Finally Solving the Talent Shortage

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GREGORY & APPEL

INDIANAPOLIS

Your Challenge

Build a sustainable

adaptable

high performing culture

delivering integrity and value

and a shortage of talent in the market

and shifting demographics

Your move!

SHRM CEO Bill Taylor said:

"It's about Speed. Fast food? Not enough – now, we want Sudden Food…"

"Playing it safe is the most dangerous strategy"

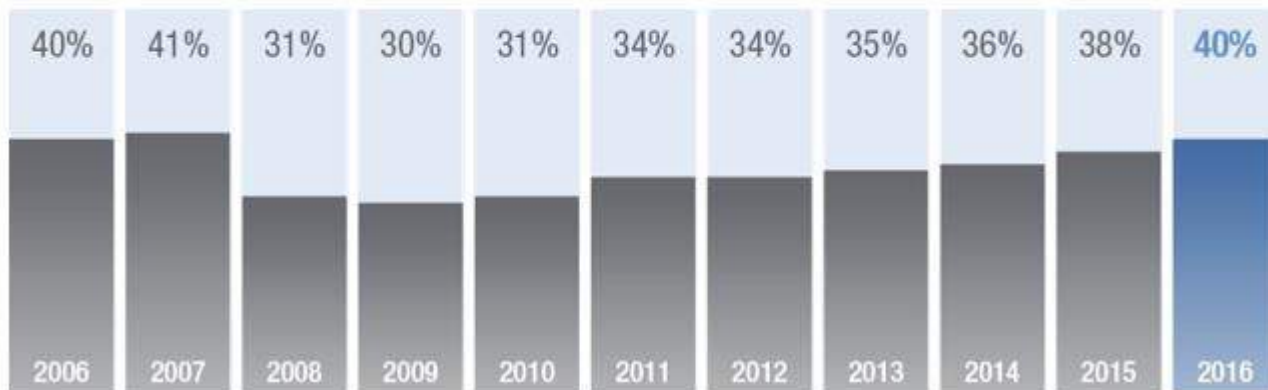*"Hire for attitude, train for specific skills"*

"Don't let what you already know get in the way of innovation"

