



**BETTER WORKPLACES
BETTER WORLD™**

Smart HR Strategies to Address Today's Serious Skills Gap



Agenda

- 1 The skills gap
- 2 Why it matters
- 3 HR's role
- 4 Five HR strategies to address the skills gap
- 5 SHRM support resources

The *skills gap* is the difference between the skills available in the workforce and the skills needed by employers

Paradox: 6.3 million US workers are unemployed but 7 million jobs remain open because of the skills gap and other factors





Quantifying the Skills Gap



39,195 employers

A survey of these employers representing 43 different countries found the *most acute talent shortage since 2006*



45%

Number of employers who cited an **inability to find the skills they need in candidates**—*the highest in over a decade.*



46%

Number of U.S. employers who reported difficulties filling jobs due to lack of available skilled talent, **a significant rise from 32% in 2015**

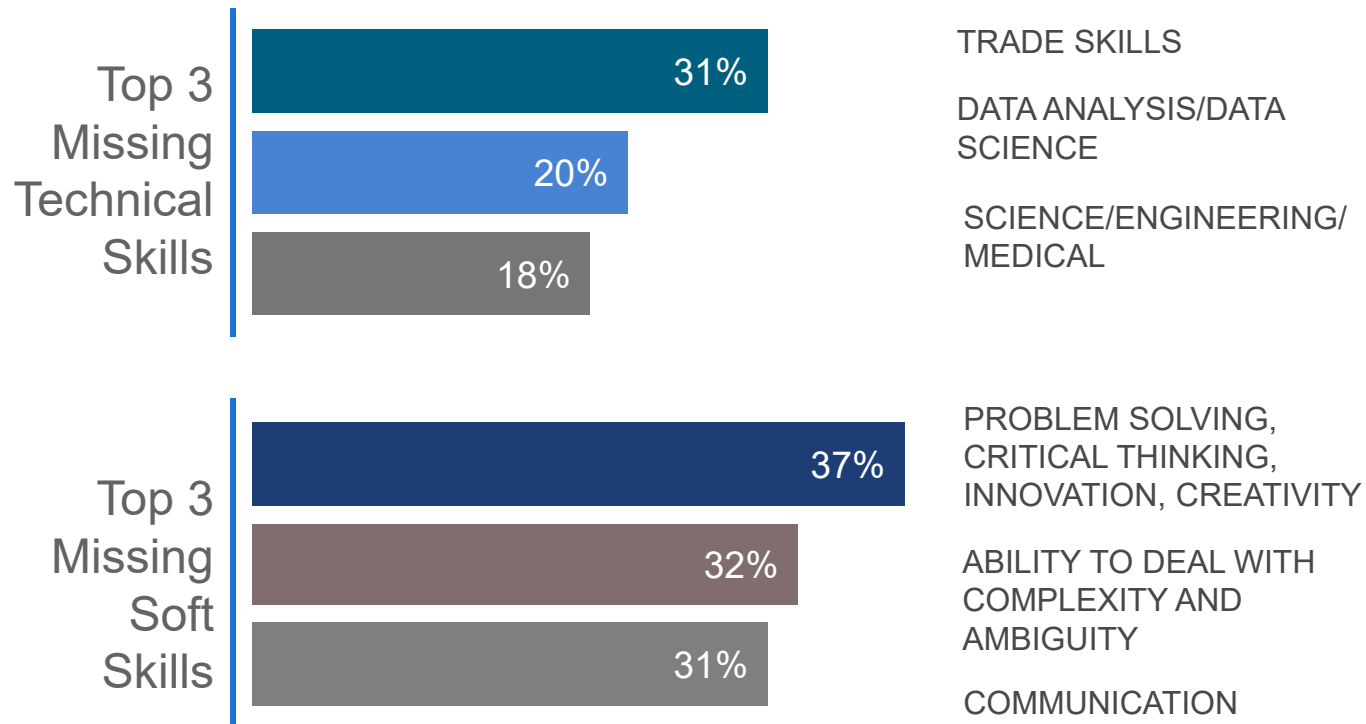
2018 Manpower Talent Shortage Survey

© 2019 SHRM. All Rights Reserved

BETTER WORKPLACES
BETTER WORLD™



Among HR professionals polled, 75% of those having difficulty recruiting say there is a skills shortage – specifically technical skills.





