

The Great (Un) Employment Paradox

Great news ... the U.S. economy continues to improve and many American companies are bringing work back to the USA from offshore locations. The result is that the country has added 858,000 jobs between December 2011 and March 2012. Despite this good news, the level of jobs added in March came in at just under half of the previous three-month average.

Why the March slowdown? One possible cause is cited in stories that have been repeated over and over in the past year. Simply put, employers cannot find new employees who possess the skill sets they need. In fact, with a quick Internet search, I was able to locate more than 20 print and broadcast media reports from the past six months exploring the paradox of high unemployment rates and the shortage of qualified workers.

In an October 2011 survey of more than 1,100 manufacturing company executives conducted by Deloitte and The Manufacturing Institute, respondents indicated that five percent of manufacturing jobs remain unfilled due to a shortage of qualified applicants. That's 600,000 "missing" skilled workers that are direly needed by the U.S. manufacturing industry. That same survey revealed that 67 percent of the companies have a moderate to severe shortage of qualified applicants, while 56 percent expect that shortage to get worse over the next few years.

That future expectation is undoubtedly tied to the anticipated wave of soon-to- retire baby-boomers who currently hold a majority of the skilled worker positions, as well as the fact that many educational institutions in the country have all but eliminated education focused on the skilled trades. This was cited in a recent CNN Money article where one official of a national organization indicated that enrollment in technical schools has been down for a long time. Also, in an article in The Huffington Post, Mark Tomlinson, executive director and general manager of The Society of Manufacturing Engineers, sees the skilled worker shortage as an iceberg looming on an uneasy sea. "We're just approaching it; we haven't hit it yet but we know it's there," he says. "People are starting to see it."

A popular and longstanding recruiting paradigm is that a company can simply hire the talent it needs by "stealing" employees from another business. However, as the pool of individuals with the skill sets your company needs to succeed continues to shrink, that strategy becomes less and less effective. In fact, it brings to mind the popular adage that infers the definition of insanity is doing the same thing over and over again but expecting different results.

So with the overall supply of talent on the decline, are you a business manager wondering what to do now to eliminate your company's talent shortages tomorrow? If so, start to embrace what I call The New Recruiting Paradigm. Interestingly enough, The New Recruiting Paradigm involves less recruiting effort, not more.

Start with a review of the employees who have been working at your company for months or years. Determine which ones have demonstrated a strong work ethic, are dedicated to the company and are ready to take the next step in their career paths. Then take those best performing, lesser-skilled

employees and develop them into the highly skilled employees your business needs to grow and prosper.

You can do this by partnering with one or more of the many local employee development organizations. They include the College of the Canyons Center for Applied Competitive Technologies (CACT), the COC Employee Training Institute (ETI) and the college's various career technical education departments.

As an added benefit, once you have filled the skilled positions with your newly trained and reenergized employees, you can backfill their vacated positions with external recruiting. Since recruiting for lesser-skilled positions will be easier and quicker, you keep your overall staffing level at the proper level to efficiently manage your business and spend less time, effort and money on your overall recruiting process. You can even partner with the Santa Clarita WorkSource Center for free recruiting assistance and possibly garner up to \$37,440 worth of tax credits for each qualified hire made under the City of Santa Clarita's Enterprise Zone program.

So, embrace The New Recruiting Paradigm and develop existing employees while lowering your overall company costs. Your company will earn a reputation as being a place where employees can grow and prosper along with the company and your employee recruiting and retention will become easier than ever before.

Joe Klocko is the Director of the Center for Applied Competitive Technologies (CACT) hosted by College of the Canyons. Mr. Klocko's column reflects his own views and not necessarily those of The Signal. For more information about how the college's CACT and Employee Training Institute can help your business, please call (661) 362-3112, e-mail cact@canyons.edu or visit www.canyonsecondev.org.