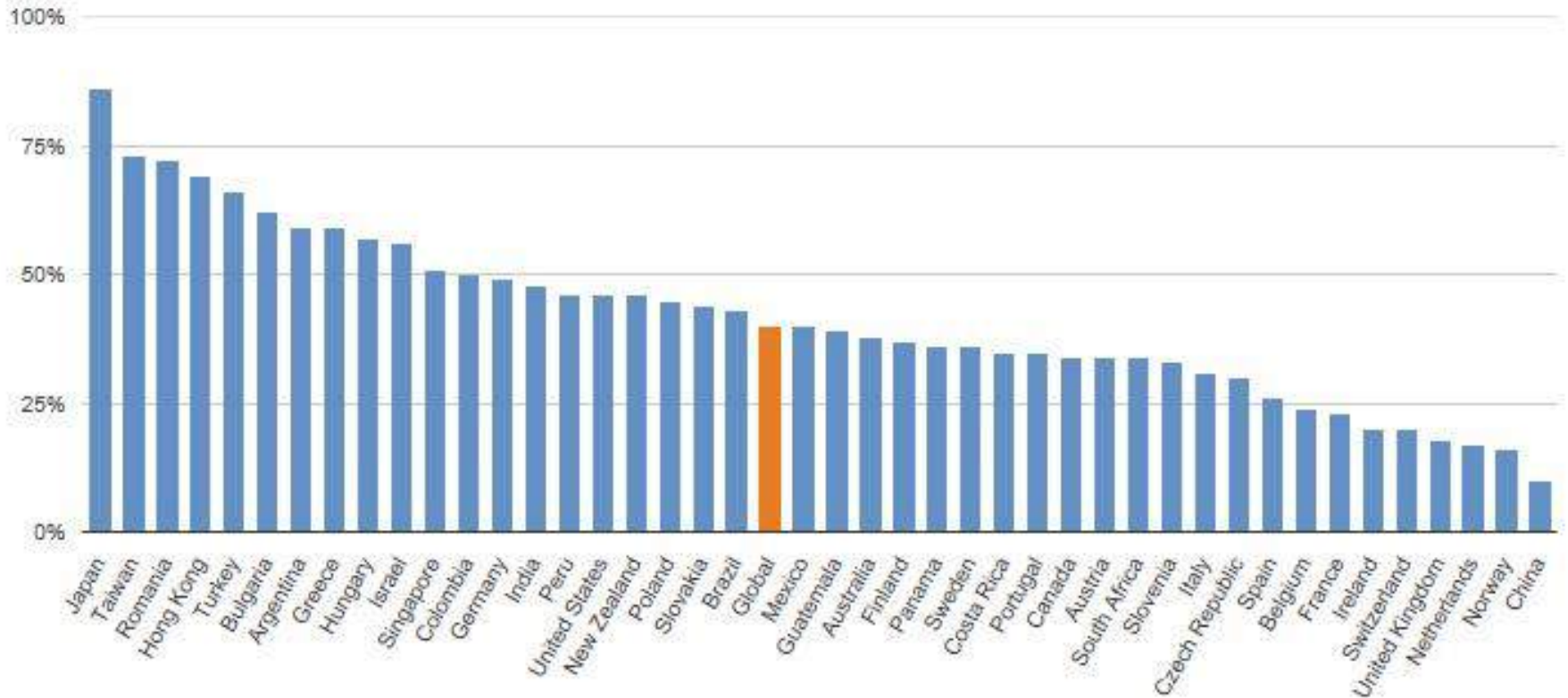Quotes from the SHRM Talent Conference

Not a Worker Shortage – a Talent Shortage

40% of Global Employers Report Talent Shortages

More Employers Than Ever Are Turning to Training & Development to Address Talent Shortages

40%	41%	31%	30%	31%	34%	34%	35%	36%	38%	40%
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

2016 Manpower Talent Shortage Survey

From Japan (high) to China – (low)

2016 Manpower Talent Shortage Survey

Top 5 Tough to Hire Jobs

Global	Americas	Asia Pacific	EMEA
Skilled Trade	Skilled Trade	IT Personnel	Skilled Trade
IT Personnel	Technicians	Sales Reps	Drivers
Sales Reps	Sales Reps	Engineers	Engineers
Engineers	Production	Skilled Trade	Sales Reps
Technicians	Administrative	Accounting	Technicians

2016 Manpower Talent Shortage Survey

What is the result?

43% of North American employers say talent shortages are having a negative impact on their ability to meet client needs.

Consequences include:

- Reduced competitiveness (41%)
- Increased employee turnover (32%)
- Higher compensation costs (32%)
- Reduced employee engagement (32%)

2016 Manpower Talent Shortage Survey

Overlapping problems

How to fix?

- **53%** Offer training and development to existing staff
- **36%** Recruit outside the talent pool
- **28%** Explore alternative sourcing strategies
- **27%** Provide additional perks / benefits to recruits
- **26%** Pay higher salary packages to recruits
- **19%** Outsource the work
- **19%** Change existing work models

Pay is not the top answer – changing your strategy is…

2016 Manpower Talent Shortage Survey

You're not here for last year's ideas

"Best Practices"
are not the answer

Apple Newton?
Palm Pilot?

(crickets…)

Driving while looking in the rear view mirror is not a good strategy

Why bother?

