

# Skills and Talent Shortages?

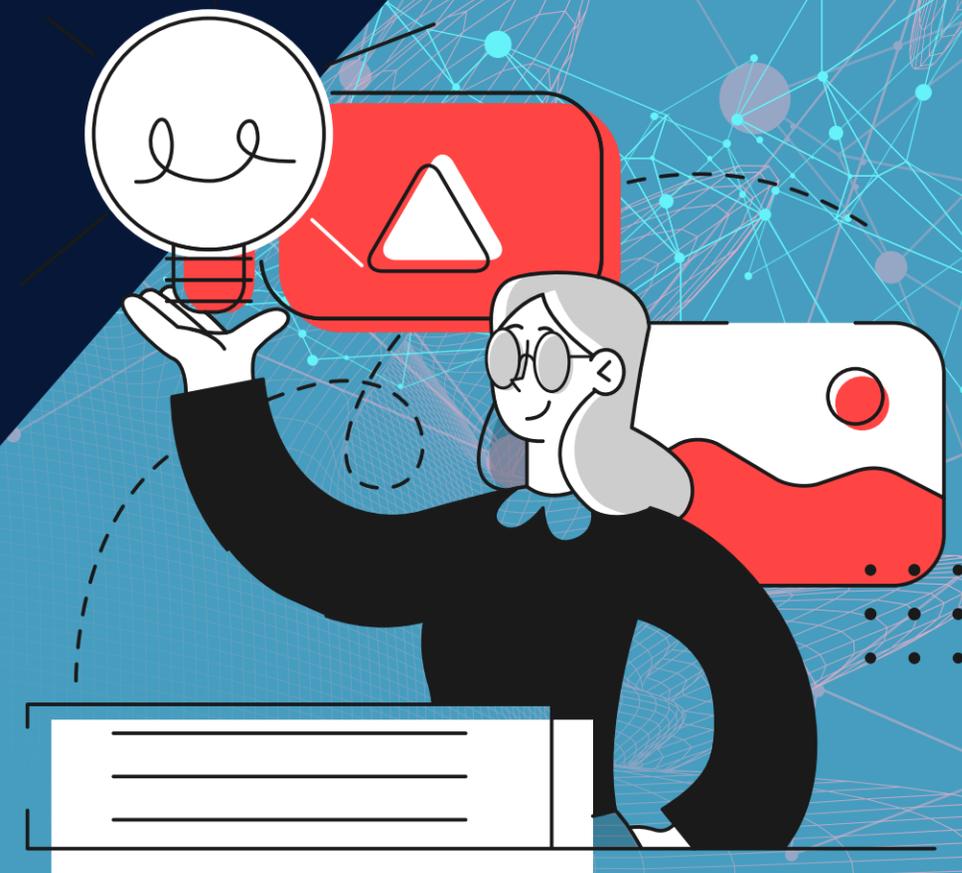
## End Them in 2020!

Let your competitors worry about talent and skills shortages this year. By implementing the ideas in this eBook, you'll be saying, "Shortages? WHAT shortages!?" – in 2020 AND beyond:

### This eBook will discuss:

- The current state of the labor market
- The consequences of ignoring talent shortages and skill gaps
- Strategies for overcoming skilled talent shortages
- The best way to quickly overcome your hiring challenges

## Let's go!



# The Current State of the Workforce

It is no secret that the skill gap is widening in the U.S. Add to that the fact that unemployment is at its lowest rate in nearly 20 years, and it's no wonder **60%** of employers struggle to fill job openings within **12 weeks**.

Unfortunately, things are only going to get worse. [According to research](#), the global talent shortage could reach **85.2 million people by 2030**, costing companies trillions of dollars in lost economic opportunity.



## In just 10 years:

- Financial and business services will have **10.7 million** more open jobs than qualified workers.
- Technology, media, and telecommunications will face a deficit of **4.3 million workers**.
- Manufacturing will have a **7.9 million gap** between open jobs and people to fill them.

## That's not all.

Other industries facing a talent shortage crisis include:

- Healthcare
- Retail
- Trucking
- Business services
- Construction



Even if your industry isn't suffering from a dire talent shortage, odds are high that as technology continues to advance, you could struggle to find skilled, qualified candidates, even if unemployment rises again.

