

1

Workforce Readiness:
Six Smart HR Strategies to Address Today's
Serious Skills Gap

2018 Wyoming SHRM State Conference -
Cowboy Up!
September 20, 2018

Jon Decoteau SHRM-SCP
Divisional Director
@SHRMJonD
jon.decoteau@shrm.org



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2

Today's Agenda

- 1) Skills Gap
- 2) Why does it matter?
- 3) What is the role of HR?
- 4) Strategies to address it
- 5) Resources



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Skills Gap



The skills gap is the difference between the skills available in the workforce and the skills needed by employers

Paradox: 8 million US workers are unemployed but 5.5 million jobs remain open because of the skills gap and other factors



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Unemployment Rates

4

State	July 2018(E) rate	Rank
Hawaii	2.1	1
Iowa	2.6	2
North Dakota	2.6	2
New Hampshire	2.7	4
Colorado	2.8	5
Vermont	2.8	5
Idaho	2.9	7
Nebraska	2.9	7
Wisconsin	2.9	7
Maine	3.0	10
Minnesota	3.0	10
Wyoming	3.8	24



Dec. 1986 9.4 May 1979 2.5

Source US Department of Labor/BLS

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Skills Gap

5

Some Hard-to-Find Skills



STEM: Science, Technology, Engineering, and Math

Medical Skills: Both physician and nursing

Mechanical Skills: People who can work well with their hands

Soft Skills: Effective Communication, creative thinking, problem solving, teamwork



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Skills Gap

6

Manpower Talent Shortage Survey



Survey of 42,300 employers across the globe found the most acute talent shortage since 2007-09 Great Recession

40% of employers cited hiring difficulties—the highest level since 2007

46% of US employers reported difficulties filling jobs due to lack of available skilled talent.



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SHRM New Talent Landscape Survey



68% of HR professionals reported challenging recruiting conditions in the current talent market

Half of organizations cited low number of applicants (51%), lack of work experience (50%), and competition from other employers (49%) as reasons for difficulty in finding candidates

84% of HR professionals reported seeing applied skills shortages in job applicants over the last 12 months

SHRM New Talent Landscape Survey



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Skills Gap 8

MORE HR PROFESSIONALS REPORT DIFFICULTY RECRUITING FOR FULL-TIME REGULAR POSITIONS IN THE LAST 12 MONTHS



Source: SHRM 2017 New Talent Landscape Survey. Data based on responses from 1,000 HR professionals. ©SHRM 2017.

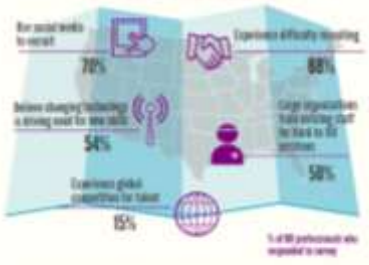


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Skills Gap 9

THE NEW TALENT LANDSCAPE BY THE NUMBERS



The New Talent Landscape: Recruiting, Difficulties and Skills Shortages Study for Human Resources Management



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10

Reasons Organizations Experienced Hiring Difficulty for FT Regular Positions

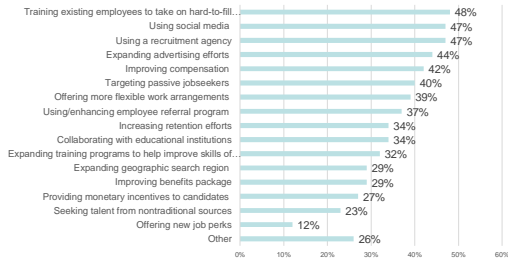


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11

Most Effective Recruiting Strategies

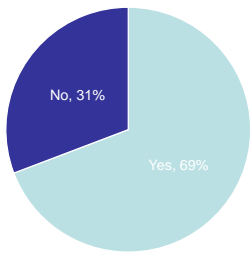


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12

Organizations with a Training Budget in the Last 12 Months



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Skills Gap

13

2015 Program for International Student Assessment Exam Results



500,000+ 15-year-old students from 60 countries took exam to test ability in science, math, and reading

The US fell below the OECD average in math, with a ranking of 35, and Singapore topped the list in all three subjects

The US rankings in reading (#15) and science (#18) were above average

These relatively low rankings are a cause for concern



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Why does it matter?

14

Business Roundtable STEM Survey



126 US CEOs participated in survey

97% said the Skills Gap is a problem

60% of their job openings require basic STEM literacy, 42% require advanced STEM skills

28% said at least half of their entry-level hires lack basic STEM literacy



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Why does it matter?