You want to have the right people,
in the right place,
at the right time,
with the right skills
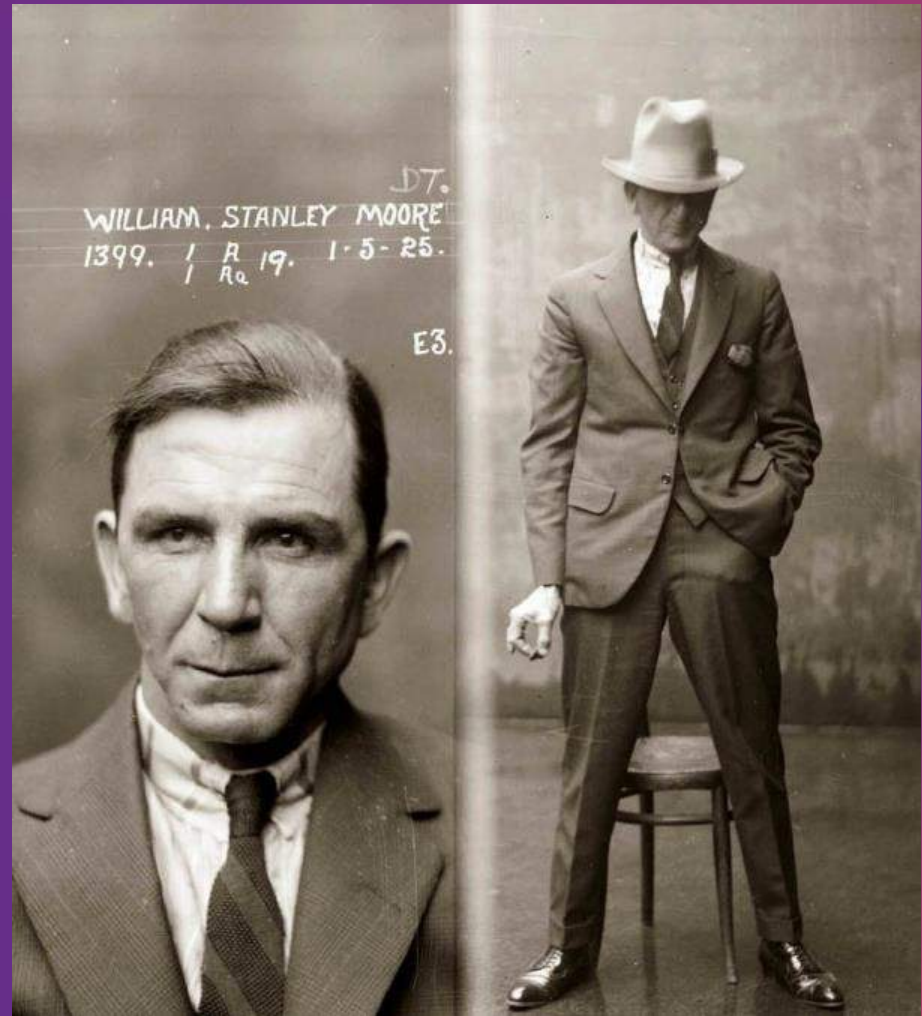
What should you fix first?
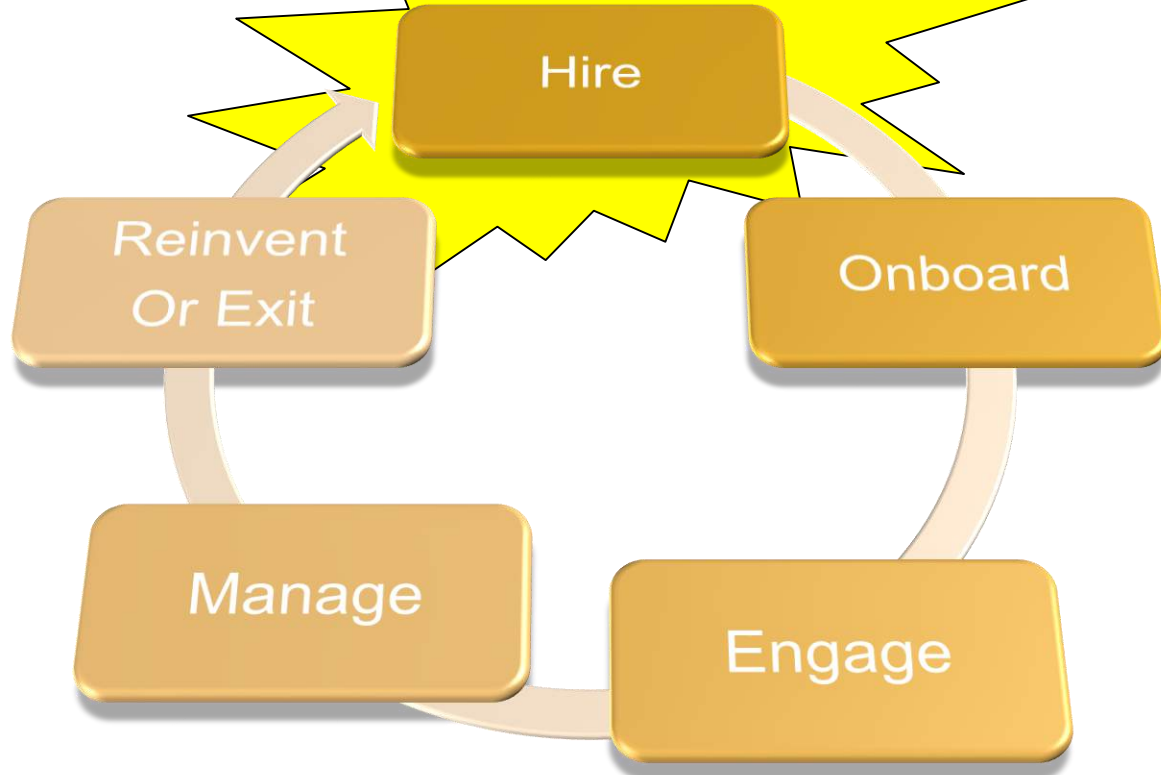
Produce
-20%

**Poor
Producers**

Bottom 16%

Produce
60%

**Average
Producers**

68%

Produce
60%

**Superior
Producers**

Top 16%

Karl Ahlrichs - Karl@expertspeaks.com

Keeping your high performers is the long term answer

Hire average people and your best employees **leave.**

"People want to be a part of a good unit. High quality people see poor quality people, and wait for leaders to find the problem and fix it."

