



“MANUFACTURING”
Talent for the
HUMAN AGE



ManpowerGroup™

The world stands on the brink of a global employability crisis—an over-supply of available workers and an under-supply of qualified talent. Faced with the most acute talent shortage since 2007—before the start of the world’s first global recession—one in three employers worldwide confirm that they cannot find the talent they need to fill key vacancies within their organization. This is a frustrating and complex conundrum for job seekers in the short-term as unemployment remains high, and employers in the long-term as forces, such as the demographic landscape, dictate the availability of talent. Therefore, the key question becomes: How can employers “manufacture” talent for the Human Age?

According to ManpowerGroup’s 2011 Annual Talent Shortage Survey of nearly 40,000 employers across 39 countries and territories, the overwhelming majority (89 percent) of companies cited a lack of experience, technical skills deficiencies or poor soft skills among available candidates as a bar to employability.¹ Workplace skills such as collaboration, critical thinking and agility are critical to generate productivity and innovation.

During the recession, companies were forced to preserve financial flexibility and do more with less. In doing so, employers drastically reduced their workforces, and discovered that they could generate more productivity and innovation from their people if they had the right person in the right job. With no intention of returning to pre-recession workforce levels, employers have gotten more specific about the combination of skill sets that they are looking for, not only seeking technical capabilities in a job match, but holding out for

the person that possesses the interpersonal and cultural fit that will drive their organization forward.

With no imminent pressure to hire, employers can be selective about the specific skills they are looking for; meanwhile, their current workforces are woefully overstretched. While the balloon of productivity and efficiency has yet to pop, companies will need to let some of the air out as demand for products and services begins to rise.

As the pressure to hire grows, and with the same jobs invariably appearing on ManpowerGroup’s list of the hardest jobs to fill year after year, the specificity of skills that employers desire is shifting from “need to have” to “nice to have.” Nine of this year’s Top 10 hard-to-fill jobs also appeared on the 2010 list, and nine of the same 10 positions were also proving problematic for employers to fill in 2006, the first year the survey was conducted (see Figure 1).²

Why have these jobs perennially been on the list? The answer is simple: the jobs have structurally changed and the skills needed have too. The table to the right (see Figure 2) shows how the skills required for two jobs that are among the hardest to fill—administrative assistants and salespeople—have evolved in an age where employers are increasingly doing more with less.

What can employers do to navigate this complex and challenging landscape?

As talent becomes increasingly difficult to find, we are heading toward a global employability crisis. Employers must reconsider their work models and people practices, and develop a robust workforce strategy that in a sense “manufactures” the talent they need to execute their long-term business strategy. Sticking to old assumptions on how to structure and organize work, how to develop and incent talent, and where to source it, will leave businesses in peril.

FIGURE 1. TOP 10 HARDEST TO FILL JOBS GLOBALLY – 2006, 2010–2011 COMPARISON

POSITION	2006	2010	2011
Technicians	3	3	1
Sales Representatives	1	2	2
Skilled Trades Workers	5	1	3
Engineers	2	4	4
Laborers	*	10	5
Management/Executives	10	8	6
Accounting & Finance Staff	9	5	7
IT Staff	6	*	8
Production Operators	4	6	9
Secretaries, Personal Assistants, Administrative Assistants & Office Support Staff	7	7	10

* DID NOT APPEAR IN TOP 10 JOBS CITED BY EMPLOYERS

FIGURE 2. SKILLS NEEDED THEN & NOW

JOB TITLE	SKILLS NEEDED THEN	SKILLS NEEDED NOW
Administrative Assistant	<ul style="list-style-type: none"> • Typing • Diary management • Meeting preparation • Basic computing skills 	<ul style="list-style-type: none"> • Extensive IT skills, including publishing platforms and power point • Coordinating senior leadership figures in multiple locations • Arranging online webinars and conference calls with multiple nationalities and regions • Problem-solving abilities • Critical thinking
Salesperson	<ul style="list-style-type: none"> • Assertiveness • Thorough knowledge of product or service • Competitive nature and determination to meet goals 	<ul style="list-style-type: none"> • Excellent oral presentation and communication skills • Consultative approach: ability to read people, diagnose problems • Critical thinking / problem-solving • First-rate organizational skills • Integrity • Perseverance in order to fuel revenue growth at a time when margins remain slim

The below table (Figure 3) shows how the required attributes for a job that is among the hardest to fill—salesperson—has evolved in recent years and whether or not the requisite skills are “teachable.”

