



The Labor Shortage

A smart manager's guide to keeping good people

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Even if you did not believe the doom-sayers of the past few years, if you have positions to fill, you know that there was truth in their predictions. In a 2004 study conducted in partnership with the Employment Policy Foundation, consulting firm Watson Wyatt concluded that the labor shortage in the United States could reach 18.1 million workers in 2020. This is due, in part, to the aging population. The Bureau of Labor Statistics estimates that, from 2005 to 2012, the annual growth rate of the 55 and older population will be four times greater than that of the overall workforce.

This labor shortage, while still in its early years, presents several problems for employers, particularly small businesses. We operate on smaller profit margins than huge, multi-national corporations. Our recruiting resources are limited. Many small businesses rely on newspaper ads and the occasional online posting for new hires. Larger employers have the ability to take regular advantage of career fairs, far-flung Web-based advertising and any number of other outreach efforts aimed at getting the best talent available. The other disadvantage that small employers often face is that there are fewer people doing the work. This takes multi-tasking to the highest level. In most dealerships, it is not uncommon for people to occupy double roles; the office manager may double as the HR representative and the CFO may also manage employee benefits.

Staffing Challenges

The fact of the matter is that there do not seem to be enough well-qualified people for the positions. Managers across the country are lamenting their inability to get and keep the best people. Whether you own the dealership or are managing a department, you have undoubtedly felt the effects of the labor shortage firsthand — not enough applicants, little or no loyalty from new employees and perhaps a sense of entitlement from older staff members. These are persistent complaints from managers struggling with the effects of the shortage of competent, committed staff.



It should first be noted that an unfilled position is better than a poorly filled position. It is far wiser to be selective in hiring than to hire the first warm, breathing body you find. The work that it takes to deal with an incompetent, uncooperative or uncommitted employee is more taxing than waiting for the right person. Think about the amount of effort that managers put into bad hires. Not only do these employees create extra work for managers, they also often make life difficult for the rest of the team. Their colleagues are forced to suffer through the pain of working with a person ill-equipped for the job. Team members are called upon to fix and fill-in for these bad hires. In extreme cases, good employees will leave because of the extra burden brought on because they are overworked and underappreciated.

These staffing problems are real and trying for even the most savvy leaders. But they are not insurmountable. John Kuchta, president of Omaha, Neb.-based Solution One, uses a thorough approach to finding the right people. He believes that one bad employee can cost you a customer that you have had for many years. Rather than risk a customer defection, Kuchta uses a well-planned approach to hiring. He makes sure that the message is clear — they will not settle for just a warm body. He has high standards and a tough screening process, but neither

recruitment nor retention are problems for his company. Kuchta attributes this to the fact that his company uses a detailed process on the front-end. His process begins with a screening interview and an assessment. The results are measured against the job description. The subsequent interview is typically three hours long. It allows the candidate to get to know the company and vice versa. Each and every hiring manager is trained for the screening process. Kuchta approves every hire and is active in the recruitment process.

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Catching & Keeping the Right People

Recognizing the fact that there are fewer well-qualified people for jobs in many regions of the country, it is necessary for managers to implement smart recruitment and retention strategies. Reevaluating your approach to getting and keeping good people will enable you to feel less of the pain of the labor shortage. There are five strategies that, when consistently implemented, will enable you to skillfully staff your organization.

Strategy #1: Look where you have never looked before — If you typically hire from the newspaper or the Internet, consider unusual places. This new terrain can include local graduate schools. Masters programs draw mid-career professionals, many of whom may be looking for the next challenge. It is surprising how many people enter graduate programs with the hope of making a career transition. This is the prime location for finding your next managers.

Since the population is aging, it makes sense to hire older people. The “Grey Brigade” comes with experience and a strong work ethic. While you may think that everyone over 60 is looking for a Florida retirement, many within that population are opting to stay in the workforce. We are living longer and healthier lives, so there are fewer reasons to reach for the rocking chair on your 60th birthday. Contact AARP, local senior centers and your local government’s office of aging to seek out seniors.

