

Workforce Crisis – How to Beat the Coming Shortage of Skills and Talent

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There are three trends that are facing us – and organizations must take them seriously in order to compete and thrive in the coming years:

- Nearly one-third of all Americans were born between 1946 and 1964. These ‘boomers’ are reaching traditional retirement age and will cause an exodus of skills, experience, customer relationships and knowledge.
- 100 years ago, only 4% of the U.S. population was over 65; now it’s over 14% and rising! Are employers ready to deal with this different demographic in (and out of) the workforce?
- The birthrate in the mid-1950’s was peaking at 3.7 children per woman. In the U.S., this birthrate has declined to 2.0. The replacement rate is 2.1 children per woman.

Few organizations are preparing for a transforming workforce.

While these trends are indeed critical, the Employment Policy Foundation (EPF) estimates that 80% of the impending shortage will involve skills, not just workers. For example, the U.S will need 18 million college degree holders by 2012 to cover job growth and to replace retirees; at current graduation rates we will be 6 million short in just this category.

The book identifies three demographically different worker cohorts and provides insight in how to engage each one.

- **Mature (55+):** Many older workers want to remain productive even after the age of “traditional retirement.” (Equally important, organizations are finding that they need this group for their skills and experience.)
- **Midcareer (35 – 54):** This is a group that contains many talented people that too often are disengaged, feeling their work has become routine. This cohort is also often squeezed between work and family obligations.
- **Young (18 – 34):** This is a group that is not afraid to job-hop in this competitive labor market.

The majority of the book is on engagement strategies and tactics that are proven to work with each of these cohorts. They provide examples from organizations who have aggressively dealt with the above challenges and opportunities.

The authors identify three core questions that corporate leadership along with their Human Resource executives should be asking:

- What is our situation?
- What are our potential sources of labor and skills supply?
- What actions should we take and when?

The authors continue with six key core perspectives that help to develop a comprehensive and ongoing workforce strategy:

- Consumerism has found the workforce – workers at all levels are more informed; information is readily available. They are willing to shop around and employers will need to begin to meet people on their terms.
- People want and benefit from organizational affiliation – the need for affiliation still remains based on all

available studies and research. Keep your workforce engaged and reach out to prospects to show them the benefits of affiliating with your team.

- The best source of skilled labor is often people you already know – the cohorts that need flexibility or who may be recent alumni may be your best source of talent. Maintain relationships with your past workers and creatively see how you can benefit each other.
- The employment deal must be relevant and comprehensive – employees want it all, i.e. engaging work, the opportunity to learn/grow, comprehensive and meaningful salary and benefits, balance, supportive management and a worthwhile organizational mission. Working on each of these will help maintain current employees as well as in recruiting new ones.
- The employment deal must be customized – handling increasing employee variety in their situations will be the key to talent management and long-term business success.
- Human capital is the ultimate business asset – the organization with the best intellectual capital, social capital and emotional capital will win.

The book recommends multiple courses of action including the following:

- Get in touch with your workforce demographics – put this knowledge in your business context with regards to skill and experience needs.
- Refine your workforce strategy – make sure you have a strategy to ensure you have the supply you will need to meet your future business needs.
- Adjust management practices to enhance both engagement and productivity – all aspects of the employment 'contract' need to be addressed to meet the changing needs of today's workers.
- Make the work itself engaging – the single most important driver of employee engagement is the work itself – work that is stimulating, enables learning and growth, and that is performed in an enjoyable workplace. Pay daily attention to it.