FIGURE 3. SALESPERSON SKILLS NEEDED *THEN* VS *NOW* WITHIN “TEACHABLE FIT” FRAMEWORK

“TEACHABLE FIT” SALESPERSON	SKILLS NEEDED <i>THEN</i>	SKILLS NEEDED <i>NOW</i>	TEACHABLE? 1 (LOW)—5 (HIGH)
Knowledge: Business or Academic Disciplines	Thorough knowledge of industry and product or service	Intimate knowledge of industry and product or service	5
		Understanding client needs and challenges and how product or service resonates to help them overcome challenges	5
Skills: Demonstrated aptitudes and practices, both “hard” and “soft”	Ability to be a self-starter and work with minimum of direction Grasp of “tried and tested” sales techniques and legacy processes	First-rate written/oral communication skills	4
		Excellent presentation skills and knowledge of relevant software	3
		Contact management software	5
		Agility/adaptability	2
		Flexibility	2
		Ability to diagnose and solve problems	2
		Ability to be a listener, understanding clients’ needs and concerns	3
Values and Mindset: Attitudes that people bring to jobs and jobs need in people	Inside-out mindset Goal-oriented	Critical thinking/Problem-solving	3
		Consultative approach	4
		Ability to be an ambassador for the organization	3
		Integrity in a new world of transparency	1
		Knowledge of what differentiates your organization	5
		Outside-in mindset	4
Personality and Intelligence: Basic character and mental traits	Assertive Competitive Persuasive	Quick thinking	1
		Empathy	2
		Ability to read people	1
		Personable nature	1
		Intellectual curiosity	2

While not all employers worldwide are feeling the pain associated with the global talent shortage, it's likely that they will soon feel pressure. Business leaders worldwide are grappling with new demands for productivity and innovation, and in this challenging environment they are discovering that only talent can deliver it. Talent has become the key competitive differentiator, marking the dawn of a new world era—the Human Age—where it will be the power of human potential that drives companies and communities forward.

In the past, employers have adopted a “just in time” approach to hiring because the talent was always there when they needed it. Today, employers can no longer afford to do this because external forces such as the decline of the working-age population make it an unviable long-term solution. Companies who continue to take this short-sighted approach will jeopardize the vitality of their business, because in the short-term, employers are faced with only three choices:

- 1) Settle for available candidates.** They can continue with the “just in time” approach to hiring, recruiting from the pool of available workers who likely do not present a satisfactory skills match, but will allow them to quickly ramp up their workforces.
- 2) Find the Teachable Fit.** Hire (or promote from within) those who may not possess all the technical skills necessary to perform a business-critical role but have the right mindset and “soft” skills that they represent the aptitude and capability to develop into the position (see Figure 3).
- 3) Stretch existing workforce.** Drive the current workforce to take on more responsibility, improving productivity and efficiency.

Employers that choose to stretch their existing workforce would be wise to reconsider as a recent study from Right Management, ManpowerGroup's

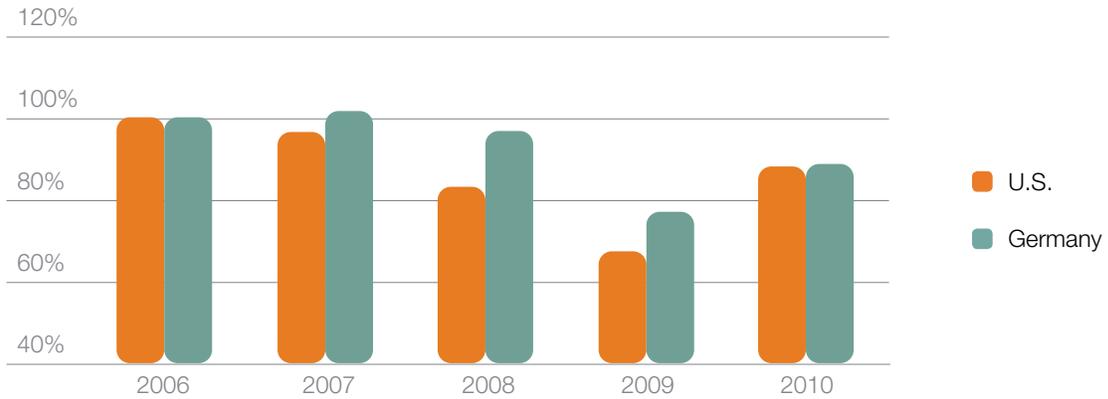
global leader in talent and career management, revealed that 84 percent of employees are actively seeking a new position.³ Increasing workloads have resulted in a discontented and disgruntled workforce. Currently, it is not unusual for one person to be doing three “jobs,” but this situation is not sustainable. ManpowerGroup's Second Quarter 2011 Employment Outlook Analysis shows that overtime has continued to rise, (see Figure 4) meaning employees and employers may be reaching their “tipping point,” forcing companies to hire more workers.

