



**“With 10 million jobs expected to be unfilled by 2010, HR leaders are exploring new and different ways to find and develop talent.”**

For years, techies have been in demand--more so before and during the dot-com bubble than after, but the demand is still there. Now, other professions are rapidly joining the club. Pharmacists, accountants, coding and billing clerks, and truck drivers all seem to be in short supply.

Now, too, employers across all industries are realizing the inevitable: While there are plenty of applicants to go around, there aren't enough skilled workers. And the problem is growing worse. To avoid getting caught unprepared for the weak talent crop that's bound to come, some are implementing nontraditional recruitment strategies in hopes of producing a record harvest and staving off the wolves from their corporate front doors.

"This is a very real issue," says Patti Ayars, vice president of HR and corporate communications at Roche Diagnostics, a global provider of diagnostic systems and decision-oriented health information based in Indianapolis. "Don't assume because you're a large employer that you'll be immune to this trend. That's sticking your head in the sand."

The signs are everywhere. According to the Bureau of Labor Statistics, between 2000 and 2010, the civilian workforce is projected to grow from 140,863,000 to 157,721,000 and the number of jobs may increase from 145,594,000 to 167,754,000.

The BLS contends the discrepancy between the number of jobs and the people to fill them--about 10 million--implies that people will hold multiple jobs. But not everyone agrees. Many contend jobs will remain open because there won't be enough people skilled enough to do the work.

Here's why: Occupations requiring a postsecondary education will rise from 29 percent in 2000 to 42 percent in 2010, reports the BLS. However, four-year college graduation rates are dropping. For the first time in United States history, the current generation isn't as educated as the generation that preceded it, says Ed Potter, president of the Washington-based Employment Policy Foundation, which tracks workplace trends and policies.

According to Potter, the problem is so critical it's on the radar screen of the largest 250 companies in the U.S., which employ about 18 percent of American workers.

"Work in the U.S. is increasingly not a function of muscle but a function of exercise in cognitive ability," Potter says. "One-third of our workforce now falls into the management/professional area. In 30 years, they will represent almost 60 percent of all people who work. That's a big change."

The challenge for human resource professionals will be in coming up with new and improved ways to attract this cognitive talent and keep workers happy and committed in the face of intensifying competition and headhunting.

## **Aggressive Tactics**

With 17,000 employees in more than 100 countries, Roche Diagnostics anticipates shortages in the areas of sales, technical service and skilled life sciences. In order for HR to lead the way out of this crisis, Ayars says, her department has transformed itself into a strategic partner and is developing a people plan sound and sophisticated enough to keep its growing ranks of professionals committed and happy.

"Businesses have marketing plans, budgets and sales plans but historically aren't very good at developing what we call a people plan," she says. "It's a complex task that you have to be continually updating and refining because of the changes in the competitive labor market."

The plan focuses on the company's structure and future direction and identifies industry trends, implications for business units, skill gaps and out-of-the-box recruitment strategies.

One such strategy has been in Roche's diabetes-care business. Over recent years, there has been an increasing market shift toward selling products like blood glucose monitors directly to consumers. To adjust to the trend, Roche altered its organizational structure by allocating more people and resources to its consumer business and reducing head counts elsewhere.

With easy access to global labor markets, the company is also considering a global hiring strategy that will incorporate creative approaches into that market and deliver more consistent messages to potential candidates.

One technique already in place is the e-mailing of press releases to job applicants ranging from announcements about company awards to releases on new products. Whatever the vehicle, the company's message--aimed at a younger, more sophisticated pool of potential employees--is that it will remain a world leader in diagnostics through product innovation.

Still, Roche's best recruiting force is its own employees. "We're building our employees as ambassadors and are really working on having them understand more about who the company is and the kinds of needs we have," says Ayars.

So far, promotional materials that help explain the company's numerous business functions and lab products have been distributed to staff. Other ideas are also being discussed, such as bumping up its \$2,500 referral bonus by 50 percent for 30 days for hard-to-fill jobs.