15

Georgetown Center on Education & Workforce



The number of US jobs requiring some postsecondary education is expected to reach a new high of 65% by 2020

That year, the US will face shortages of 3 million workers with associate's degrees or higher and 5 million workers with technical certificates and credentials



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Why does it matter? 16

Critical to US Global Competitiveness



The skills gap is real and is holding back our economy as we face global competition

Fast-growth developing countries, like China and India, have younger and increasingly well educated, skilled workforces

In spite of recent economic slowing, their economies are growing faster than the US rate



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The Leadership Role of HR 17



HR professionals must play a leadership role in helping to closing the skills gap

We stand squarely between the businesses that need skilled workers and the people looking for jobs

We must help bridge that gap by developing strategies and tools to help prepare workers for the jobs of today and tomorrow



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Six Smart Strategies 18

- 1) Partner with Workforce Development Boards
- 2) Partner with Educational Institutions
- 3) Conduct Professional Development Training
- 4) Establish Apprenticeships
- 5) Retain Older Workers
- 6) Hire Veterans and Disabled Workers
- 6a) Explore untapped markets in your backyard



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W ith 2.3 million people in state correctional facilities in the United States in 2015, 95 percent of them will re-enter their communities, according to a report from the American Civil Liberties Union (ACLU). A spokesperson for The Last Mile said that the 3 percent "won't necessarily return to the workforce, but workforce may end up being the first step of their lives." Data for federal prisons was unavailable. Nearly 75 percent of those who were incarcerated never found a job after their release, the ACLU reports, adding that more than 640,000 people are released from prison annually.

Seventy million Americans—10 percent of the adult population—have a criminal record.



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<https://www.shrm.org/resourcesandtools/hr-topics/technology/pages/meet-the-convicts-who-code.aspx>



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What are Workforce Development Boards?



WDBs are part of the US Public Workforce System, a network of federal, state, and local offices that support economic expansion and develop the US workforce

State and local WDBs serve as connectors between the US Labor Department and 2,500+ local Job Centers that deliver services to workers and employers

More than 50 percent of each WDB's members must come from the business community



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1) Partner with Workforce Development Boards 22

WDB Partnership Case Study



In 2012, the Sooner HRS partnered with the Central Oklahoma Workforce Investment Board to establish a "Smart Work Ethics" program with a "Work Ready Certificate"

The training program develops employee personal responsibility in the workplace

Chapter members serve as trainers, Smart Work Ethics agents for the community



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1) Partner with Workforce Development Boards 23

Best ways to approach a WDB



- 1) Tap WIO Act funding sources
- 2) Enlist peer companies to join in
- 3) Know your needs
- 4) Publicize benefits to be gained



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2) Partner with Educational Institutions 24

HR should promote various types of educational partnerships:



- Training programs
- Apprenticeships
- Internships
- Curriculum collaboration
- Joint seminars
- Tuition discounts



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2) Partner with Educational Institutions

25

AZ SHRM-Junior Achievement-University of Phoenix



In 2009, the three partners began developing a workforce readiness curriculum for a select group of 100 high school students

Currently, 1,100 students annually are completing this unique workforce readiness program in various Arizona high schools

They are gaining the knowledge and skills to make them attractive future job candidates



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SHRM-Junior Achievement Partnership

26



SHRM announced a partnership with Junior Achievement USA in Oct, 2016

JA promotes workforce readiness in schools across America

Now that we have partnered at the national level, we can better coordinate our efforts and offer support resources

<https://community.shrm.org/vtrc/administration/core-leadership-areas/workforce-readiness>

Contact SHRM Field Services Director Nancy Conway at nancy.conway@shrm.org for further details



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3) Professional Development Training

Training vs. external recruitment



Developing current employee skills is more cost-effective than recruiting new employees externally

Average cost to replace an employee is at least 150% of the employee's base salary, according to the Bliss-Gately "Cost-to-Replace Tool"



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27

3) Professional Development Training

28

Provide lifelong learning opportunities



A company can build a competitive edge by hiring and retaining those employees most willing and able to learn new skills

Providing and encouraging lifelong learning opportunities is a key benefit to help retain such motivated employees

The goal is to encourage these "great employees" to stay valuable contributors over the course of their careers



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3) Professional Development Training

29

Non-traditional programs are necessary



Content delivery via on-demand interactive video that is accessible across devices

Real-life learning, including "trial-by-fire" experiences that stretch employee capabilities

Mentoring and coaching, which expose people to the knowledge and experience they need



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3) Professional Development Training

30

Lyft University Employee Training



"Lyft University" facilitates its onboarding process by helping new employees acquire the skill sets they need to be successful

It differentiates itself by providing cross-functional paths for long-term professional growth

It encourages its marketers to learn how to code and its engineers are encouraged to brush up their project management skills



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3) Professional Development Training 31

Retrain Manufacturing Workers

The US manufacturing sector has lost 5 million workers since 2000



Retraining courses have allowed some fired factory workers to move into fast-growing sectors, like retail services

However, federal, state, and local government funding and corporate programs have been insufficient to meet the need for retraining



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4) Develop Apprenticeships 32

Traditionally used in manufacturing

An important tool to train a new generation of employees on-the-job, often with some accompanying classroom work



Apprenticeships typically last 3-6 years in order to reach a certified level of competence

Apprenticeships are a staple of educational systems across Europe, but, unfortunately, they lagging in the U.S.