Education & the Skills Gap



500,000+ students representing 60 countries took exam to test ability in science, math, and reading

The US falls below international average in math

The US rankings in reading (#15) and science (#18) were above average

2015 Program for International Student Assessment
Exam Results

© 2019 SHRM. All Rights Reserved

BETTER WORKPLACES
BETTER WORLD™



Education and the Skills Gap

The number of US jobs requiring some postsecondary education is expected to reach a new high of **65% by 2020**

In 2020, the US will face shortages of **3 million** workers with associate's degrees or higher and **5 million** workers with technical certificates and credentials



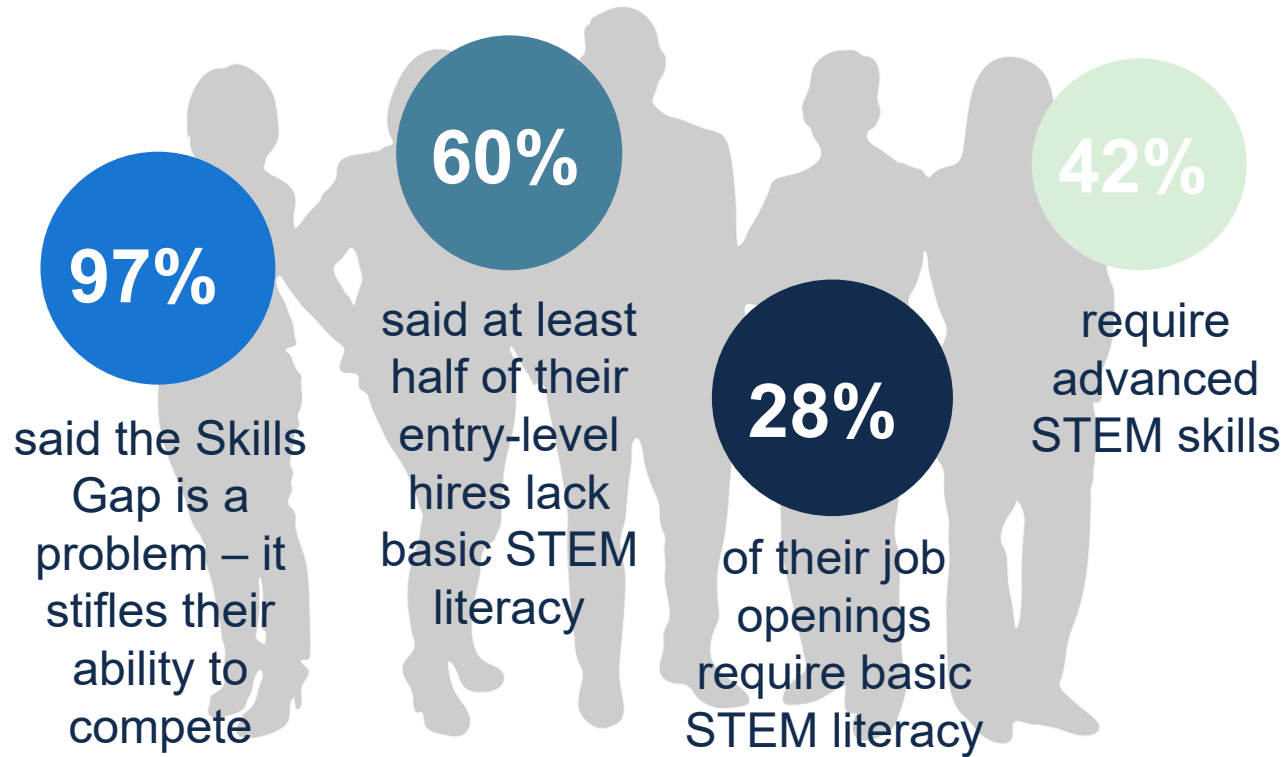
Georgetown Center on Education & Workforce

Understanding *Why* the Skills Gap Matters





Why does it matter?