# Can You Wait out Skill Gaps and Talent Shortages?

It's easy to want to just stick with the status quo in the hopes that one day the workforce will be flooded with highly skilled candidates. Unfortunately, that's an unlikely scenario, and ignoring the state of the labor market comes with real business consequences:

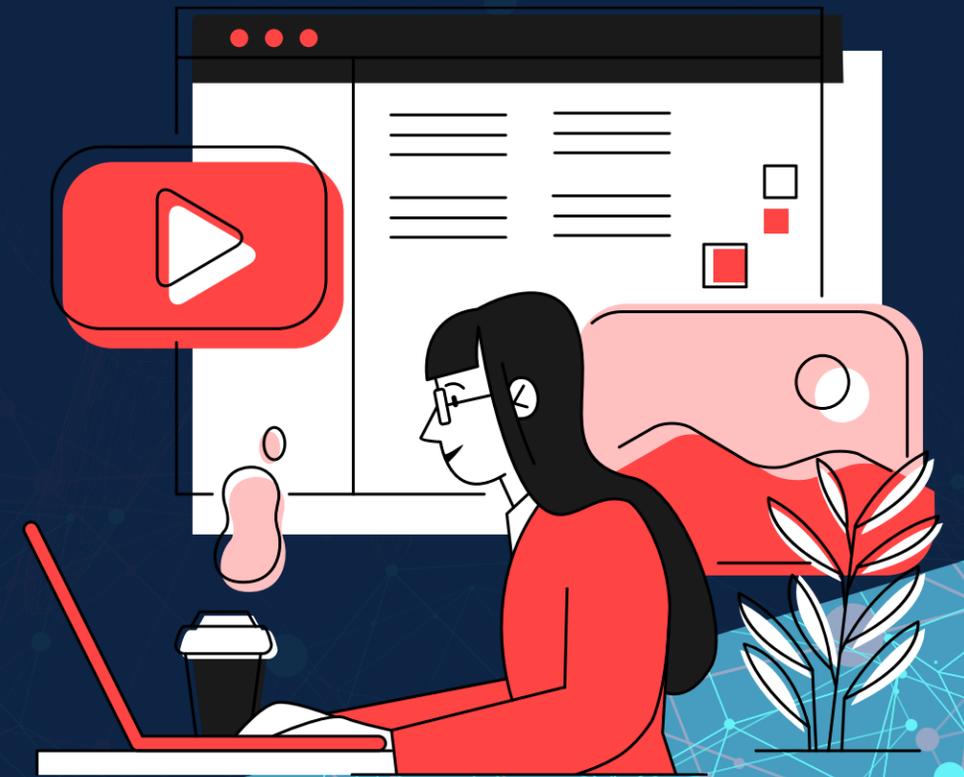
- **Productivity loss.** People who are not fully trained and skilled simply cannot produce as much as those who are.
- **Sales loss.** Companies that don't run at peak performance struggle to keep current customers happy and to attract new customers, resulting in revenue losses.
- **Profitability.** Even if a company is maintaining average output with its existing workforce, it cannot remain profitable over the long term.
- **Loss of market share.** Over time, as a skills gap eats away at productivity, sales, and profits, the company will lose market share to competitors.



# Take Control and Close Your Gaps

While you can't do much about market-wide talent shortages, there is a lot you can do to close skill gaps within your organization:

- Traditional training
- Upskilling
- Apprenticeships and internal development
- Building a learning culture
- Boosting wages
- Tapping “alternative” talent pools



**Let's examine each  
a bit more in-depth.**

# Basic Training

If your company doesn't offer basic, ongoing training programs for employees, you're going to continue to struggle for talent. There are several worthwhile training methods that can be effective and simple to implement:

- **Traditional, classroom-style training:** Instructor-led training that involves lectures, audio-visual aids, handouts, etc.
- **E-learning:** Employees use web-based programs to take lessons online, with a quiz or test afterward to assess what they've learned, advancing only if they pass.
- **Experiential learning:** Often called "on-the-job-training," experiential learning gives employees the opportunity to get hands-on experience on live tasks and projects.



# Upskilling

“Upskilling” is a hot topic today. Going beyond basic training, upskilling is the process of teaching employees new skills that directly address current skill gaps in the workforce.