Develop a robust workforce strategy

Talent simply cannot be “manufactured” in the short-term; it can, however, be “manufactured” in the long term by developing a robust workforce strategy. Organizations need to recalibrate their mindsets to move away from only hiring just-in-time talent to predicting long-term talent needs. Their approach must go beyond an internally focused workforce plan to a holistic workforce strategy that balances external supply with internal demand (see Figure 5). According to ManpowerGroup research, only 13% of HR leaders say they have a documented workforce strategy beyond their business plan.⁴ A robust workforce strategy should be based on the company's business strategy, and identify the gaps between the talent that is available and the talent that will be needed. Further, it should consider important external factors that could affect future talent sources, such as demographic shifts, the rise in emerging markets, and rapidly evolving technology.

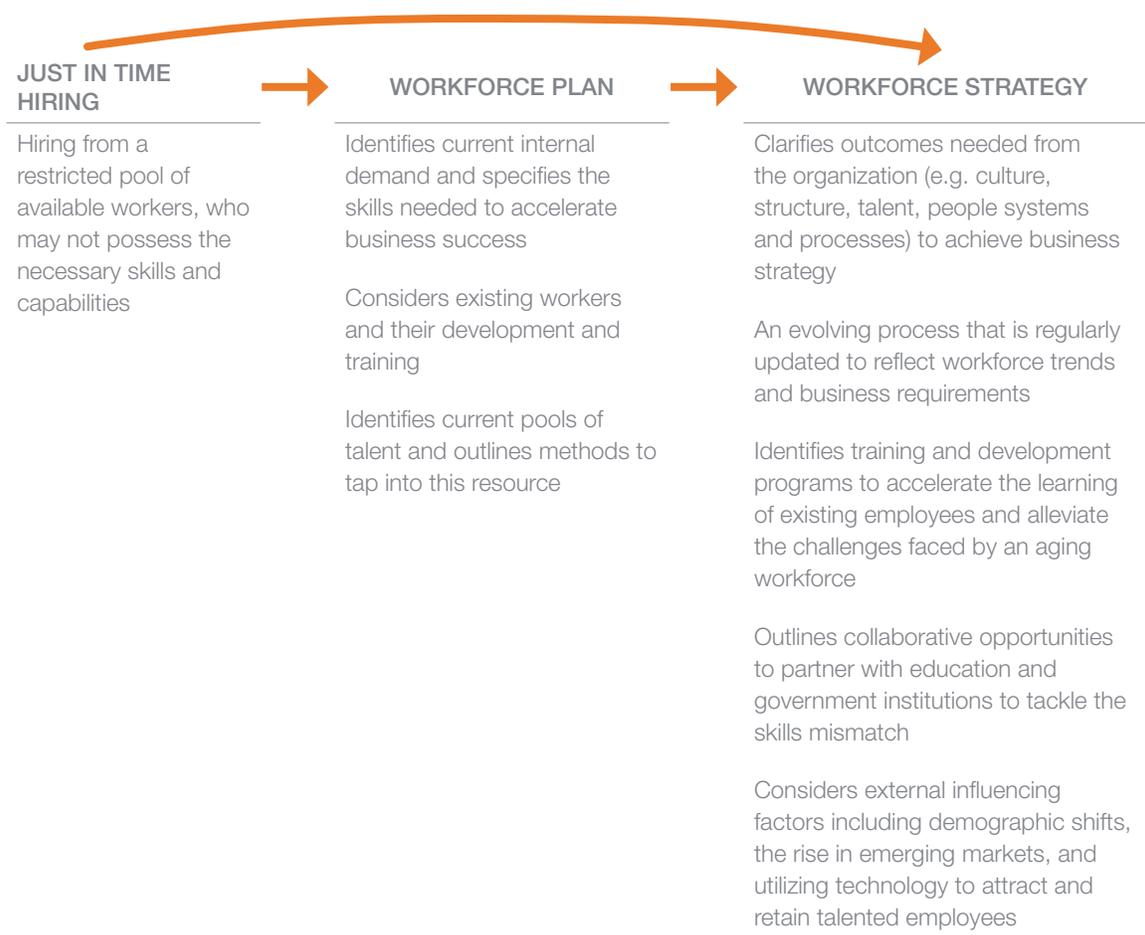
It would be unthinkable for a company not to consider the quality and availability of raw materials when developing a long-term business strategy. For example, a beverage manufacturer would not plot its future growth strategy without identifying a sustainable supply of aluminum to manufacture cans. Businesses must now look at their workforce through a similar lens. They

FIGURE 4. OVERTIME TRENDS (2006 = 100)



SOURCE: U.S. Bureau of Labor Statistics, Institut für Arbeitsmarkt- und Berufsforschung

FIGURE 5. MAKING THE JUMP TO WORKFORCE STRATEGY JUST IN TIME



can't assume that the right talent will be where and when they need it; yet, employers have always operated under this assumption. The "manufacturing" of talent is not an overnight process; it takes time to develop and companies must strategize accordingly.

