

Workforce Crisis:



Beating the Coming Shortage of Skills and Talent

Profiles  International
imagine great people™

Beating the Coming Shortage of Skills and Talent

By John Bradford and Scott Hamilton, Ph.D.

The American Workforce is changing in age distribution, ethnic makeup, background, lifestyle and motivation. The employment deal is also changing, no longer an exchange of loyalty for security, but a multi-faceted give-and-take between employee and employer. And shortages are looming on the near horizon. As workforce growth slows, the Baby Boom retirement wave begins, and education fails to keep pace with the demands of the new jobs.

To thrive, or even survive, amid these changes, employers must accommodate the unprecedented diverse variety of employees in today's workforce. Employee engagement is emerging as a significant differentiator between just meeting your bottom-line goals and achieving significant breakthrough performance.

Because of the changing workforce dynamics, Age Wave, a world leader in issues of an aging population, The Concours Group, a human capital development consulting firm, and Harris Interactive, a top research house, united with Profiles International to conduct a study to better understand the workforce of the 21st century. One key finding from the study found that more than 50% of the American Workforce reported being disengaged or highly disengaged in their current job.



Employers will need to add new measures to the performance dashboard if they're going to anticipate and proactively overcome the challenges presented by this workforce crisis. Employers will need more sophisticated and detailed information to understand both present and potential employees. If you don't believe this is an issue that will impact you, here is a quick check.

1. Do you anticipate a productivity issue, if your organization cannot get the workers needed or if young workers are continually turning over?
2. Are you noticing an increase in style clashes between managers, employees, or even between your senior team members?
3. Are you facing a loss of critical knowledge when those who truly understand your business, the customers, and the organization retire at once?
4. Are you facing the challenge of losing your top executives and/or performers to retirement?
5. Do you anticipate a tremendous brain drain on your institutional memory due to retirement and potential departure of super contributors?
6. Do you know what actions you can take to prevent the pilfering of your top executives and super performers by competitors and other companies who could benefit from your institutional knowledge?
7. Do you have a workforce strategy in place to meet the challenges of the impending work force crisis?

If you answer yes to any of these questions, then read on; the information in this white paper will enhance your ability to survive and thrive during this changing period.

The Workforce Crisis

A common myth about the impending workforce crisis is that the issue is about an anticipated talent shortage. The issue is much larger than one could imagine. The United States has never had such a large proportion of older workers in the workforce, or a generation as large as the baby boomers preparing to retire. The growth rate of the labor force has never dropped and stayed so low in our history. We never before relied so heavily on intellectual rather than physical labor. Business owners cannot anticipate the compounding effects that will take place when these trends collide. There is a concept known as the “Perfect Storm” in which critical weather fronts come together to create a storm of catastrophic proportion. The collision of these three factors will in fact create a “Perfect Storm” that can create waves so large the challenges of the millennium bug and the impact 9/11 had on business could look like only a squall on an otherwise gentle sea.



The demographic composition of the workforce has become more diverse than ever before, not just in age but in gender, ethnicity, country of origin, level of education, family status, personal ambition, wealth needed for retirement, and corporate loyalty. Put these forces together, and tomorrow’s labor market will be characterized by more than slow growth and shortages. Will you be prepared when your employees think and act quite differently than their parents, grandparents and previous generations?