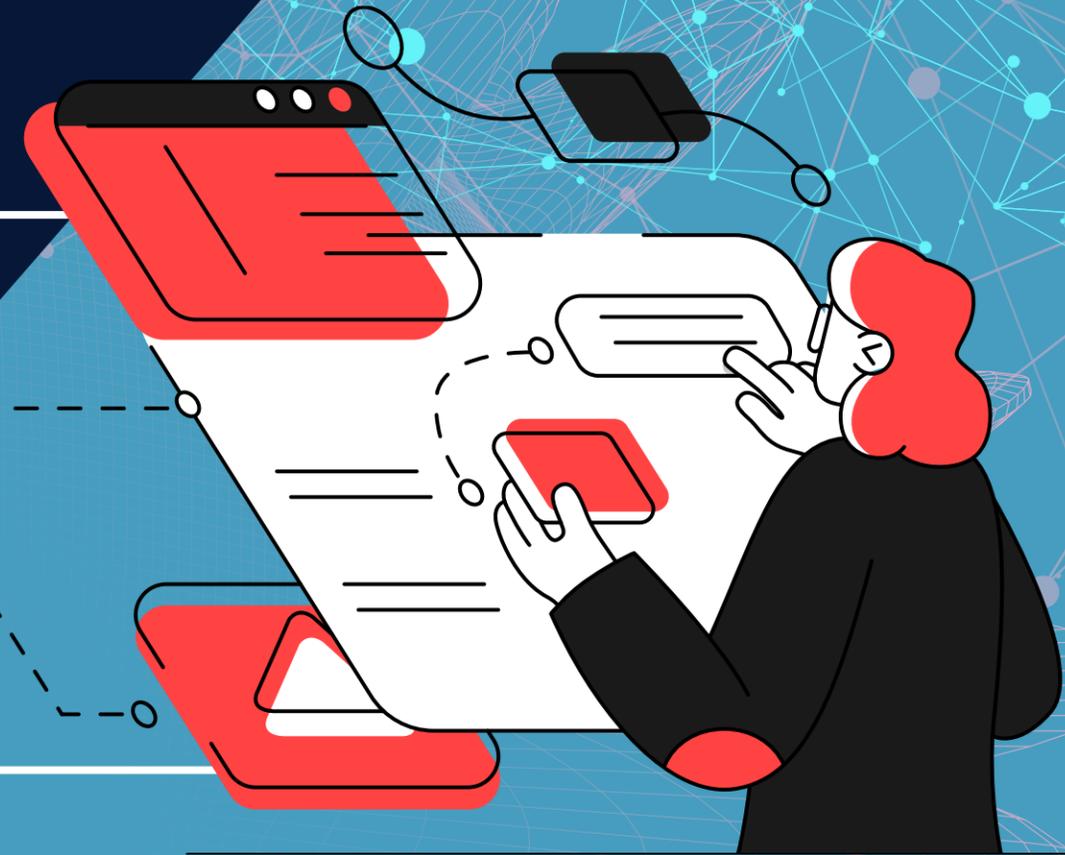
Manufacturing is one area where upskilling is extremely popular. As machines take the place of humans on assembly lines more and more, companies are upskilling former line workers on new tech skills to prepare them to operate the machinery that took over their manual jobs.

Every industry, not just manufacturing, can benefit from upskilling as technology and AI continue to take over manual tasks of all types.

## Upskilling is a Win-Win

Upskilling requires significant investments, but it presents a win-win for employers and employees:

- Investing in future employee success sends the message that the company values people as much as skills.
- Upskilling improves retention.
- It aids in succession planning by providing employees with training and knowledge to advance.



# Apprenticeships and Internal Development

One of the best ways to ensure your employees have the skills you need is to train them directly on the job.

## Apprenticeships:

Inexperienced workers can learn their future job from end-to-end through apprenticeships.

Skilled trades still leverage this technique, but every industry could benefit from the practice. Apprenticeships combine supervised, on-the-job training with classroom interaction for at least one year.

## Cross-training:

Allow employees to train on other jobs in the organization to enhance their skills.

Cross-training also ensures you have a deeper bench of people who can step up if someone leaves, and breeds a greater understanding of what people in different jobs and departments do.



# Cultivate a Learning Culture

Employees won't value learning if it isn't a core value of the organization. Creating a learning culture sets the tone that employees should be ready, willing and able to grow their knowledge and stay on top of changing trends in order to remain competitive on the job.

