BusinessManagement DAILY

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# Close skills gap with training, pay, planning


It's no secret that America has more workers than jobs. So why is it so hard to fill vacancies at your organization?

*Problem:* Too many of the 12.7 million out-of-work Americans don't have the skills your organization needs, so they're not good candidates. In fact, according to a CareerBuilder poll, nearly one-third of employers can't find qualified candidates to fill their open jobs, up from 24% a year ago. More than half of U.S. employers are having trouble filling mission-critical positions, a ManpowerGroup report notes.

That means more than just unfilled jobs. When companies can't recruit the specific talent they need, innovation and competitiveness suffer. Indeed, the undersupply of qualified talent now tops surveys of what worries CEOs most. (It used to be access to capital.)

It's time to turn around the trend. Here are nine ways organizations are addressing the post-recession skills shortage:

## 1. Hang on to older workers

The coming exodus of baby boomers from the workplace could sap the expertise and experience your organization relies on to keep business humming. Young replacements are unlikely to possess that level of know-how.

***Tip:*** Create opportunities for older workers to pass their knowledge on to less-experienced colleagues. Develop a plan for replacing highly skilled retirees with similarly skilled newcomers. In addition, offer part-time, temporary and consulting positions to older employees who prefer to slow down rather than retire completely.

## 2. Grow a local workforce

Reach out to local schools and community and technical colleges with offers of scholarships, grants, internships, part-time jobs and field trips as a way to interest students in your industry. Consult with local educators about your organization's need for a workforce with better basic reading, writing and math skills. Remind them of the specific technical skills your business needs.

## 3. Analyze your skills gap

You can't match candidates with vacant positions unless you know the required skills. Inventory every job in your organization, whether it's occupied or not. Assess the standard of work you expect from the employee who


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holds the job and the skills needed to reach that standard. Then, don’t hire less.

***Tip:*** In the process, you might find another skills gap: Job incumbents who aren’t making the grade. Be ready to reassign, retrain or even dismiss workers whose skills are a mismatch for their own positions.

## 4. Shake up stale training

If you haven’t yet restored recession-induced cuts to your training budget, it’s time. Use the information you collected during your skills gap analysis to get existing employees up to speed on techniques, trends, new technology and industry benchmarks.

***Tip:*** Base your revamped training program on the specific competencies your organization needs and each employee’s weaknesses.

## 5. Find the talent hidden within

Analyze the skills of existing employees. You might learn that some of them are well qualified for different jobs in your organization and might serve the company—and themselves—better if they switched.

***Tip:*** Consider that the skills needed for one job might transfer to another, more critical position—with a little training. Avoid boxing employees into the jobs they were hired for.

## 6. Consider staffing alternatives

Tap the skills of contractors, temps and local entrepreneurs. Hiring highly skilled help on a per-project or temporary basis could be a better choice than filling vacancies with underqualified full-timers.

*Bonus:* Hiring temporary contract workers allows your organization to staff a project quicker than conducting a full-blown candidate search. It also could mean fewer layoffs if the whole crew isn’t needed once a one-off project winds down.

## 7. Plan ahead for busier times

Recession-weary businesses have taken to hiring when they actually experience demand, not in anticipation of it. Organizations are becoming even more specific about the skills they need; they’re focused on hiring employees with a narrow skill set.

*Result:* That can mean empty desks at a time when employers suddenly realize they need help in a hurry.

***Tip:*** Succession planning—for jobs at all levels, not just at the top—enables HR to predict when highly skilled employees might retire or quit, to encourage them to stay and to scout out a pool of possible replacements (from within and from outside) who would jump at the chance to join your workforce.

A PricewaterhouseCoopers survey reveals that 71% of CEOs wish they could spend more time developing the leadership cadres and talent pipelines of their businesses.

## 8. Pay for performance

Once you bring your highly talented superstars on board, pay them like you mean to keep them. If your organization is hanging on to traditional pay practices—longevity bonuses and across-the-board pay raises—consider transitioning into a model that pays high-performing employees what they believe they are worth. That sends underperformers a clear message, through fewer monetary rewards, that they need to step up or step away.


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## 9. Grab your seat at the table

Make sure HR gets heard during strategic planning. As the struggle for talent becomes acute, more CEOs are integrating HR into strategic business planning and operations, the PwC survey shows. Nearly three-quarters of the top U.S. CEOs in the survey count the chief HR officer as a direct report.


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