- Colin Powell
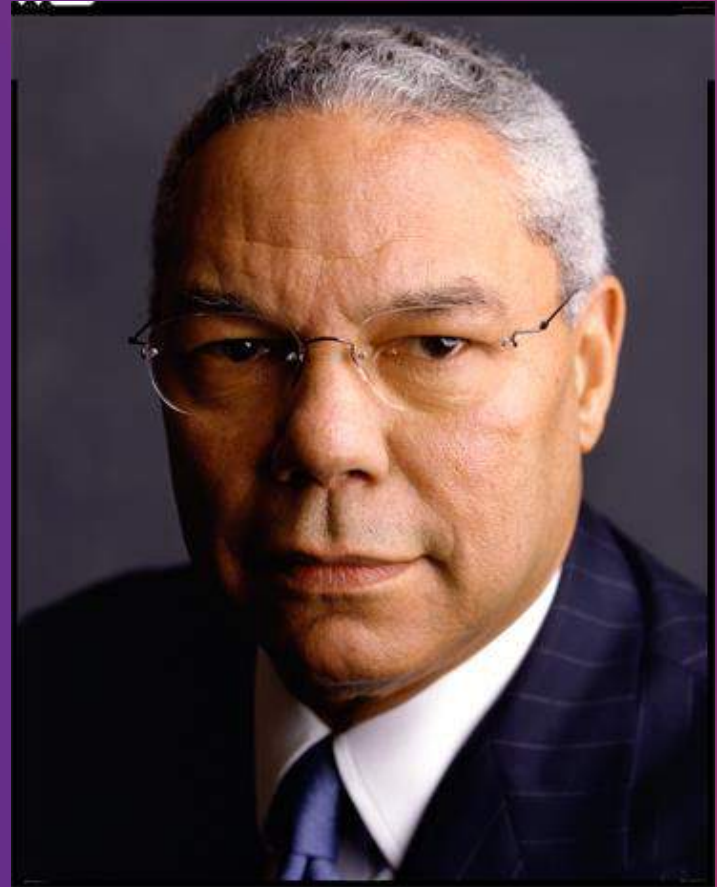
The Law of Limited Opportunities

The **fewer** your opportunities:

The more likely you will have to **compromise**

The more you must make of each **opportunity**

Scarcity can drive desperation

What to do first?

Hire to a higher standard

Figure out who your high performers are

Train first line managers in listening skills

Recalibrate performance management

Constantly train your high performers

Test fast, fail fast, adjust fast

The long-term answer may not be the easiest in the short term.

Hire better - for values and job fit

Onboard quickly, with care

Keep training them

Know your people, listen well

Be fair and consistent

Help them see a career path

Why Behaviors?

Measure what Matters

	WHAT they KNOW	
Résumé	Education	.11
	Training	.13
	Previous Experience	.18

Skills, Knowledge and Experience are important (and they can be taught)

	WHO they ARE	
TalentSorter	Interests	.10
	Interview	.14
	References	.26
	Behavioral Traits and Attitudes	.38
	Critical Thinking and Reasoning	.53

But if the Fit's not right… nothing will make up for that.

Source: Professor Mike Smith, University of Manchester; John E. Hunter & Rhonda Hunter, "Validity and Utility of Alternative Predictors of Job Performance", Psychological Bulletin, Vol. 96, No. 1, p. 90; Robert P. Tett, Douglas N. Jackson and Mitchell Rothstein, "Personality Measures as Predictors of Job Performance: A Meta-Analytical Review", Personnel Psychology, p. 703, Michigan state University's School of Business

The Cornerstones of Performance

Measure what Matters
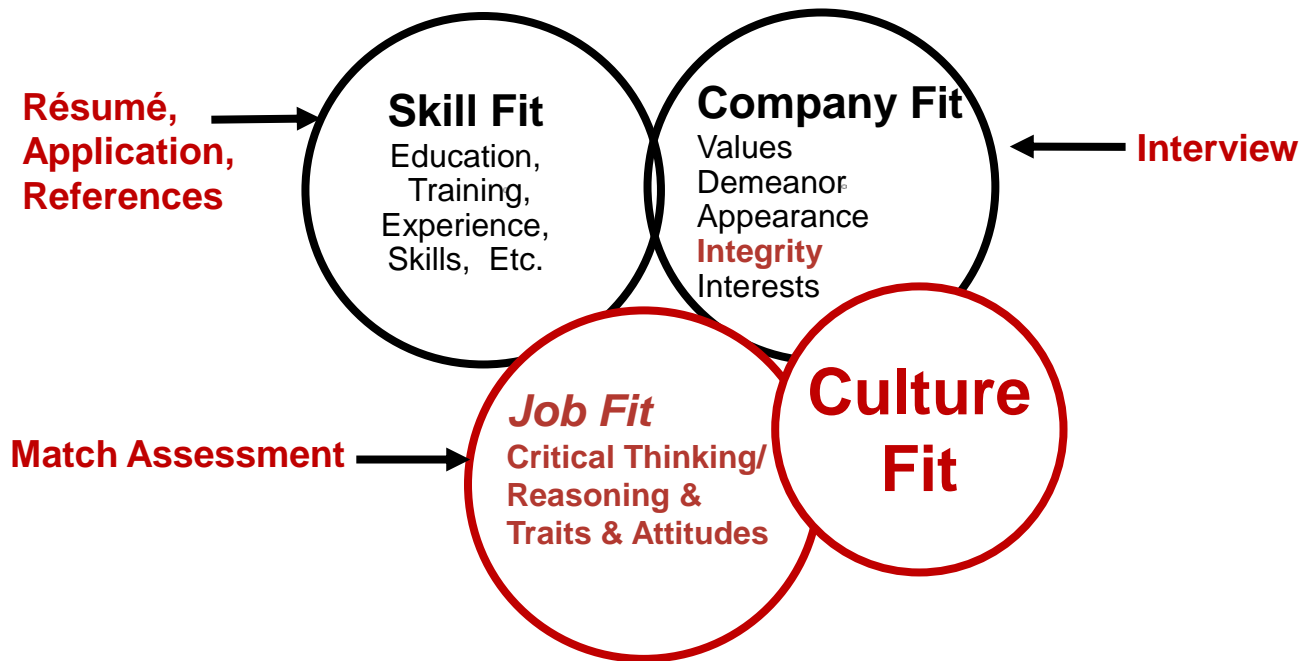
Résumé, Application, References

