

LMS e-Learning Implementation Podcast Transcript #17 *Is There Really a Labor Shortage?*

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Mary Kay Lofurno: Welcome to the next episode of the [SyberWorks e-Learning podcast series](#). I am Mary Kay Lofurno Marketing, Director for [SyberWorks, Inc.](#) and your host today. SyberWorks specializes in [custom e-Learning solutions](#), [learning management systems](#), and custom [e-Learning development](#) for cooperation's, governments and non-profit organizations.

Today we are [talking, again, with Jim Kissane a noted Workforce Development Expert](#), author of the Workforce Development Blog, and a fellow at Redvector.com, an engineering and construction focused [e-Learning content](#) company.

In today's podcast we will be talking about whether there really is a workforce shortage. So stay tuned for some interesting discussion about this controversial topic.

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Mary Kay: Now we will begin our [interview with Jim Kissane](#), a noted Workforce Development Expert and author of the Workforce Development Blog, on the subject of whether there really is a labor shortage being felt in today's workplace.

Good Afternoon Jim. It is great to have you with us here today.

Jim Kissane: It is great to be here Mary Kay.

Mary Kay: Jim for folks who didn't listen to our [last interview](#) with you on Generational Workforce Trends please tell us a little bit about yourself before we get started.

Jim: Be glad to. I have been involved in the workforce development arena for about 35 years. I started working in workforce development in the U.S. Army in the late 1960's, and it has been about 30 years working in business turn around across multiple industries during which I experienced some very common issues and solutions relates to workforce development. Currently in my capacity as a research fellow with Red vector, I am able to apply yet another perspective and to help educate organizations about what some of the common issues and solutions are as it relates to workforce development.

Mary Kay: OK, well that sounds good. Today's topic is pretty controversial. I have read a lot about it online, I have commented myself about it several times on different blogs. So why don't we just get to it. Companies/people claim that there is a skilled worker shortage out there? We all know people that do not have jobs so sometimes it is kind of hard to believe that.

Jim: Well, it is sometimes confusing when you take a look at some of the apparent unemployment statistics and yet people are claiming that we have a workforce skills shortage. There is a relationship between those two. When we get down to the levels of unemployment that we currently have in this country you can pretty much say that you have full employment. With the unemployment statistics that have been for the past few years running, at that level, anybody who wants to work usually can find a job.

It is quite frankly, sort of difficult and time consuming and costly for organizations today to source the workers that possess a specific kind of skill sets that are needed for today's jobs. The lack of workers across all organizations tends to increase costs and reduces the production capacity, hammers your profits, and it imperils the very quality of the goods and the services we provide. It is not just a feeling people have but it has been surveyed numerous times by a variety of different government agencies. Think tanks and business groups worldwide that are all concerned about the implications of the shortages of skilled workers.

Mary Kay: So is there any data to support that claim?

Jim: Mountains of data, mountains. The growing shortage of workers in the United States that are projected, for example, by 2010 the phenomenon that we are going to be looking at is that we are going to have about a 10 million worker shortfall in terms of skilled workforce jobs. That comes from sources like the Employment Policy Foundation and projections of the census bureau and the bureau of Labor Statistics.

The other dimension that has been widely researched and published, both the domestic agency bureau and the international bureau of the census bureau, has found that there is a flat or shrinking native population in almost all of the industrialized countries. So you are seeing across the board a consistent trend.

If you look at the census international database there are projecting a much older workforce from now until 2010 where the percentage is almost 50% of our workforce is going to be 55-64 in age and it is going to just keep shifting to the right. So it suggests that for the rest of our working lives we are going to be seeing a much older workforce on one side of the equation. Unfortunately, we are going to see what I will call your middle aged workers that are in the 35-45-age range that percentage of people in the workforce is actually declining.

Mary Kay: Well if you are an HR department what are some of the factors you can control?

Jim: Well, yes, they are. There are many things that HR can administrate and control and management can control. For example, the relationship that exists between labor and management is certainly within their control. Unsafe working conditions, excessive workload, poor supervision or poor overall management, poor planning, excessive micro-management and providing people with the kind of tools, technology and equipment they need to do their jobs. These are things that are absolutely within the control of the company.

Mary Kay: Along the same lines, what about factors that they can't control?

