

Planning for the Next Decade

What To Expect in Managing Your Work Force

Margaret Morford
The HR Edge, Inc.
theHRedge

Trends to Consider

- Change in family structures
- Shift in workforce composition
- Skill set shortages
- Need for work / life balance
- Increase in benefits costs
- Need for new management styles
- Focus on spirituality / emotionality / social responsibility

Work Force Composition

Single heads of households will continue to increase as predominate family unit.

20% all workers in the US have eldercare responsibilities, 75% of which have children under the age of 18.

40% of all workers who have eldercare responsibilities are men who work full-time.

Legal Issues

FMLA leave policies

Care-Giver discrimination

-

Action Items

- Contract with outside vendors to provide concierge services for employees
- Build an in-house temporary labor pool
- Recruit retired employees to create a temporary workforce that is used to cover vacations and leaves of absences

Work Force Composition

The labor force participation rate for women is expected to grow by 7.4% while the male rate of employment is expected to be 6.4% in the next ten years.

Immigration accounts for 40% of the US population growth since 2000.

Non-Hispanic Caucasians will become a minority in the next generation.

Legal Issues

Pregnancy discrimination & paternity leave

Increase in successful gender discrimination lawsuits by men –

Increased enforcement of immigration policies and increased fines

Action Items

- Implement parenting hours as a part-time employment opportunity
- Increase investment in diversity education programs, with a concentration on the ethnicities represented in your organization's geographic areas
- Consider reverse diversity training

Work Force Composition

By 2018, there will be 15M more jobs than in 2008.

Baby Boomers, who continue to work, will job shift dramatically.

47% of employer-identified top performers are actively looking for a new job.

Work Force Composition

74% of employees currently working would consider a new job if approached.

49% to 60% of workers expect to leave their current employers once the economy improves.

Increased employee cynicism has led to a 20% increase in fraud and misconduct.

Legal Issues

FMLA & ADA

Benefits Eligibility Thresholds

Action Items

- Determine what percentage of your workforce could retire within the next 10 years. Look particularly at the job categories that could be unduly impacted first
- Assess the incumbents in their roles today to determine potential turnover and employee engagement levels as well as the ability to transition into organization's workforce of the future

Action Items

- Sponsor benefit and retirement planning workshops that focus on the economic consequences of leaving the workforce in order to encourage some employees to remain in the workforce past age 65
- Treat phased retirement and flexible work options as a managed program (not a vaguely defined policy) that gives each employee a menu of choices to tailor the work situation that best suits their needs and the needs of the organization

Action Items

- Offer employees the opportunity to transfer to jobs with reduced pay and/or responsibilities
- Offer second career internships for Baby Boomers
- Advertise for Baby Boomers in newspapers, AARP publications and flyers at retirement communities

Action Items

- Revise pension plan documents to permit limited temporary work by retirees
- Team with a temporary agency to rehire retirees indirectly on a project basis when pension restrictions prohibit re-employment

Legal Issues

Temporary employee status for retired employees

Joint employer status with temporary agencies

Benefits accrual while in temporary status

Work Force Composition

Generation Y will make up:

24% of the work force in 2012

36% of the work force in 2014

46% of the work force in 2020

75% of the work force in 2025

Legal Issues

National Labor Relations Act

Action Items

- Use your organization's website to recruit/appeal to Baby Boomers and Gen X (very informational). Start a Facebook page to recruit/appeal to Gen Y (very visual and interactive). Each should be significantly different to be effective.
- Use more entertaining recruitment methods such as sporting events, cocktail parties, etc. to attract Gen X and Gen Y.

Action Items

- When recruiting Gen X and Y, include younger members of the department in the interview process. Gen X tends to be skeptical about opportunities and Gen Y wants everything to be a shared experience with peers.
- Create reverse mentoring programs in technology as Gen Yers tend to understand technology better than the current group of employees and allow them to teach the other generations.

Action Items

- Provide e-training in gaming formats to hold short attention spans and increase retention of knowledge by younger generational employees.
- Teach Gen Y workplace etiquette and work ethic through numerous role-plays changing the fact situations each time. Only do a few at a time and keep the sessions short.
- Train managers to give constant feedback to Gen Yers who require significantly more approval "face time" than other groups.

Action Items

- Develop a culture that produces a community mindset among employees. Examples include, but are not limited to, gym clubs, intramural activities, personal development courses and charitable activities.
- Review policies to encourage younger employees to return if they leave your organization. Consider service credit for previous work at your organization.

