

# Labor Storm **ALERT**

Workforce Trends, Forecasts and Solutions from Success Performance Solutions

Aug-Sept 2001 ▶ Volume 3 Issue 6 ▶ Success Performance Solutions ▶ [www.super-solutions.com](http://www.super-solutions.com)

## It's a New NFL Season: *Not For Long* employees

It looks like it's 4th down and at least 30 more years to go for the depleted state of our workforce. In a study released the last week of August, it was projected that the US workforce will be short almost 5 million workers by 2011 and almost 36 million workers by 2031. In addition, the workforce could be short as many as 20 million college-educated workers by 2031.

In the study, called *Building America's Workforce for the 21<sup>st</sup> Century*, the Employment Policy Foundation confirmed that 9.1 million jobs were created in the past five years. By 2002 the paths between available job and available workers will begin to cross (see page 2) and all this is still several years before our baby boomers begin to retire leaving over 61 million vacancies in our workforce (see page 2). Based on current demographic trends and labor force participation rates (see insert lower right), demand for labor will begin exceeding supply within just five years.

The balance of power is shifting. Under the old employment paradigm, jobs were scarce and workers were plentiful. Womb-to-tomb employ-

ment was the norm and collecting a watch at the end of 40 years of service was reward enough for a lifetime of paychecks. In today's world, jobs are plentiful and employees are scarce. Knowledge is king from warehouse workers to brain surgeons. Workers with relevant skills hold the power.

### ***We Changed Our Title.....***

....to reflect what we do best—identify trends, report forecasts and provide solutions to effectively match, manage, motivate and retain employees.

The Perfect Labor Storm is fast approaching. Now is the time to prepare because after this Perfect Storm lands, many companies and organizations will not be prepared to retain or able to re-attract employees when the economy warms up again.

The Perfect Storm is gaining momentum and approaching fast. Stay tuned for each issue. The Labor Storm Alert will be your eyes to help you navigate your business to a safe and profitable future.

### **More Workforce Trends**

(as reported in Building America's Workforce for the 21<sup>st</sup> Century, Source: Employment Policy Foundation)

- Total employment for July 2001 exceeded 135 million, more than 400,000 more than in July 2000 and nearly 22 million more than just 11 years ago. (In other words, the recent layoffs have shrunk the number of employed people by less than 2% of all the new jobs created during the past decade and less than .3 percent of the total workforce.)
- 1.1 million new jobs for skilled professionals, managers and specialists in management related occupations were created in the 12 months ending April 2001. *Continued on page 3*

"As baby boomers retire and an older, more experienced workforce is replaced by a younger, less experienced one, CEOs must preserve corporate knowledge and provide an atmosphere that fosters sharing."  
Joseph Muzikowski,  
Chairperson, Baldrige National Quality Program