Skill Fit
Education, Training, Experience, Skills, Etc.

Company Fit
Values
Demeanor
Appearance
Integrity
Interests

Interview

Match Assessment

Job Fit
Critical Thinking/ Reasoning & Traits & Attitudes

Culture Fit

Let's solve the Puzzle

Sourcing

Screening & Hiring

Onboarding

Engaging

Managing

Reinvent or Exit

The long-term answer may not be the easiest in the short term.

Let's solve the Puzzle

Use Agile and LEAN Methods

Now, we must reinvent the hiring process.

We must focus on

Speed

Accuracy

Job Fit

Values Alignment

The long-term answer may not be the easiest in the short term.

Let's improve the process

Standing

Let's improve the process

Walking

* Desk not included

Let's improve the process

Hamster Wheel

Theory	**Waste is Deadly**
Application	1. **Define Value** – act on what is important to the customer 2. **Identify Value Stream** – understand what steps in the process add value 3. **Make it flow** – keep the work moving at all times and eliminate delays 4. **Let customer pull** -- Avoid making more or ordering more inputs for unknown demand 5. **Pursue perfection** -- there is no optimum level of performance
Focus	**Flow Focused**
Assumptions	**Non-Value added steps exit**
Results	**Reduced cycle time**

LEAN
or "Agile"
is the
answer

Disruptive Technology

Hyperlocal Candidate Delivery

Easy to move

Easy to move

Easy to move

Typical Candidate Response Times

2017

24-48
HOURS

2018

2-4
HOURS

The long-term answer may not be the easiest in the short term.

Location is IMPORTANT

Less Turnover

Nearby workers are 50% less likely to churn

Be More Competitive

Short commutes let employees keep more pay.

https://workhere.com/blog/cost-commuting-calculator/

"80% of employees that stay over 5 years live within 2 miles of work."

-- Study of 72 retail stores.

High Speed Engagement

Candidate Identified: Works at mall near distribution center

Clicks on ad in Words with Friends offering better opportunity than mall.

Instant Candidate Chat with WorkHere.

Needs to know if distribution center offers child care.

Profile instantly delivered to recruiter at distribution center

Total time: Minutes, not hours.