With 28% of employers worldwide reporting a lack of experience among candidates as a key barrier to filling vacancies, organizations need to update their people practices and approach to training and development by focusing on experiential and iterative training. This is a decided shift from traditional programs, which are historically a one-size-fits-all approach, provide little practical application, can be costly and time-consuming and provide no direct benefit to the company. Lifelong learning is crucial to ensure that the skills and competencies of employees are aligned with the changing needs of business. As part of developing a robust workforce strategy, employers should adopt a one-size-fits-one approach that is tailored to the employee and helps build the skills that are most valuable to the company. Engaging employees on "stretch projects" not only achieves the business' desired outcomes, but also develops the individuals and helps them to achieve their full potential.

Conclusion

As the global economy continues to improve, the talent shortage will become more pronounced and businesses that dramatically reduced their workforce during the recession will be competing for talent in a complex environment. In order to avoid a global employability crisis, employers must adopt long-term workforce strategies aligned with their business strategy to replace "just in time" hiring as their main focus, as "on-demand" talent will simply no longer be available. The solution is to think more long term about talent and how to "manufacture" it by implementing a workforce strategy that effectively forecasts the needs of the business, the talent required to achieve their

"Manufacturing" Talent Long Term Oshkosh Corporation

A shortage of welders in the US posed a serious problem for Oshkosh Corporation and Marinette Marine Corporation after they saw an uptick in multi-year defense industry work. Knowing the challenges the company will face in the future to provide the talent it needs, Oshkosh is working with a local technical college to develop a proposal to carry out accelerated learning courses for those referred to them by the company for specific training. Another college, following conversations with companies about talent shortages in the industry, is offering short-term training using a "boot-camp" model for entry-level skills.⁵

National Institute of Information Technology (NIIT)

In India, NIIT, a talent development company is working closely with global business process management company Genpact to supply employees with industry-specific skills, particularly soft skills. If the pilot program is successful, it will be replicated in China and the Philippines.⁶ The company has recognized that skills are now coming obsolete more quickly, increasing the importance of qualities such as agility, adaptability, intellectual curiosity and lifelong learning, to ensure they maintain an adequate talent pipeline in key areas.

What can individuals do to navigate this worker supply and talent demand conundrum?

The responsibility for resolving the employability crisis lies with individuals as much as with businesses. However, as the needs of businesses evolve, skills are quickly antiquated so individuals must embrace lifelong learning. ManpowerGroup advises individuals to take the following steps to increase their skills set on an ongoing basis and enhance their own employability.

Develop an “Employability Profile”

With the velocity of change shortening individuals’ skills lifecycles, maintaining an updated CV is no longer sufficient. ManpowerGroup recommends creating and regularly updating an “Individual Employability Profile” that is aligned to the skills required by the labor market. In this way, individuals will be better prepared to identify where gaps exist in their skills or experience and look at ways to fill these gaps. Each year, candidates should aim to enhance their employability profile to reflect how they are learning, growing and developing and keep pace with the velocity of change that is impacting employers’ needs. Each year, individuals should ask themselves, “Am I growing my skills?” If the answer is no, they should consider training and development in their field, or work to develop their workplace skills. This kind of proactive approach will help individuals remain competitive and judge whether their spectrum of skills is still desirable at the wage rate they are seeking to ensure they remain an attractive prospect to potential employers.

goals, and where they can find it. They must also be more innovative and flexible in terms of developing the talent they need. In the Human Age, talent has become the key competitive differentiator for organizations, and successful businesses will be those that recognize the key to productivity and innovation is to harness the talent and raw potential of humans. These savvy employers understand that business strategy is immaterial without the people who must execute it, as the vitality of business depends on the talent of individuals.

¹2011 Talent Shortage Survey, ManpowerGroup

²2011 Talent Shortage Survey, ManpowerGroup, 2011, 2010 and 2006.

³2010 Right Management Survey

⁴Workforce Strategy Alignment Survey, Manpower, 2010

⁵<http://www.jsonline.com/business/115531474.html>

⁶<http://www.itbusinessedge.com/cm/blogs/all/india-thinking-big-to-tackle-talent-shortage/?cs=10402>