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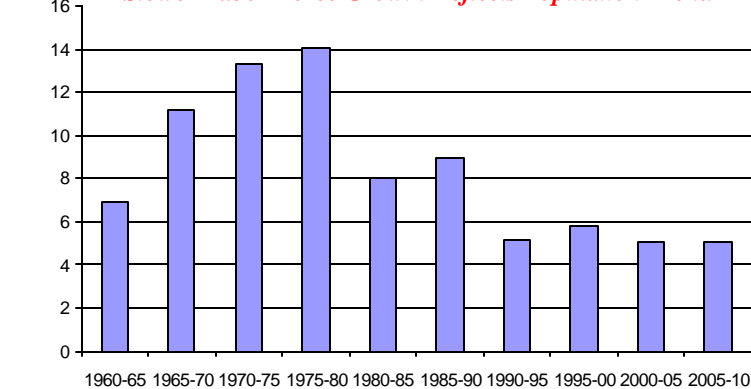
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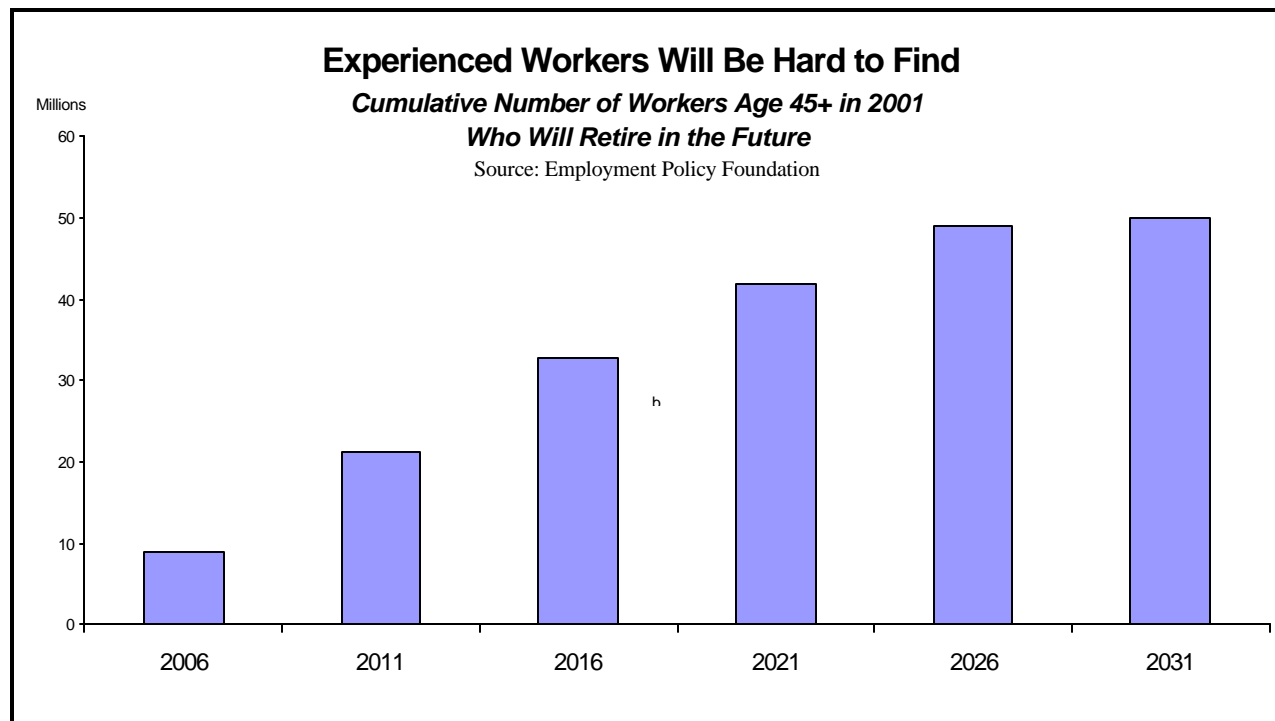
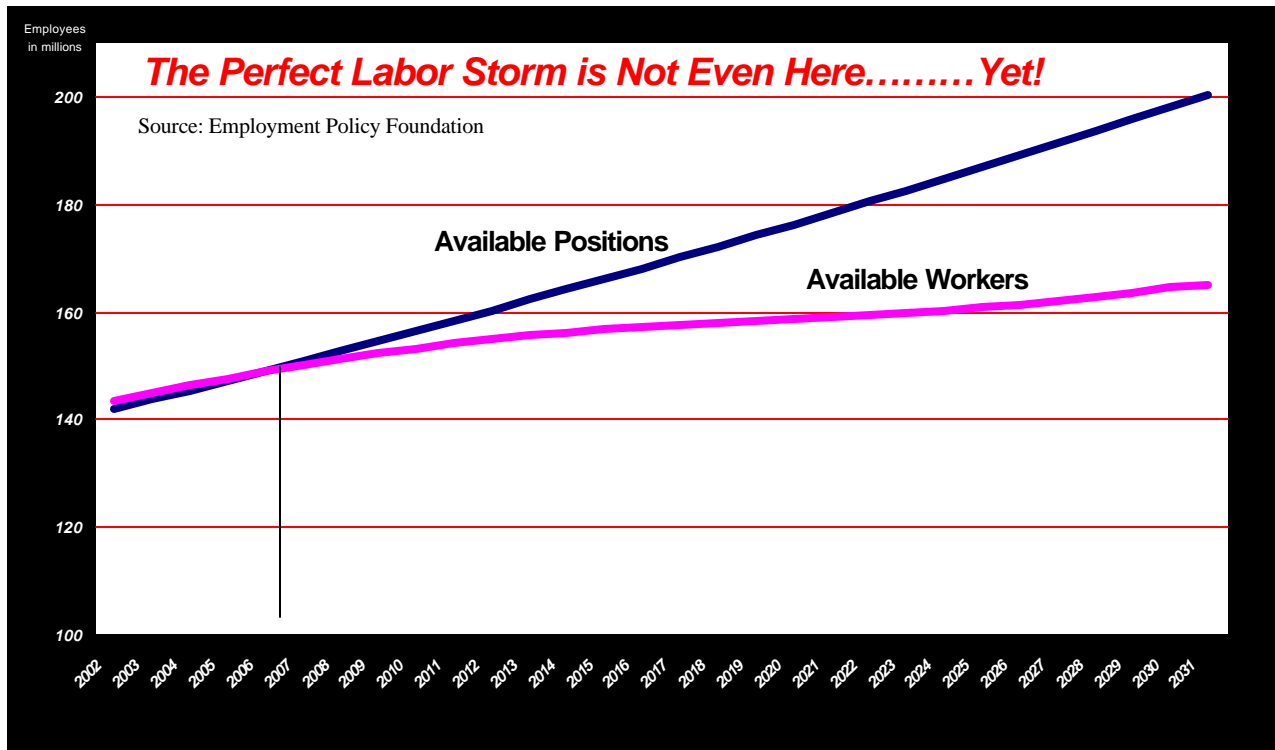
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Percent ***Slower Labor Force Growth Reflects Population Trend***