Roche is not alone in trying to fine-tune a people plan before the drought ensues. Despite the fact that 8.2 million Americans are currently unemployed, many companies are feeling the talent squeeze. At Freddie Mac, which has about 4,200 employees, shortages already exist in the technical area, but are also expected in finance, accounting and risk management, says Mike Hager, senior vice president of HR at the McLean, Va.-based mortgage company.

Instead of creating new recruitment tactics, Freddie Mac, which purchases mortgages from lenders for approximately one out of every six U.S. households, simply turned its energies in-house. Nearly two years ago, it hired 20 recent college graduates to attend a three-month training program that would convert them into techies. The twist here, however, was that none of the participants had majored in technology. Each had earned a liberal arts degree. Few knew much more than basic computer-program operations. Yet they were all part of the company's mission: to grow its own talent.

"We created the curriculum, infrastructure and capital to take these students with no or very little IT training through a very intensive program," says Hager. "We can retool those students to create an ideal entry-level IS professional."

To qualify, people had to pass a basic assessment test and possess strong communication, organizational and project management skills. During training, they received full benefits and their salary was equivalent to that of an entry-level IT employee, such as a coder or Web-development programmer. After the course ended, all 20 trainees were offered IT jobs and are still on board today.

A second class is scheduled this coming fall. If the company's predictions about shortages in other professions materialize, Hager plans on using the template from the liberal arts program to create other courses.

"We're positioned to deal with what the market supplies us by way of talent," Hager says. "We're taking that balanced approach of a liberal arts education, then intensifying the kinds of skills and acumen needed to go into other functional areas."

## **Build It, They Will Come**

These days, HR departments must build inventory ahead of demand. Their new mantra: Develop talent communities.

Many CEOs are asking their vice presidents of HR to carry this out, says Hank Stringer, president and founder of Hire.com in Austin, Texas, which provides talent management solutions.

The process involves gathering the e-mail addresses of applicants and passive job-seekers, then communicating with them on a consistent basis.

"Companies are inviting people to join their talent communities through [e-mail] messaging and allowing them to be in control," Stringer says. "You don't have to have their name, phone number and address. That's the antithesis of recruiting."

Most companies only capture up to 2 percent of visitors to their Web-site career pages. They typically request a name, phone number and resume. Big mistake. Anonymity is key since skilled people are often employed and reluctant to submit their name and contact information. Stringer says offering anonymity gives job candidates control, which explains why many of his clients collect the profiles of more than 20 percent of Web-site visitors. Half are submitted anonymously.

"The best thing vice presidents of HR can do right now is understand that their position is about to become the most strategic and important position in the company," Stringer says. "The companies that are preparing for the future will even suggest to [job candidates] that they use free e-mail addresses so they can protect their anonymity."

Several years ago, Electronic Arts began building its proprietary talent community, which consists of more than 20,000 members, says Rusty Rueff, executive vice president of human resources at the interactive entertainment company in Redwood City, Calif.

Positions requiring leadership, creativity and team management skills are the hardest to fill. Still, he says, recruiting is about making a contact early, establishing a relationship and keeping it alive so that when someone wants to make a job or career change, EA immediately comes to mind.

On the back of its games manuals, the company, which has 4,000 employees worldwide, publishes the online address for its recruitment page, EA Recruiter, so people can apply for jobs, profile themselves or

remain in a holding pattern until their dream job is posted. Likewise, its education site, EA Academy, invites students to submit their profiles and ask questions such as what types of courses will help prepare them to work there.

Nearly three years ago, the company began sending quarterly messages to members in its talent community, updating them on the company and its latest game releases. Rueff says consistent contact is critical because each member is a potential job candidate, recruiter and consumer rolled into one.

But the economy has since softened and EA's last quarterly e-mail produced thousands of responses from more urgent job-seekers. "What I wasn't prepared for was that the attitude of the talent community changed," he says, adding that his company received 40,000 resumes last year. "It went from, 'I'm passively interested in you as a company' to an attitude of desperation."

Nevertheless, with the help of his staff, Rueff responded to each message received. In the end, he says, employers who don't care about applicants as people will lose.