Action Items

- Review marketing materials for benefits (especially pension and/or 401k plans) because of lack of appeal to Gen Xers and Gen Yers.
- Consider shortening vesting schedules for all benefits (especially 401k) to make them more meaningful to the Gen Y workforce.
- Consider automatic enrollment in retirement savings plan to encourage employees to save for retirement.

Action Items

- Target jobs that could be performed on a virtual basis and expand recruiting far beyond the current geographic areas.

Skills Shortages & Gaps

US ranks 48th in the quality of its mathematics and science education.

27% of college graduates were rated as deficient in written communications, 26% in writing and English and 23% in leadership.

Skills Shortages & Gaps

As of September 2011, there were 3.4M open jobs.

Since 2006, Manpower's Annual Talent Survey has found 30% to 40% of employers having problems filling open positions.

Legal Issues

Educational requirements for jobs

Action Items

- Offer classes on site for critical skills you will need for future.
- Develop apprenticeship programs.
- Partner with local colleges and technical school for “feeder” programs.

Work/Life Balance

Flexible work hours are critical to accepting a job:

Males	31%
Females	42%
Gen X	38%
Gen Y	50%
Boomers	27%

Legal Issues

Options offered equally to all similarly situated employees

Affinity groups

Action Items

Consider more work options:

- Flexible work schedules
- Virtual work environments
- Telecommuting
- Compressed work-week
- Parenting hours
- Job sharing
- Sabbaticals

Benefits Costs

In 2010, healthcare costs rose three times faster than the CPI.

A 2% increase in cost will be attributed solely to new healthcare plan.

In 2011, the average cost per employee for healthcare passed the \$10K mark for the first time.

Sedentary life styles of Gen Y leads to increased obesity rates.

Benefits Costs

87.6% of claims costs are attributable to an individual's lifestyle.

Largest healthcare cost for employers is obesity.

Legal Issues

ADA

Action Items

- Stock and promote healthy foods in the cafeteria, vending machines and at company meetings.
- Offer Weight Watchers or other similar programs on-site.
- Weigh the merits of charging higher healthcare premiums to employees and their dependents for unhealthy life styles.

New Management Styles

Average tenure of a CEO today is 6.3 years.

Average tenure of a senior executive is 3.3 years.

Outside job changes outnumber internal 2 to 1.

One in four workers have less than a year tenure with their current employers and one out of two has less than five years tenure.

New Management Styles

72% of all employees leave their job because they are not recognized for their contributions or sufficiently respected and/or coached by their managers.

53% of employees say overall performance of management in their organizations is “so-so” or worse. 15% say their managers are hopeless.

New Management Styles

Employee engagement has dropped 9% since 2009.

55% of Americans are unhappy with their jobs!

65% of employees at large companies are testing the job market.

One-third of those looking believe that there is significant opportunity in the current job market.

Legal Issues

Anti Bullying Legislation

Action Items

- Get serious about succession planning. Identify well-performing managers and intentionally develop them for other roles across the organization.
- Create a system that identifies potential leadership talent in the line-level ranks as these individuals are the next wave of leaders. Develop a fast track for the high potentials.

Action Items

- Consider designating management pairs and have them change positions on an annual basis (job swap).
- Offer a series of classes for employees that wish to be promoted into management that includes hands-on practice in being a manager.

Spirituality/Emotionality/ Social Responsibility

48% say they talked about their religious faith at work.

72% of Gen Y's call themselves spiritual, but not religious.

One study found employees who work for organizations they consider to be spiritual are less fearful, less likely to compromise their values and more able to engage in their jobs.

Spirituality/Emotionality/ Social Responsibility

Decision-making is 70% emotional, 30% rational.

87% of Gen Y's would switch brands because of social or green issues.

Increased attention by consumers, customers, employees and corporate shareholders on corporate responsibility.

Legal Issues

Religion in the workplace

Action Items

- Link spiritual/emotional concepts such as calling and purpose to work projects and initiatives.
- Look at "becoming more green" programs.
- Offer PTO for community service.

Other Trends

Advance of technology

Increase in government

Unions

Outsourcing

Shrinking of the middle class

Margaret Morford

The HR Edge, Inc.

615-371-8200

mmorford@thehredge.net

www.thehredge.net



Copyright 2012. The HR Edge, Inc. All rights reserved. No duplication.