Our economy is still growing, although at an anemic 0.2% pace. But in a survey released the third week of August, 33 forecasters surveyed by the Federal Reserve Bank still expect the economy to expand at the rate of 1.7 percent and during 2002 to rebound to 2.6 percent, including growth in the third quarter of 2002 rising to 3.9 percent.

When growth is combined with a shrinking entry pool of workers, increasing life expectancy, changes in household work patterns, diversification of our population, and new opportunities for flexible work arrangements, the result will be ***The Perfect Labor Storm***. How well are your managers and supervisors prepared to attract and retain the workforce you need to grow the business and profits?



### Availability is not a competency

Never hire someone just because they are available. Hiring people because they are available might seem like a good move at the time but when you become less selective in your hiring process, you increase turnover and decrease retention rates in the long run.

Never hire someone in your own image. Hiring managers frequently identify characteristics they can relate to tend to ignore fatal flaws. Although well-intentioned, managers who hire on the interview alone often screen out good candidates. Matching a candidate to a laundry list of required technical skills is only part of the big picture. Just because an individual can do the job doesn't mean he will do it.

Never hire someone simply because they have experience. When assumptions are made based on where an employee has worked, you ignore that business cultures, values and personalities are distinct. Who worked well at company XYZ will not necessarily work out at your company.

Hiring people who can and will do the job requires a structured interview, verification of past experiences and training, and a process called job matching – an objective assessment of the individual and matching their personality, interests, values and abilities to the requirements of the job.

Whether you have one employee or thousands, it's easy to job match using TotalView Assessments. For a complimentary assessment, call us at 717.656.4632.

### More Trends

Continued from front page

- Labor participation rates are as high as they have ever been and most pools of labor have been exhausted.
- 80 percent of all college graduates of all ages are already working.
- The current unemployment level is lower than any period since 1950.
- Half the people who have lost jobs are employed again within seven weeks.

Maybe these trends indicate why the headlines in the August 29, 2001 USA Today read:

*Sorry we cut your job –  
want it back?*

### Labor Shortage of the Month

#### Elementary School Principals

- National figures indicate that between 1988 and 1998, 42 percent of the nation's elementary school principals left their jobs
- Over 2 million teaching vacancies are expected in the next 10 years.

Source: Knight Ridder News Service

Corporate Spending on employee training exceeds \$318 billion per year, more than the combined budgets of all higher education institutions in the United States.

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### What's Worse than a No-Show?

The ineffective performance of employees and supervisors who are showing up for work is costing employers nationwide over 2.5 billion lost workdays each year. This ineffective work performance is being called *pre-senteeism*, which is just like absenteeism but worse, because these employees show up for work, pick up a paycheck, but individually do less than what is expected of them.

New Articles authored by Ira S. Wolfe are available on our website at [www.super-solutions.com/articles.html](http://www.super-solutions.com/articles.html) or by calling 717-656-4632 to request a copy.

**Business2Business:** (August 2001 and September 2001)

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### **August 3**

Using MAP to Build Managerial Excellence  
Guest: Dr. Micheal Koch, (VP of Special Programs, HRD Press/Training House)

### **August 10**

Using TotalView to Select, Coach and Career Path Your Workforce

Guests: Dr. Michael Koch, Dr. Patricia Lindley (Newland Park Associates) and Ken Muir (CEO of ICES Assessments)

### **August 17**

Attack the Attitude Virus in Your Workplace

Guest: Judy Suiter, (CEO of Competitive Edge)

### **August 24**

Becoming An Employer of Choice

Guest: Roger and Joyce Gioia Herman (The Herman Group)

### **August 31**

Recruiting and Selecting Top Talent

Guest: Bernadette Hill (Weaver Search Assoc.)

**Hiring good employees should have better odds than rolling dice.**



Put the odds in your favor

Interview - 10:1

Job matching - 1.2:1

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