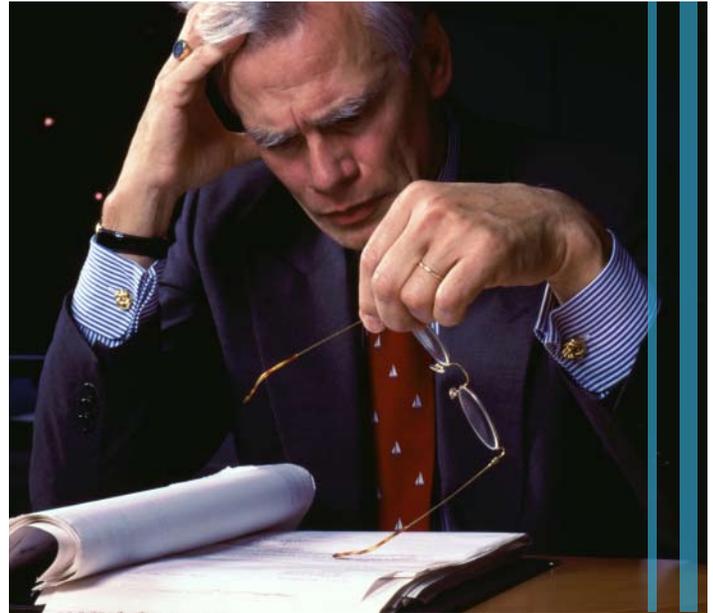
So what does this impending workforce crisis mean to you and your business? If we break the crisis down to its simplest elements, you have a supply and demand problem. As a leader, you must have a ready supply of skills and talent to implement and sustain the execution of your business strategy and achieve your performance goals. The issue won’t just be about achieving business goals; it is much broader with even greater implications to your business. Do you have aggressive plans for growth? You may have the people and leaders you need to achieve today’s goal but will you have the people and leaders to take advantage of the economic boom that is before us?

For years you could contract or expand your workforce based on business conditions because you knew there would always be a labor pool in your marketplace. The combination of the baby-boomers’ rush to retirement, coupled with the dearth of new births, has led to fewer and fewer people entering the labor force. The result is a labor pool that is shrinking rapidly.

There is serious doubt whether ready-made, already qualified, locally available candidates will form a large enough labor pool to meet a company’s needs. So, you will have to change your thinking about how you manage your workforce. You are going to have to anticipate your labor and skills needs in the context of the longer-term trends. Some of the first tactics you need to take are the retention of key employees, increasing the level of engagement of existing employees, changing how you select new employees, changing your approach for developing new hires, and tapping new sources of labor and skills.



You may be thinking, "I read enough, this is one more problem on my desk I have to solve." The reason that Age Wave, The Concours Group, and Harris Interactive united with Profiles International to conduct the study about the workforce of the 21st century was not just to cry out, "danger ahead, crisis on the horizon." Because of the breadth of the study, practices and actions of progressive companies were identified, tools have been created and processes pioneered that can help you survive and thrive during these periods of turmoil and lack of people resources.



Contact your Profiles International Professional Service Division representative so you can learn first hand how we have helped other companies to identify the Current Reality of their workforce. With this information, you will be able to identify a workforce strategy and take actions at the organization, leadership or employee levels to weather the workforce crisis that threatens your continued growth and your bottom-line results.

This White Paper was based on Workforce Crisis, How To Beat The Coming Shortage of Skills and Talent, by Ken Dychtwald, Tamara J. Erickson and Robert Morison, published 2006 by Harvard Business School Publishing. Ken Dychtwald, Ph.D., is the founder and CEO of Age Wave (www.agewave.com) and a visionary on the lifestyle, marketing, and workforce implications of an aging population. Tamara J. Erickson is an executive officer of The Concours Group (www.concoursgroup.com) and an experienced advisor on the organizational and strategic implications of the changing workforce. Robert Morison is an executive vice president of The Concours Group and leader in breakthrough research on a wide variety of management challenges. The authors' Harvard Business Review article, "It's Time to Retire Retirement," won the McKinsey Award.

The authors of this White Paper are John Bradford, Vice President of Training and Consulting Services, Professional Services Division, and Scott Hamilton, Ph.D., Senior Vice President of Research and Development, Profiles International (www.profilesinternational.com).

For More Information, Please Contact:

John Bradford
Vice President of Training and Consulting Services
Professional Services Division
Profiles International
1.888.744.5205
services@profilesmail.com
www.profilesinternational.com/services.htm

Profiles  International
imagine great people™