While talent communities are in their infancy stages, they clearly produce financial benefits. Consider New York-based Reuters America Inc., global providers of financial information, news and technology solutions. Its per-hire expenditures were slashed in 2002 by 47 percent, says Monica Albano, executive vice president of HR for the Americas at Reuters, which employs about 5,500 people in North and South America.

"Worldwide, we saved in excess of \$1.5 million," she says, explaining that talent communities reduced the need for employment agencies. "We're able to attract the best available talent, be quite specific about the data we retain on people and utilize that data as openings become available."

Recruitment at Reuters is anything but cookie-cutter. Each department pursues its own talent, she says. For example, the company's business technology group actively promotes its college internships and often extends job offers before students graduate. Employees also participate in a variety of programs, from Junior Achievement to Ground Hog Shadow Day, where high-school students shadow employees for the day.

Recently, Reuters recognized a growing need for leaders and began introducing a series of management courses that include succession planning and executive coaching.

With only 65 job vacancies and a low employee turnover rate--less than 4 percent--Albano says Reuters will continue interviewing candidates in order to build a ready contingency of talent. "You don't want to compromise on talent when it comes to people," Albano says. "We'll have our bullpen ready when markets open up."

## **Reality Check**

Some blame the predicted labor shortage on a mismatch between company needs and the way schools are preparing people for work.

"Organizations need to be talking with schools and colleges to ensure that the curriculum is actually what's relevant in their marketplace," says Ian Grundy, senior vice president of sales, marketing and business development at Adecco, a global staffing organization in New York. "We ask companies to identify their future needs because without training and identifying those [skills] now, they won't achieve future objectives."

A perfect example is Baptist Health Care, which employs 5,400 people in five hospitals in Florida and Alabama.

Years ago, the organization helped health-academy programs at local high schools develop curricula; now it introduces students to health-care careers, says Pam Billbrey, senior vice president of corporate development at the Pensacola, Fla.-based organization. Staff members also mentor students by calling them on the phone periodically to answer questions and discuss their classes and grades.

Nearly 40 high-school students have also participated in Baptist's Volunteer, the company's summer volunteer program. More than 40 clinical staff members supervise students who perform a variety of activities such as delivering newspapers to patients or helping nurses input clinical data into computers. In exchange, she says, the students receive service credit hours that can be traded in for partial scholarships to any state university in Florida.

"The staff love it and get so enthusiastic about working with kids," she says, adding that the program's administrators interact with high-school and middle-school students.

Discussions are also under way about developing a summer health-care institute, which would introduce high-school students to health-care careers and provide hands-on experiences.

Meanwhile, the organization has its own hands full dealing with the nursing shortage. It recently created a nurse re-entry program that invites RNs--such as those who resigned to raise a family--back to work with modified responsibilities. They complete paperwork, such as charting, so that other nurses can spend more time interacting with patients.

Over the last six months, two nurses returned to work under this program.

***Regardless of the industry, businesses must educate schools about the skills they need in order to survive, says Roger E. Herman, CEO of The Herman Group, a consulting futurist organization in Greensboro, N.C., and co-author of Impending Crisis: Too Many Jobs, Too Few People.***

***But predicting what those skills will be is a tough challenge, he says, explaining that the skills needed today are far different than what was required five years ago. As a result, he sees America's employment picture drastically changing.***

***Workers will be older and more diverse, he says. The number of subcontractors will soar as well as the amount of work outsourced to foreign countries. More workers than ever will be managed by temporary employment agencies. Rampant job-hopping will occur, making the 1990s seem like a trial run and forcing many companies out of business.***

***Herman notes that the role of human resource leaders will forever change. They'll be on equal footing with the chief financial officer, reporting to the chief executive officer and boards of directors, he says.***

***"A lot of people will certainly look at this as doom and gloom, but we look at it as a change in the way we're doing business," Herman says. "For those companies that get it, they'll be in wonderful shape. The doom and gloom will be for those who continue to keep their heads in the sand."***