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4) Develop Apprenticeships 33

Apprenticeship is good for business

- Helps recruit and develop a highly skilled workforce
- Improves productivity and the bottom line
- Provides opportunities for tax credits and employee tuition benefits in some states
- Reduces turnover costs & increases employee retention
- Creates industry-driven and flexible training solutions to meet national and local needs



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2) Partner with Educational Institutions 34

Siemens-Piedmont Community College



In 2011, Siemens greatly enlarged its Charlotte, NC manufacturing hub and hired 750 workers

It found that STEM skills were lacking among the job candidates and decided to partner with Piedmont Community College

They developed a 3.5-year mechatronics apprenticeship program

So far, 11 Piedmont student apprentices have graduated, and all have been hired by Siemens



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4) Develop Apprenticeships 35

Support for Apprenticeships



US DOL Registered Apprenticeship program offers access to 1,000 career areas for jobs such as a pipefitter, carpenter and electrician

In 2015, it granted \$175 million to US organizations to train and hire 34,000 new apprentices in high-growth, high-tech industries

The Global Apprenticeship Network is coalition of companies, employer federations, associations and international organizations promoting apprenticeships worldwide

Registered Apprenticeship the Global Apprenticeships Network (GAN)



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4) Develop Apprenticeships 36

Non-manufacturing Apprenticeships



Hilton Worldwide: Pledged to set up first US apprenticeship system in tourism with 370 positions over 5 years

IBM: Created 3-three-year training program for business/technical specialists in which apprentices are considered for permanent employment

Nestle: Offers apprenticeships and traineeships in Europe, the Americas and elsewhere

MasterCard Foundation: Prepares young people for entry-level employment or entrepreneurship in agribusiness, health, hospitality and construction



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5) Retain Your Baby Boomers

The Problem:

10,000 Baby Boomers are turning 65 every day



5) Retain Your Baby Boomers

38

Boomers are critical to the skilled trades



Source: 2016 Adecco Staffing Agency



5) Retain Your Baby Boomers

39

Top 5 advantages of older workers vs. other workers:

- 77% -- More work experience/knowledge
- 71% -- More maturity/professionalism
- 70% -- Stronger work ethic
- 63% -- Ability to serve as mentors to younger workers
- 59% -- More reliability

Source: SHRM Aging Workforce Survey



5) Retain Your Baby Boomers

Key Strategies to Retain Boomers



- 1) Strategic Workforce Planning
- 2) Workplace Flexibility
- 3) Wellness Programs
- 4) Targeted Training
- 5) Knowledge Transfer/Mentoring

6) Hire Vets, Ex-Offenders and the Disabled 41



Why hire military veterans?

360,000 men and women leave the US military every year and most look for jobs

Military veterans have positive attributes:

- ✓ Mission-driven
- ✓ Adaptability/flexibility
- ✓ Strong work ethic
- ✓ Tend to react quickly, coolly, rationally
- ✓ Team players
- ✓ Good problem solvers



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6) Hire Vets, Ex-offenders, and the Disabled 42

Why hire ex-offenders?

70 million Americans are ex-offenders with a criminal record, making employment difficult

Reasons to employ them:

- ✓ Hiring incentives
- ✓ Employee reliability
- ✓ Hiring opportunities
- ✓ Economic impact
- ✓ Crime market disruption



Source: Huffington Post blog by Mike Green, Aug. 21, 2016



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6) Hire Vets, Ex-Offenders and the Disabled 43

Why hire disabled workers?

"Employees with disabilities have higher retention rates, so for many businesses, there can be a real cost savings through reduced turnover. Studies show that consumers prefer doing business with companies that employ people with disabilities, so there's brand value. Research has also found organizations employing people with disabilities have higher morale and employee engagement, which we know drives profitability."

--Lori B. Golden, Abilities Strategy Leader Ernst & Young, LLP



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Make Sure You Have An Effective Onboarding Program 44

Onboarding is a key to retention



Onboarding is a systematic and comprehensive program to integrate a new employee within a company and its culture

It gives the new employee the tools and information to become a productive member of the team

Onboarding should be a strategic process that lasts at least one year to ensure high retention



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SHRM Support Resources 45



SHRM WR Resources

- News items
Articles: HR Magazine/others
Research Surveys
SHRM LINE monthly report
Webinars
Useful links

www.shrm.org/ResourcesAndTools/hr_topics/talent-acquisition/Pages/Workforce-Readiness-Resource-Page.aspx



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www.shrm.org/foundation



[SHRM Foundation Aging Workforce Resources Site](#)

[Foundation-EIU Report on the Changing Workforce](#)

[Foundation-EIU article: Strategies to Combat Skills Shortages](#)

[Foundation-Randstad Report on the Future of Work](#)

Foundation Talent Acquisition EPG



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Jon Decoteau,
SHRM-SCP
Divisional Director
Jon.Decoteau@shrm.org
916.990.7483 (M)
@SHRMJon



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