Speed of engagement is the new crucial competency

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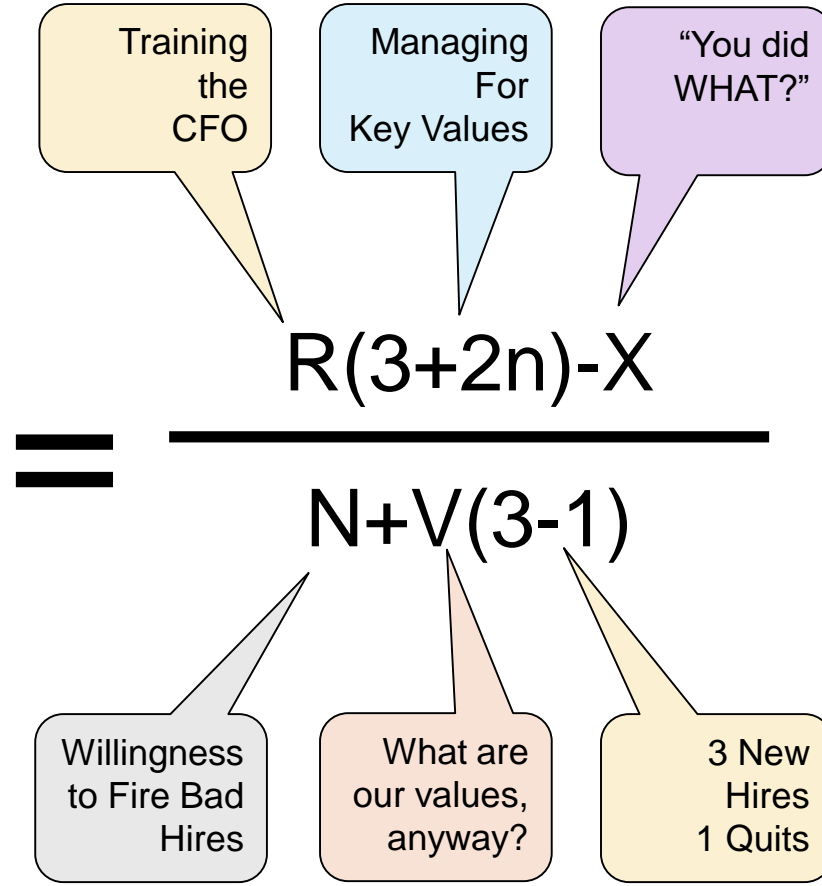The long-term answer may not be the easiest in the short term.
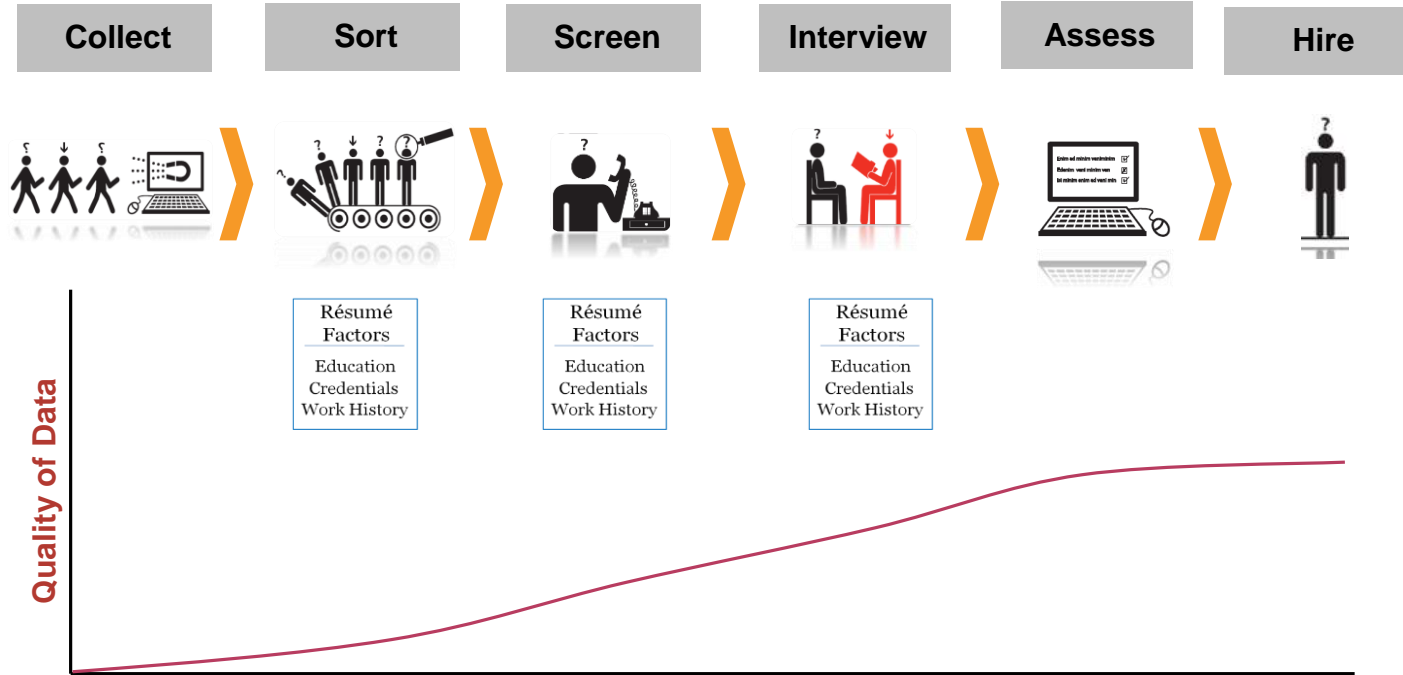
So, How do you select?

$$\text{Conventional Hiring} = \frac{\text{Nobody could be THAT stupid}}{\text{Oh, yes they CAN}}$$

$$\text{Structured Interviewing} = \frac{\text{Give me an example}}{\text{Just make some \%\#@* up}}$$

The Historical Process

| Collect | Sort | Screen | Interview | Assess | Hire |

Résumé Factors: Education, Credentials, Work History

Quality of Data

Slow process combined with low quality data

Hiring results

Candidate information is inconsistent in format and content

Real **knowledge of candidate** is limited

Answers to **important questions come late** in the process - if at all

Difficult to manage the process - little data captured and poor feedback

The long-term answer may not be the easiest in the short term.