Jim: Well there are a lot of factors over which you can't control some of them global. But getting down to the immediate things that companies typically think about but they are factors that influence recruitment and retention. Are things for example, travel distance.

Mary Kay: Yes.

Jim: From the worker's residence to the job. Yeah, when we're talking about three dollars a gallon for fuel...

Mary Kay: Sure. Yeah.

Jim: All of a sudden your weekly fuel cost becomes a big factor.

Mary Kay: Yes.

Jim: Sometimes people, especially as the costs of living increase, and remember we've had a period of the last five or six years where there's really been no net increase in terms of personal net income, so because people are still looking for things to buy and things to do it's not uncommon for them to be looking for second jobs and sometimes

the availability of a second job, or overtime on another job, may influence whether they're able to put in more than forty hours on your job. The other things of course that are historically true are things like personal issues, family illness are things that nobody can control. These things happen on an ad hoc basis.

Mary Kay: How does this impact today's manager seeking to maintain an adequate pool of talent?

Jim: In order to maintain an adequate pool of talent and this is really what the whole war for talent issue is really about.

Mary Kay: OK.

Jim: It has to be fought on basically three fronts: recruitment, retention and staff development and utilization. We have to be cognizant of and in the forefront of our minds all the time what the real reasons why people leave companies are. It's typically a poor supervisory relationship, lack of appreciation or feeling of value, a non-conducive corporate culture, workplace conflict that doesn't get resolved, a poor reputation of the company, a lack of clarity or a vision, burdensome rules, red-tape and the lack of opportunities for learning or broadening skills. If you have any of these foundational issues, it's going to be difficult to recruit people, to retain people, and you'll find people who have put in their twenty or thirty years who are now eligible for retirement are going to want to bolt for the door.

Mary Kay: Hmm.

Jim: So, these reasons that have influenced whether you can keep the people you have, are also major reasons why you may not be able to attract the people you want.

Mary Kay: It all sounds really good. What are some of the unknowns that we need to be aware of in this market place as we're out there battling for talent?

Jim: Boy, that's a great question. The jury is still out on some of the important factors that could drive this market one direction or another. For example, in terms of immigration.

Mary Kay: Yes.

Jim: Will our nation, or other nations, be willing to change their policies to encourage faster immigration? There are some countries, for example in Canada, that are very progressive in terms of coming up with a rational approach to immigration that balances, if you will, kind of a [balanced score card approach](#), to the attractiveness of an emigree that's looking at coming into their country to secure work. We're not doing quite so well as anybody who watches the evening news can attest. Outsourcing is another factor. How fast will it continue to develop? What countries will it pop up in? Which industries will be affected? And, where and when will that occur? Take case in point, the ship building industry. Over the last fifty years the ship building industry has found itself in four different parts of the world.

Mary Kay: Yes.

Jim: Based solely upon access to the kind of talent that they need. Retirement is another one of the jump balls. What's going to happen to the average retirement age? Studies now seem to indicate that people will be working longer and further into their retirement years. What will happen as the average retirement age changes? What are the influences there? Certainly if people continue to work in a traditional employment model, where you get to sixty-five and then you drop off the face of the earth that is going to end up bottle necking people that are in your mid-career tiers where they're going to feel they have access to fewer opportunities and you may end up losing them.

So the whole model having to do with whether companies will change their philosophy and the methodology for how they manage talent from the early stages of employment to post-retirement years is a big question. Many

organizations are talking about it. Not a lot has been done, unfortunately, about that issue. And of course the overriding factor tends to be economic. Will people work longer as their savings or assets erode in value? That's a big issue right now as everybody looks at the declining value of the US dollar. And then what about the increasing cost of healthcare? Will that be brought under control? Factors like this all work together to determine whether or not the workforce issue gets bigger or smaller over the course of time.

Mary Kay: Well that's true. Well this has been very informative Jim and I really appreciate it. I know you have to fly so thanks for joining us today. It's been great to have you and hopefully we'll be able to have you back sometime soon.

Jim: You're welcome. Talk with you soon Mary Kay.

Mary Kay: This is Mary Kay Lofurno, Marketing Director at [SyberWorks](#), thank you for joining us today with our [second interview with Workforce Development Expert Jim Kissane](#) who's also a fellow at Redvector. We've enjoyed talking with you today. Have a great week!

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