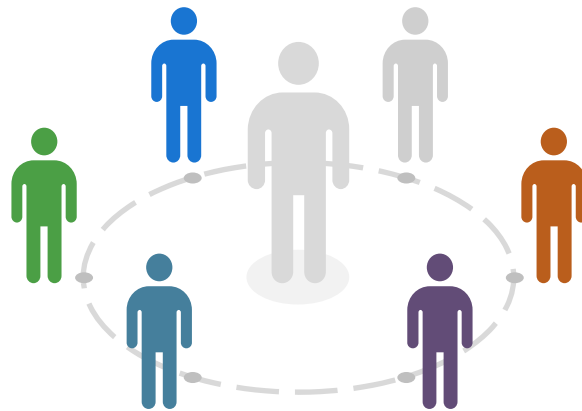
2016 Business Roundtable STEM Survey

© 2019 SHRM. All Rights Reserved

BETTER WORKPLACES
BETTER WORLD™



Adecco 2016 Skills Gap Survey



92% of executives think American workers aren't as skilled as they need to be

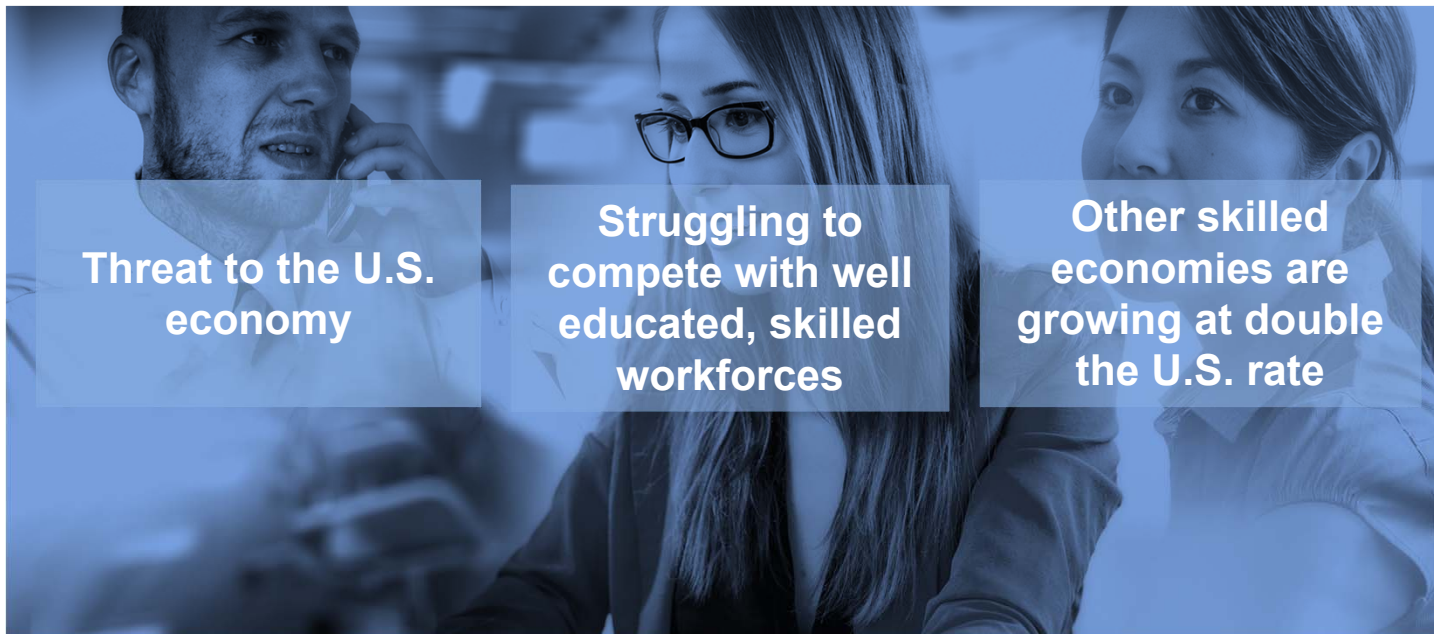
45% "missing out on growth opportunities"

34% "product development is suffering"

30% "hurting company profits"



Why it Matters: U.S. Global Competitiveness





A Defining Business Challenge of Our Time



The skills gap is a ticking economic time bomb



Potential for disastrous consequences for the U.S. if we're unable to improve our workforce



An issue that HR professionals will be called upon to help solve

HR's Role in Reducing the Skills Gap





The Critical Role of HR

Play a key leadership role
in closing the skills gap

Connect businesses that
need skilled workers with the
people looking for jobs

Develop strategies and
tools to help prepare
workers for the jobs of
today and tomorrow





The Leadership Role of HR



© 2019 SHRM. All Rights Reserved

BETTER WORKPLACES
BETTER WORLD™



HR Strategies



1. Establish Partnerships
2. Create a Culture of Learning
3. Develop Apprenticeship Programs
4. Retain Older Workers
5. Recruit from Outside Traditional Talent Pools

HR Strategy 1:

Establish Partnerships





Establish Partnerships: Workforce Development Boards

What is a Workforce Development Board (WDB)?

Consist of a network of federal, state, and local offices that direct local funding to workforce development programs

Oversee American Job Centers, where job seekers go to receive employment information and workforce development opportunities



Serve as connectors between US Labor Department and 3,000+ local Job Centers that deliver services to workers and employers



Establish Partnerships: Educational Institutions

Promote various types of educational partnerships:

- Training Programs
- Apprenticeships
- Internships
- Curriculum Collaboration
- Joint Seminars
- Tuition Discounts



AZ SHRM - Junior Achievement University of Phoenix

In 2009, the three partners began developing a workforce readiness curriculum high school students.

1,100+ students annually are completing this unique workforce readiness program in various Arizona high schools.

They are gaining the knowledge and skills to make them attractive future job candidates.