Poor Job Fit

Produces low performers

Increases turnover

Distracts the organization

No values alignment

Reduces profitability

Finding the right match is tough
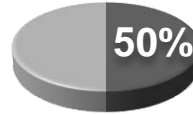
Dissatisfied with the process

Staffing.org

70%
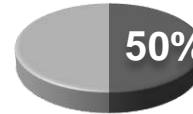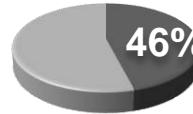Applicants

28%
Hiring Managers

Later regret their decision

The Recruiting Roundtable

50%
Managers and New Hires

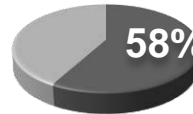New hires leaving their jobs within the first year

eBullpen; Deloitte

46%

50%
Actively seeking or planning

Highest priority hires fail in first 18 months

Michael Watkins

58%

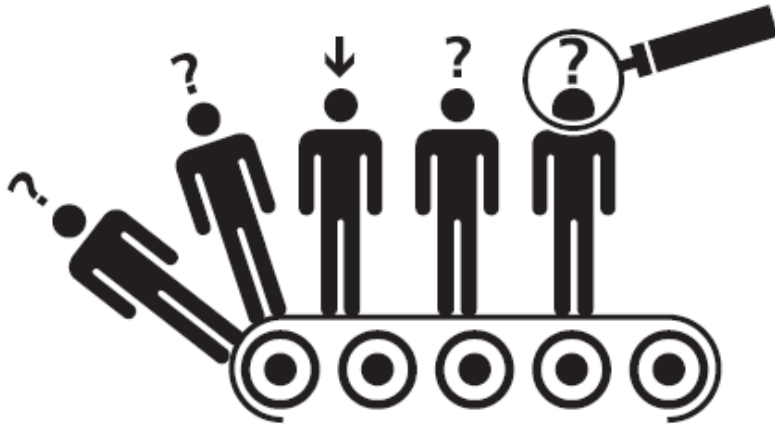Rate the decision a complete success

Leadership IQ

1 in 5 outputs

One inescapable conclusion

We've Been Measuring the Wrong Things…

What we've always measured…

We measure and time the steps in the *process*…

- – Number of Openings
- – Days the Position is Open
- – Number of Candidates
- – Number Interviewed
- – Offer Hit Rate
- – Cost per Hire
- – Turnover
- – Time in Position
- – Time from Interview to Hire

LEAN

or Agile

is the

answer

What should we be Measuring?
Quality

- Quality of **Referral Source**
- Quality of **Candidate**
- Quality of the *Job Fit*
- Quality of the **process** as a predictor of **performance**
- Quality of **proficiency** of the candidate in specific skills
- Quality of the **handoff** to the hiring manager
- Quality of the **overall team**

LEAN
or Agile
is the
answer

What makes a high performing employee?

1.

2.

3.

