

MANAGING GROWTH

Finally! Finally, after too long a wait, the economy is turning around. The measurement indicators suggest that 2004 and 2005 will be increasingly strong, moving us into a boom period for this decade. The big question: how fast—and how strong—will the turnaround be? What will the impact be on human resources?

As a futurist watching workforce trends and the factors that influence them, I forecast the serious possibility of a rapid, fast-growth experience in 2004. We're sitting on a pent-up demand: there's a lot of energy in this economy that's ready to burst forth. If, as we're hearing from economic forecasters, things do pick up quickly, human resource executives will face some difficult challenges.



JOB CREATION

New strength in the economy will generate a higher demand for goods and services. To provide what customers expect, employers will need more people. Human Resources will enter an exciting fast-ride period where jobs are being created more quickly than we have seen for several years.

Now is the time to interview department and/or division heads and learn what jobs they may need to create—and fill—as business picks up. Will these positions be the same or similar to what you

already have on your job list, or will you need to create new job descriptions and specifications? How much can you prepare ahead of time, so you're more ready when you get that phone call insisting that the company needs 10 more people by yesterday? You know that call is coming, don't you?

LABOR POOL

To get ready for the quick demand for high quality employees, now is the time to fill your labor pool. Identify the top talent in your area—or outside your geographic area, but in your industry—so you know who to go after. You might want to make some preliminary calls to see who might be interested when and if you have openings. The key now is to build bench strength—top talent who will be ready, willing, and able to join



you when you need them.

We are familiar with companies that have identified and contacted desirable workers. They have screened them, interviewed them, completed background checks, and even run drug tests and physical examinations. These prospective employees are practically under contract already. The arrangement is that they will be hired, as soon as the company is ready. When the decision is made, the chosen candidates get the call, give their two weeks' notice, and report for work. If a move is involved,

preliminary arrangements have already been made. A phone call puts everything in motion.

Part of your strategy might be to bring back people you laid off as the economy slowed. Have you maintained contact with them, kept up a good relationship? Who is interested in coming back? In what order should they be called? What's the process for bringing them back, and are you ready to engage that process?

EMPLOYEE TURNOVER

During the late 1990s, people were able to change jobs as frequently as they wanted to. There were plenty of opportunities available and a high freedom of movement. Workers became accustomed to this control over their



career destiny. When the economy slowed, the employment market shifted from a sellers' market to a buyers' market. Layoffs and hiring freezes stopped most movement between jobs. People still wanted to move to other employers, but the opportunities weren't available.

Now that the economy is heating up, we are more aware of the pent-up energy around job change. Recent surveys suggest that 30-40 percent of today's employees have already checked out—they're investing more attention in

looking for their next job than they are on fulfilling the responsibilities of their current position. What would happen in your company if 40 percent, 30 percent, or even 20 percent of your people left over the next 6-8 months? Ten percent? If ten percent leave, you can bet that those people will be your best ten percent.

Given these conditions, employee retention will become a key strategy of wise employers. It would be foolish to wait until people start leaving to initiate a strong employee retention program. Start now with an aggressive initiative to re-recruit your people. Form the bonds that will hold the workers you want to keep. Hint: it's not money they're looking for! See <http://www.hermangroup.com/rerecruit.html>.



LABOR SHORTAGE

Complicating the challenge for employers—and right in the laps of human resource professionals—is the most severe shortage of skilled labor ever to face this country. There are several studies about this threat, with shortages ranging up to 10,033,000 by 2010. That's right around the corner. The shortages exist now and will intensify as we move through the decade.

Automation and the application of technology will reduce some of the need for skilled workers, as will sending jobs overseas. These measures will not reduce the need for talent, so expect competition to be very strong. Prepare now to position yourself in the employment marketplace to attract and hold the people you want on your team. Invest the resources necessary to become recognized as an Employer of Choice[®] (see www.employerofchoice.com).

The future is here now. Employers with a sense of urgency about these vital human resource strategies will gain the competitive advantage. Others, who aren't paying attention, may find themselves facing extinction because they don't have the people to meet their customers' expectations.

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