

## Members Quarterly

Summer 2014 Edition

## Ask the Expert

## The Global Talent Crisis: Are You Prepared?

*Survival tips for the perfect storm*

Chris Jones

**Q.** We've been hearing a lot about the global talent crisis. We're already having problems finding the right people for several positions. Can you give us your thoughts on this and how to prepare for it?

**A.** Did you know Canadian businesses are facing the largest talent shortage in history and many of them are unaware of it, ill prepared for it, or are ignoring it all together? So what *is* the "Talent Crisis" and *why should you care*? Well, it's the growing gap between the supply of available, qualified people and the increasing demand of employers trying to grow their businesses. This talent crisis has been created by the perfect storm of retiring baby boomers, global demand for skilled labour, increasing competition and turnover and generational differences in the workplace. Studies show that about 66% of Canadian employers are already reporting difficulty finding the right people for specific jobs. And the Canadian workforce is set to decline by 1 million people between now and 2020! In other words, you *will* lose executives and key people and you *will not* be able to replace them as easily as before.



Lisa Scott

Economists and business advisors alike have been sounding early warning alarms for years but it has been easy to ignore them. The recent recession temporarily lowered demand for people but it masked the enormity of this impending shortage of talent. So, if you are guilty of putting off planning for this crisis that is about to hit like a tidal wave, keep reading. Here are six survival tips for successfully preparing your business.

### Tip #1: Get Real About Your Risk

Take a good, hard, honest look at your current talent at all levels and ask yourself how the talent shortage could impact your business over the next 5 to 10 years. Who will be retiring? Who are their replacements? Who are the key employees you don't want to lose? What will your people requirements be to sustain and grow your business? Identify your key risks and start planning!

### Tip #2: Challenge your Assumptions and Make Changes to Existing Practices

Based on your risk, check your assumptions and challenge your logic. Your old practices may not get you the results you need. First of all, assume the talent crisis is real! If you have successfully poached skilled employees from your competitors in the past by paying more, this will soon become too expensive because your competitors will be doing the same. If you've

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successfully recruited internationally, this may no longer work as there are talent shortages in Brazil, China and India too.

#### Tip #3:

#### Develop Your Talent and Retain Your Best

Successful companies understand the importance of investing in high potentials and developing existing talent. Make learning and people development a cultural norm. Encourage lateral moves, set up formal mentoring relationships, reward collaboration and cross functional projects and promote talent development at all levels. Teach managers coaching skills to enhance communication, improve the quality of performance feedback, develop and engage employees to -increase retention.

#### Tip #4:

#### Accept and Optimize Generational Differences

Prepare for any and all -combinations of Boomers (born 1946-64), Generation X (born 1965-1980) and Millennials (born 1981-1999) working together. There are a growing number of Millennial managers in the workforce as there aren't enough Gen X managers to replace the retiring Boomers. The friction between generations in the workplace is no secret in areas such as conflicting values, work ethic, communicating styles, need for feedback, use of technology, change agility and loyalty. But get used to Millennials, we need them! Focus on what *all* generations want, such as -respect, interesting and challenging work, consultation on issues that affect them, opportunities for development and work flexibility.

Provide guidance that promotes deeper understanding and openness to diversity in order to ease the generation gap. Create mentorship opportunities and cross-pollinate project teams. Train Boomer managers in coaching and feedback to meet the needs of the Millennials who need lots of it.

#### Tip #5:

#### Develop a Succession Planning and Knowledge Transfer Process

If you don't have these, it is time to put them in place. Leaving Succession Planning to HR alone is a big mistake. Senior leaders need to be actively involved in assessing the current bench strength deep into the company. They should be identifying high potentials and clarifying the required competencies, skills, knowledge, behaviour and leadership potential needed for the future. While you're at it, include a process for capturing the knowledge that will be leaving the organization with those retiring employees.

#### Tip #6:

#### Be a Flexible, Agile Employer

Recognize your past people practices may no longer work in the new normal of the talent shortage. Be nimble and flexible as an employer customizing workforce solutions to fit with the changing times. Engage and listen to your employees more and implement their suggestions to increase retention. Initiatives such as flexible work hours, virtual work opportunities, part time and contracted work are all ways to flex and meet different needs. Partner with schools for internship and work experience opportunities and engage in social responsibility initiatives to attract younger employees. Look at underutilized markets to expand your workforce.

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*Chris Jones and Lisa Scott  
are Executive Coaches and Management Consultants and Senior Partners in  
LeaderSharp Group which specializes in solutions for the Talent Crisis*

*chris@leadersharp.com  
lisa@leadersharp.com*