not afford to cut is training. Now, more than ever, our training needs to be beefed up.

Firstly, we are going to search every possible source, to find unskilled candidates, rather than woo experienced workers from competitors at too high a price. Raw talent needs training. Secondly, Generation Y is not only in desperate need of personal skills, but they are also information junkies. The workplaces that offer the best training attract generation Y workers, (also known as “Millennials”, those people born after 1982).

4. Make it easy for aging baby boomers to continue working. Many baby boomers want to retire but they can't quite afford to. Many want to stay active in the workforce and they have a lot of skill, experience and value to contribute, but just want to work part-time. They're not willing to put up with the 60 hour a week rat-race plus a commute. We have to be willing to offer them flexible hours, the ability to work from home when they choose to, and medical insurance. According to AARP, health care is the biggest concern for aging baby boomers. It is no secret that many boomers are working at jobs just for the health insurance.

5. Look in different places for hirees than you have in the past. For example: According to Homes for our troops www.homesforourtroops.org , a non-profit organization that helps returning disabled veterans find housing, 30,000 injured service members have returned from the current war to date. 18% of them are unemployed. I can't think of a better future workforce than this. We must be open to accommodating people of differing physical abilities. This also fits the needs of aging Boomers, as many of them have mobility issues that need to be accommodated in the workplace.

6. Learn how to meld and mesh 3 generations of workers together in one culture. If you have been involved in mergers and acquisitions, you understand combining cultures. It can be a nightmare if not handled properly.

“Boomers”, “Gen x”, and “Gen y” are all very different cultures. Here is a quote from an article written in the February 2008 issue of CIO magazine: “Gen y thinks Gen x is a bunch of whiners and Gen x sees Gen y as arrogant and entitled. And everyone thinks the Baby Boomers are self-absorbed workaholics.” He hits it on the head. Through coaching, training, and skill-building, we have to train these guys to get along in the workplace to be successful. Moreover, we have train our managers and team leaders how to communicate differently with each generation.

7. We need to be recruiting constantly, whether we have openings or not. Most large businesses understand this, but it is a serious weakness of many small and medium sized businesses, especially those without an HR department. If we are constantly recruiting, we stay sharp and well-practiced at the interviewing process, we keep our finger on the pulse of the current climate and issues job candidates are dealing with. You are not as likely to be “held hostage” by current employees if you have new candidates in the pipeline. Remember that Millennials are very group-oriented. If one leaves and goes to work for the competition, often others go with her. I have witnessed companies losing whole teams of people at once, because of the social nature of Millennials. This can cripple a company if we don’t have candidates in the “hopper” ready to take their place. We are also able to fire any negative or toxic employees if we have someone to take their place. This will only happen if we are recruiting. Recruit even when you don’t have a place for a new employee yet.

8. We need to give more compensation choices to employees. Perhaps a sort of “menu” of compensation. Employees may or may not see the value in some of the benefits you offer. Why not let

them choose? Some of them don't care about paid time off and would rather have the extra money to spend on something else. Older workers may not need the money, but they want health benefits. Gen-X-ers who have a breadwinning spouse may choose to have money invested in a 401K instead of a paycheck. Many workers need child care on the premises or a child-care allowance, Other workers prioritize health and would like gym facilities near by, work-at home options, and so on.

9. Give incentives or rewards to your stellar employees who bring good people to the company. This doesn't have to be money. Gifts will do. Again, figure out the hard and soft costs of finding and recruiting a new person, and you will see how inexpensive it is in comparison to bonus someone for bringing you a good hire. And they get to be the hero.

In conclusion.....we have a choice....change our business attitudes and recruiting practices now and gain market share, or stay as we are and become another business statistic.