4.
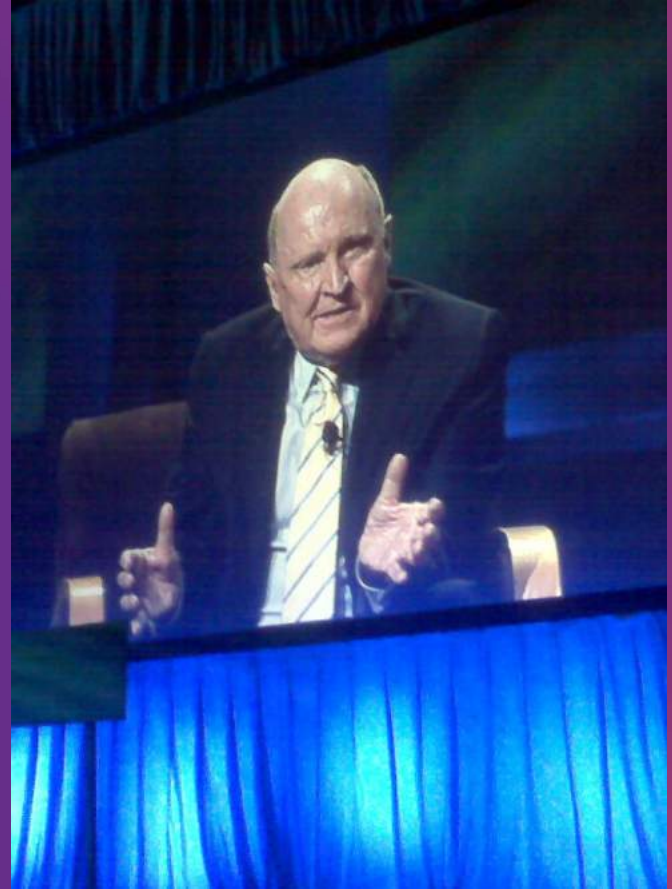
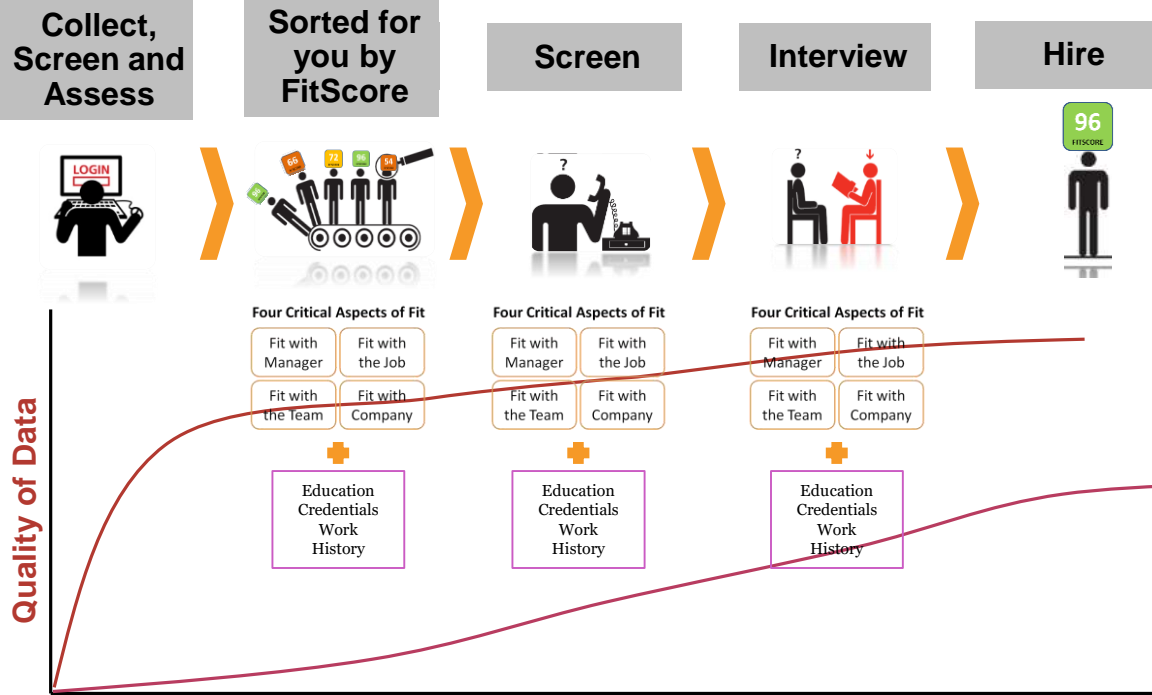Jack Welch, Ex-CEO of GE

Characteristics of Top Performers

- ☑ **Learn quickly and do not get caught up in the wrong details**
- ☑ **Take personal accountability and responsibility for their own actions**
- ☑ **Have a sense of humor that defuses stress and conflict in the workplace**
- ☑ **Fit with the team**

It is not that one list is right and the other is wrong…

they are just different lists

LEAN
or Agile

is the
answer

The FitFirst Process

| Collect, Screen and Assess | Sorted for you by FitScore | Screen | Interview | Hire |

Redesign the process for speed and early data acquisition

Quality of Data

Four Critical Aspects of Fit

| Fit with Manager | Fit with the Job |
| Fit with the Team | Fit with Company |

Education
Credentials
Work
History

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Screen for Fit *early*

Screening for *fit* means learning some new tricks... and focusing on different things

Attitudes, not just experience
Who they are, not just what they know
What they prefer, and what they don't

Position Analysis

Various Reports

@FitFirstTech

My Case Study

Marketing Manager position

Call for Applicants	71	3 wks
Took assessment	63	
Talentsorter gave a top	12	
Phone screen eliminated 3	9	1 wk
Face to face interview	8	1 wk
Final int. - Culture vs. skills	2	1 wk
Culture wins!	**1**	**6 wks**

Let's solve the Puzzle

Sourcing

Screening & Hiring

Onboarding

Engaging

Managing

Reinvent or Exit

Now, you'll have the resources to improve the rest of the employment cycle

New skills needed:

Behavioral Psychology
Strategic planning
Communication

In closing, remember…

Speed of relationship building is the future answer
Hire for values
Use a valid assessment to hire for job fit
Onboard with care
Keep training them
Know your people, listen well
Be a fair and consistent boss
Help them see a career path

Questions?

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