

The Rise of the New-Collar Worker:

Beating Talent Shortages in 2020 and Beyond

With a shortfall of two million workers predicted this year, smart executives are looking to alternative sources for talent. New-collar workers may hold the key to beating the talent drought and ensuring your company's long-term success.

In this eBook, we cover:

- The current state of labor shortages in the U.S.
- The definition of a new-collar worker
- Where to find them and how to hire them

Where Have All the Workers Gone?

Talent shortages are nothing new, but when it comes to highly technical roles, we are reaching critical mass. There are simply not enough trained, skilled people in the workforce to keep pace with technological change.

- There are currently over **one million more job openings than available workers** in the U.S.
- That number is **expected to double** by the end of 2020.
- Over the next 10 years, **2.4 million skilled manufacturing jobs** are expected to go unfilled.
- Over the next 10 years anywhere from **100 million to 300 million people globally** will need to switch jobs thanks to the impact of technological advancements.

To close these gaps, employers are going to have to change the way they recruit, hire and develop employees.
And that's where new-collar workers are coming into play.

What Is a “New-Collar” Anyway?

You’ve heard of blue-collar workers and white-collar workers. But what the heck is a new-collar worker?

A **new-collar worker** is someone who works in a highly technical job but has not completed a traditional, four-year degree. Instead, they may be self-taught or have attended two-year colleges, certificate programs, boot camps, vocational schools, apprenticeships, etc.

The term “new-collar worker” was coined by IBM CEO Ginni Rometty when she was looking for solutions to the shortage of skilled tech workers. By relaxing their restrictions on four-year degrees and focusing instead on skill sets, IBM found a trove of qualified and skilled workers.

Today, IBM has gone all-in on new-collar workers. They have partnerships with community colleges to help those schools create curriculum, they have their own internal skills development program, and they even have a training program that is accessible to people who are not yet employed by IBM.

This approach has been so successful that nearly one-third of all IBM employees currently hold less than a college degree.



White, Blue and New

White Collar

- Work in a corporate office setting
- Work autonomously
- Typically hold a four-year degree
- Deal with high-value issues
- Wages typically fall into middle-class range; often salaried



Blue Collar

- Work with their hands in labor jobs
- Perform manual tasks
- Do not work autonomously
- Do not always hold a four-year degree but may have vocational training
- Wages are typically low, often paid hourly



New Collar

- Technical, hands-on work in both corporate and labor settings
- Perform a mix of high-value and low-value tasks
- Work both autonomously and in controlled settings
- Don't hold a four-year degree in their field but have the skills to do the job
- Starting wages are typically higher than other jobs not requiring a degree



Who Are New-Collar Workers?

People who are actively pursuing new-collar work come from all backgrounds and industries. There is no singular profile for a new-collar candidate, but many of them are:

- Blue-collar workers looking to upskill to secure their futures
- Technical workers whose fields are moving towards obsolescence
- Manufacturing workers who want to move from the plant floor to robotics
- Young people who choose not to spend money on college
- White-collar workers looking to get into a more technical field
- People looking to change industries
- Parents returning to the workforce



Where New-Collar Workers Are Making an Impact

The industries leaning on new-collar workers are those that are most impacted by technological advancements, including:

- Information technology
- Manufacturing
- Supply chain
- Healthcare
- CNC machining
- CAD and design

However, nearly any organization in any industry can benefit from opening its talent pool to new-collar workers. These employees help close the technical skill gaps that have been plaguing U.S. companies for years.

By loosening your restrictions on education and focusing on skill development, an entire crop of talent will become available to your organization.

Hiring New-Collar Workers

Hiring new-collar employees will require a shift in strategy and mindset. Hiring managers and their teams will have to change their approach to look beyond just the information on a resume to assess the potential and the learning capacity of the candidate over college degrees and experience.

Hiring new-collar workers involves evaluating things like:

- Soft skills
- Ability to learn
- Adaptability and flexibility
- A growth mindset
- Technical aptitude
- Initiative
- Problem-solving skills
- Certificates, boot camps, two-year degrees, etc.

Branching out and broadening your talent pool requires you to consider candidates holistically.

Where ARE the New-Collar Candidates?

If you're looking to recruit new-collar workers for technical roles, you'll also have to adjust your candidate sourcing methods.

IBM works closely with community colleges, and this same approach can broaden your candidate pool. Also consider working with vocational schools, high schools, boot camps hosted in your city and community training programs.

By partnering with these organizations, you can also help shape their curriculum, so they are turning out graduates who have critical skills; a win-win for your organization and the community at large.



Train Your Own Pool of New-Collar Workers

Internal training and development are the most effective ways to create a workforce that has the skills you need while also providing you with a deep bench of talent (and boosting retention).

Develop training programs based on the skills you need not just today – but those you'll need in the near and not-so-near future. Lean on subject matter experts in your organization to develop programs that include:

- On-the-job training
- Mentoring
- Online training and webinars
- Classroom training
- Partnerships with local schools and boot camps



If you leverage outside training programs, incentivize employees to earn certifications or attend classes by offering tuition assistance or reimbursement.

Are You Prepared to Close Critical Gaps?

The talent shortage among skilled technical workers is only going to expand over the next decade. Now is the time to start thinking about ways you can leverage new-collar workers to close critical gaps, stay fully staffed, improve long-term retention and remain competitive in your market.

Partnering with a strategic staffing and recruiting firm can help you overcome both immediate and long-term hiring challenges.

An effective partner will:

- Provide swift access to skilled full-time, part-time and contract workers.
- Offer customized training for new workers.
- Benchmark current talent needs.
- Forecast future skill and talent needs.
- Proactively recruit for those needs.



If you are ready to prepare for the workforce of tomorrow, partner with a staffing expert that can ensure access to the right talent at just the right time.

Resources

<https://www.forbes.com/sites/scholleybubenik/2019/01/24/new-collar-workers-who-are-they-and-how-are-they-contributing-to-our-labor-shortage/#43ca80492c2f>

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