

Companies turn blind eye to coming labor shortage

by Michael Kinsman

When it comes to the labor supply, it is often difficult for companies to face up to reality.

Economists almost seem like they are crying "FIRE!" in a crowded movie theater when they suggest that the competition for workers is heating up. Everyone hears what they say, and then they go back to work as if they never heard.

It's about time employers heard these "FIRE!" calls.

The U.S. Bureau of Labor Statistics estimates that there will be shortfall of 5 million to 10 million workers in the U.S. work force by 2010. That figure could grow dramatically if baby boomers - the first of whom turned 60 last year - start to retire before reaching age 65.

A new survey shows that 73 percent of employers say the competition for talent has increased over the past year and 79 percent expect it to get more frenzied in 2007.

"Candidates are in a very powerful position - organizations need to think about hiring as a competitive practice if they want to attract the best people," says Scott Erker, senior vice president of Development Dimensions International that did the survey with Monster.

"Right now, there is a significant gap between what candidates want and what employers think they want. That's dangerous for organizations because many don't understand the motivations of the candidate sitting right in front of them."

The survey also revealed that 51 percent of hiring managers say they are finding fewer qualified candidates today than two years ago. In addition, it says one-third of candidates in their jobs for six months or less are already in the market for a new job.

There's not denying that the highly skilled workers are in demand, and have been so for some time. But now this strain is becoming evident even at the lower levels of companies, where employers have a difficult time finding entry level workers.

It should become the No. 1 priority of every company to evaluate its work force and future needs. They should understand and appreciate the value of workers they have and make sure they are recruiting people who will fit in for the long haul, not just for a year or two.

Some companies already get it.

Sharp Healthcare in San Diego recognized the nationwide shortage of nurses, a couple of years ago and instituted an in-house registry for nurses, clerical help, information technology workers and others in its 13,000 member work force.

The idea of the registry is to build flexibility in the work lives of Sharp employees. Workers are allowed to bid on the work schedules they find most compatible with their lifestyles and personal needs.

That allows workers who wanted to work part-time to remain as employees. Or if they want to work three weeks a month and take off the fourth week, they are accommodated.

"The bulk of the health care work force is in nursing, and everyone knows there is shortage of nurses," said Sharp senior recruiter Joyce Stewart. "So we began to look at ways we could make the job more attractive and keep people from leaving."

Sharp's experiment might seem minor. But just think about how about that the next time your company needs to replace an employee who left because they needed a more flexible work schedule, or wanted to take two months off and your company wouldn't allow it.

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