## The Benefits of a Learning Culture

A learning culture can positively impact an organization in many ways. Employees that are continually updating their knowledge:

- Are more efficient
- Produce more
- Value accountability
- Have a higher level of job satisfaction
- Are more likely to adhere to safety protocols
- Stay with companies longer

In companies with strong learning cultures, employees are **58% more likely** to have candidates in their talent pipeline with skills to meet changing marketplace needs, and **32% more likely** to be the first to market with an innovative solution.



# How to Create a Culture of Learning

A learning culture begins with leadership. Align learning and development with overarching strategic goals, and communicate those values and goals to the organization. It can also be useful to deploy predictive analytics tools to see how addressing employees' strengths and weaknesses through learning can improve outcomes.

Those models can be used to gain buy-in from leaders and to demonstrate to employees exactly how they can achieve their personal career goals by embracing learning.



# More Money, Fewer Problems (Attracting and Retaining Talent)

For employers that struggle to attract and retain talent, compensation is critical. Companies that do not offer competitive wages will face continued challenges when they need to hire skilled people.

*Think pay doesn't matter? Think again.*

According to data from [PayScale](#), a bigger paycheck is the number one reason why people leave jobs!

## Let's look at a real-world example:

Consider Costco and Sam's Club, the top two warehouse retailers in the U.S. Costco, the number one warehouse retailer, pays around **\$17 per hour**. Sam's Club pays an average of **\$12 per hour**.

### Costco experiences:

- **17%** turnover overall
- **\$244 million** annual turnover costs
- **\$21,805** in operating profit per hourly employee

### Sam's Club experiences:

- **44%** overall turnover
- **\$612 million** annual turnover costs
- **\$11,615** in operating profit per hourly employee



By paying competitive wages, Costco experiences less turnover and higher profits. They need to recruit and train less than their competitors, and when they do recruit, they attract higher-quality candidates overall.

# Stop the Insanity

Undoubtedly you've heard the old saying, "The definition of insanity is doing the same thing over and over while expecting different results."

The same is true with recruiting. If you are continually tapping the same sources for potential candidates, you'll always yield the same results. Branch out into "alternative" talent pools to access qualified candidates:

- **Veterans:** Veterans are disciplined, committed workers. A study by the [U.S. Department of Education](#) reported that veterans with disabilities placed in jobs through a vocational rehabilitation service had an 85% retention rate after one year. There are also tax credits and training programs available to help ensure success, such as the [Veterans' Employment and Training Service](#) (VETS).
- **Parents re-entering the workforce:** Don't discount a mom or dad with a gap in their resume. Look at their work history prior to leaving the workforce and note the ways they worked on keeping their skills sharp while they were at home with their families.
- **Involuntary part-time workers:** There are millions of people in the workforce that the Bureau of Labor Statistics classifies as "involuntary part-time workers." These people work 34 hours a week or less due to seasonal shifts, the nature of their jobs (service work), employer downgrades (moving people to part time to save money), etc. Don't discount someone currently working part time – ask about their circumstances. These people often want to work full time but struggle because companies won't take a chance on a "part-timer."



# Failing to Plan Future Skill Needs? You're Planning to Fail

*It's hard enough to fill job openings today. You want me to think about five years from now?*

If you want to remain competitive, yes!

Plugging your skill gaps and talent shortages today is good. But preparing your organization for the future of work will ensure you stay at the top of your market.

**As part of annual strategic planning, company leaders should:**

1  
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Look ahead at future initiatives.

Determine the skills the workforce will need to support business growth.

Develop a plan that ensures internal training is aligned with those needs and goals.

Strategize ways to build a talent pipeline that will address future needs that might not be covered by the current workforce.



# Are You Ready to Close Gaps and Overcome Talent Shortages?

All the strategies we've covered can help you close gaps and overcome talent shortages in the market – but they take time. What if there was a way to access the skilled talent you need, right now?

**Fortunately, there is such a way.**

Partnering with a strategic staffing and recruiting firm can help you overcome both immediate and long-term hiring challenges, no matter the market conditions. **An effective partner will:**



- Provide swift access to skilled full-time, part-time and temporary workers.
- Offer customized training for new workers.
- Free up your core staff to take on their own training and development by providing temporary workers.
- Benchmark current talent needs.
- Forecast future skill and talent needs.
- Proactively recruit for those needs.
- Ensure your pay rates are in line with your local market.

If you are ready to overcome your immediate and long-term hiring challenges, partner with a staffing expert that can ensure access to the right talent today, tomorrow and into the future.