© 2019 SHRM. All Rights Reserved

BETTER WORKPLACES
BETTER WORLD™



Establish Partnerships: Educational Institutions

SHRM announced a partnership with Junior Achievement (JA) USA in mid-2016

JA promotes workforce readiness in schools across America

Now that we have partnered at the national level, we can better coordinate our efforts and offer support resources

Contact SHRM Field Services Director, Nancy Conway
at nancy.conway@shrm.org for further details

HR Strategy 2: Create a Culture of Learning





Create a Culture of Learning: Professional Development Training

Benefits of Training vs. Recruiting Externally



Cost
Effective



Train and
Retain



Boost Morale
& Productivity



Create a Culture of Learning: Non-Traditional Programs



Utilize technology to hold attention & motivate employees



Offer on-demand, accessible, interactive content



Provide real-life learning opportunities and exposure

HR Strategy 3: Develop Apprenticeships





Develop Apprenticeships



Traditionally used in manufacturing

Typically 3-6 years to reach a certified level of competence



A tool to train new employees on-the-job & in the classroom

Staple of educational systems across Europe, but not in the U.S.



Support for Apprenticeships



\$175 million

Amount the Department of Labor offered in American Apprenticeship grants to public-private partnerships.

87%

Number of apprentices that are employed after completing apprenticeship programs, with an average starting salary of \$50,000.

466,000+

Number of apprentices employers have hired since January 1, 2017.



Successful Non-Manufacturing Apprenticeships



Hilton Worldwide: Various initiatives to train and develop youth worldwide



Nestle: Project Opportunity

HR Strategy 4:

Retain Older Workers





Retain Your Baby Boomers

Top 5 advantages of older workers vs. young professionals based on poll:





Key Strategies to Retain Boomers



Strategic Workforce Planning



Workplace Flexibility



Wellness Programs



Targeted Training



Knowledge Transfer

HR Strategy 5:

Recruit Outside of Traditional Talent Pools





Recruit from Outside Traditional Talent Pools: Hire Veterans

Highly Educated;
Transferable
Certifications &
Licenses

Good Problem Solvers

Strong Commitment
& Work Ethic

Team Players

Mission-Driven

Cool under pressure,
Flexible & Adaptable

Learn about SHRM's Veterans at Work Certificate Program at shrmfoundation.org/VeteransAtWork

Recruit from Outside Traditional Talent Pools: Ex-offenders



- ✓ Hiring Incentives
- ✓ Employee Reliability
- ✓ Hiring Opportunities
- ✓ Economic Impact
- ✓ Crime Market Disruption



Recruit from Outside Traditional Talent Pools: Disabled Workers

“Employees with disabilities have higher retention rates, so for many businesses, there can be a real cost savings through reduced turnover. Studies show that consumers prefer doing business with companies that employ people with disabilities, so there’s brand value. Research has also found organizations employing people with disabilities have higher morale and employee engagement, which we know drives profitability.”

--Lori B. Golden,
Abilities Strategy Leader
Ernst & Young, LLP

“Gallup and the University of Massachusetts at Boston report that only 34 percent of all developmentally disabled individuals are employed. This is a tremendous waste of energy and talent.”

-Peter Economy
“The Leadership Guy”
Best-Selling Business Author



SHRM Workforce Readiness Resources

- ✓ News Items
- ✓ Useful Links
- ✓ Research Surveys
- ✓ SHRM LINE Monthly Report
- ✓ Webinars
- ✓ Articles: HR Magazine/
Others

www.shrm.org/ResourcesAndTools/hr-topics/talent-acquisition/Pages/Workforce-Readiness-Resource-Page.aspx

SHRM Foundation Support Resources

- ✓ Foundation Talent Acquisition EPG
- ✓ Veteran Guidebook
- ✓ SHRM Foundation Aging Workforce Resources Site
- ✓ Foundation-EIU Report on the Changing Workforce
- ✓ Foundation-EIU article: Strategies to Combat Skills Shortages
- ✓ Foundation-Randstad Report on the Future of Work

SHRM SPECIALTY CREDENTIALS

Declare your specialty and stand out from your peers.



PROVE

that you're a strategic talent acquisition partner.



USE

people-related data to impact business decisions.



DECLARE

your specialty California HR Law.



DEMONSTRATE

your individual impact on your organization by elevating HR.



DISTINGUISH

yourself by demonstrating your comprehensive workplace immigration knowledge.



EXHIBIT

your ability to influence, drive and sustain an inclusive workplace culture.

shrm.org/specialtycredentials

THANK YOU
Questions?

Delight.Deloney@shrm.org
More at SHRM.org

(Please note that these slides are copyrighted material and may only be distributed to an audience at a SHRM speaker presentation. Further distribution is not allowed, except with permission by SHRM.)