Strategy #2: Offer seasonal opportunities — If your business experiences predictable peaks, plan to use seasonal employees to fill those positions. Rethink your business model to determine where and how you can use limited-term workers to fill gaps in your current staffing. Consider which projects lend themselves to seasonal workers. Perhaps it is order fulfillment that is consuming too much time. Or, it may be managing major mailings and marketing campaigns. Once you identify projects that lend themselves to seasonal or temporary employees, begin advertising in community newspapers. Yes, the major newspapers in your metropolitan area can yield

leads, but community papers are often read by people looking for part-time and short-term work.

Strategy #3: Flexibility — Keeping your best employees requires flexibility. Each business defines flexibility differently. In some companies it will mean creating flexible work schedules to accommodate the needs of part-time employees. In other organizations, flexibility may be defined as

job sharing between two part-time employees. And yet, in other organizations, flexibility may mean allowing telecommuting for appropriate positions. Ask your employees to find out where you could become more flexible and accommodating.

Flexibility is especially important if you are going to utilize the talents of semi-retired seniors or stay-at-home parents. They have built full lives and will work if the work can meld with their existing commitments. It is important for employers to develop sensitivity to these needs. When employees see that you are willing to work with them, they will work with you. You will engender commitment by being reasonable and responsive.

Strategy #4: Create a welcoming workplace — If you intend to keep solid new and old employees, you must give serious consideration to your organizational culture. Is your workplace one where people want to work? Is your lunchroom bright and pleasant? Do you make small gestures like providing snacks in the break room? Welcoming workplaces are celebratory environments where people are the focus. Birthdays and other significant events should be remembered and acknowledged formally or informally. These are the small things that have big payoffs. When people know that their managers care about them and their lives, they are more willing to invest in the work and the company.

Welcoming workplaces are characterized by open communication that flows up and down. Employees want to be able to voice their suggestions, bright ideas and concerns. Companies that have regular staff meetings where employees have time to question, discuss and share are typically more successful than those that do not. These companies emphasize what is most important — listening and learning from the people who do the work.

Strategy #5: Coach and mentor — Coaching and mentoring are performance management tools that should be used with all employees, new or old. Use these tools with new employees to get them in sync with the work and the workplace. Assign a mentor to new hires to help them learn about the job, the industry and the company. Making people feel welcome extends to providing them with a mentor as soon as they come on board

and using this mentoring system immediately connects new hires to the company. They have an instant support system that they can turn to with questions and concerns. This is a simple retention strategy that keeps human connections growing in the company.

Coaching helps employees, regardless of their tenure with the company, to reach their fullest potential. It cannot be assumed that managers know how to coach — most need to be taught. The DRAW Model is an easy-to-use approach. The first step, “Distinguish & Define,” focuses on creating clarity about the relationship.

In this step, the coach identifies who will be coached and why. Coaching should be used to reinforce positive behavior and correct negative behavior.

In the second step, “Relate & Route,” the employee and his (or her) coaching mentor begin to build bridges with one another. Creating a human connection is vital to successful coaching relationships. The more the coach and the employee can relate to one another, the better the relationship will be.

During the third step, “Address & Assess,” the coach gets to the nuts and bolts of dealing with performance issues. When the coach is using this model to reinforce, this step is used to highlight best practices that the employee can use to continue making great strides. When the coach is using this model to remedy performance problems, the issues must be clearly

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defined and a plan must be created to address them.

The final step, “Work & Weigh,” occurs as the employee works on the plan created in the prior step. The coach is there to support and guide as the employee works on improving performance and productivity.

Coaching and mentoring establish sustainable partnerships. They create a higher level of connectedness that keep people invested in the work and workplace. They also create more opportunities for dialogue throughout the enterprise.

The effects of the labor shortage are becoming evident. There are fewer well-qualified people for the available jobs. We have a large graying population rapidly nearing retirement. These realities make it important for employers to use creative staffing strategies. They must also be focused on retaining talent within the company. These mandates make it essential for leaders to be conscious of culture and environment as they are determinants of employee satisfaction. Wise leaders will put forth the extra effort to create a welcome workplace that attracts and keeps the very best talent. ■

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